# Unisys

# EmpowHR Project

# Risk Management Plan

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**Version 1.0**

# Revision History

| Version | Date | Author | Summary of Changes |
|---|---|---|---|
| 0.1 | 13-Aug-08 | Ajay Kochhar | Initial Draft |
| 0.2 | 31-Mar-08 | Ajay Kochhar | Updated based on David Jacobs comments |
| 1.0 | 22-Apr-08 | Ajay Kochhar | Final Document |

# Table of Contents

# 1. Introduction

## 1.1 Purpose

The Risk Management Plan describes how risk management for EmpowHR will be performed for the upgrade to version 9.0 and during future releases. It also includes all Risk Management activities and identifies the responsible people for performing these activities.

## 1.2 Scope

The Risk Management Plan addresses the process and the risks identified for EmpowHR.

## 1.3 Definitions and Acronyms

The following are some of the basic definitions for activities and components of this Risk Management Plan.  This is not intended to be an inclusive list of terms and conditions and may be expanded throughout the life of the Program.

**Risk Management** is a discipline that attempts to identify and control future events that may have adverse affects on the cost, schedule, or quality of a project.  Risk management provides processes, methods, and tools to manage risks.  It provides a disciplined environment for proactive decision-making to accomplish the following goals:

- Continuously assess potential risks
- Prioritize risks
- Develop and implement mitigation strategies for addressing risks
- Continually improve the risk management process

**Risk** is a measure of the inability to achieve the project's overall objectives within defined cost, schedule, and performance / operational constraints and has two components: (1) the probability of failing to achieve a particular outcome and (2) the consequences/impacts of failing to achieve that outcome.

There are two components of a risk as follows:

- Probability/likelihood of occurrence
- Consequence/impact of the event, if it occurs

**Issues** are items with the potential to affect the technical, schedule, and cost objectives of the project, but lack sufficient detail to determine a probability or impact. These items are noted and may be upgraded to risks as more information becomes available.

**Problems** are risks that have not been fully mitigated and are currently impacting the technical, schedule, and cost objectives of the project.

Risk Events are those events within the project that, if they occur, could result in problems that prevent delivery within the allotted schedule and budget. Risk events should be defined to a level

such that the risk and causes are understandable and can be accurately assessed in terms of probability / likelihood and consequence/impact to establish the level of risk.

**Performance / Operational Risks** are those associated with the ability of project to deliver a fully operational system.

**Cost Risks** are those associated with the ability of the project to deliver within its cost objectives. Two cost risk areas are (1) that the cost estimates and objectives are inaccurate or unreasonable and (2) that program execution will not meet the cost objectives as a result of a failure to handle cost, schedule, and performance / operational risks.

**Schedule Risks** are those risks associated with the adequacy of the time estimated and allocated for the activities in the project schedule. Two schedule risk areas are (1) that the schedule estimates and objectives are unrealistic or unreasonable and (2) that program execution will fall short of the schedule objectives as a result of failure to handle cost, schedule, or performance / operational risks.

**Risk Rating** is the value that is given to a risk event (or the overall Program risk profile) based on the analysis of the probability/likelihood and consequences/impacts of the event. For the Program, risk ratings of Low, Moderate, or High will be assigned based on the following criteria.

- High Risk: Likely to cause significant increase in cost, disruption of schedule, or degradation of operational performance/service. Requires immediate communication to the executive management attention/monitoring to ensure resources are focused to overcome difficulties.
- Moderate Risk: May cause some increase in cost, disruption of schedule, or degradation of operational performance/service. Requires communication to program sponsor and close program management attention/monitoring to increase ability to overcome difficulties.
- Low Risk: Has little or no potential for increase in cost, disruption of schedule, or degradation of operational performance/service. Actions within the scope of the planned program and normal management attention/monitoring will probably be able to overcome difficulties.

# 2.    Risk Management Process

The Risk Management Process is divided into two areas, Risk Management Planning and Risk Management Control.
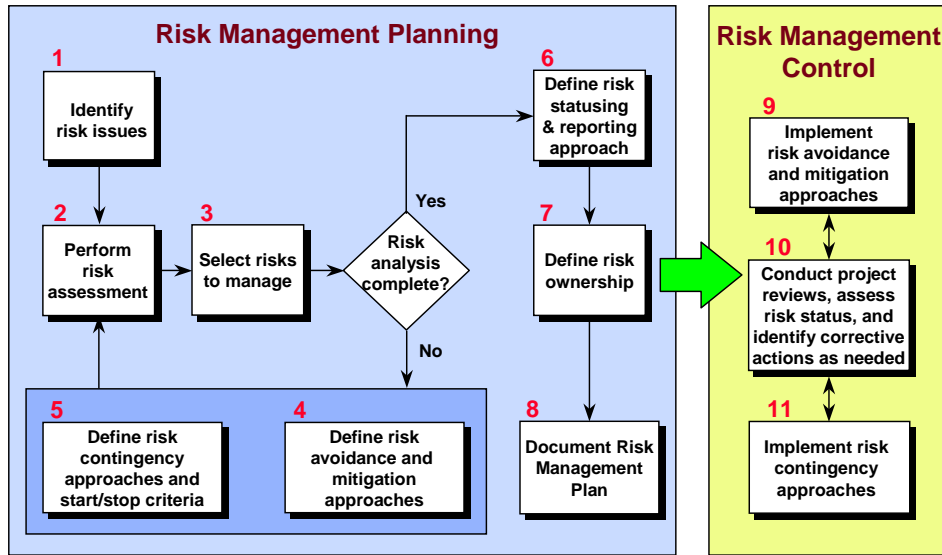
Risk Management Planning consists of the following eight steps:

1.  Identify Risks

2.  Assess Risks

3.  Select Risk Issues to Manage

4.  Define Risk Avoidance/Mitigation Approaches

5.  Define Risk Contingency Approaches (including Start and Stop Criteria Definitions)

6.  Define Risk Statusing and Reporting Approaches

7.  Define Risk Management Organization and Responsibilities

8.  Document the Risk Management Plan

Steps 1 through 3 are initially performed in sequence. Steps 4 and 5 are performed in parallel after step 3, and then a return to step 2 to reevaluate the impact of changes based on steps 4 and 5. When the iteration of steps 3, 4, and 5 is complete then steps 6, 7 and 8 are completed in sequence.

Risk Management Control starts with the implementation of any risk avoidance, mitigation, or contingency activities. Risk Management Control generally does not occur until Risk Management Planning is completed. The tasks accomplished during Risk Management Control Include:

9.  Implementation of Risk Avoidance/Mitigation Approaches

10. Project Reviews; Risk Reporting, Review and Corrective Action

11. Implementation of Risk Contingency Plans

A detailed description of the above processes can be found in the Risk Management Process.

# 3. Risk Management Organization and Responsibilities

This section describes the organization and people involved in managing risk activities and their specific responsibilities.

## Roles

**Project Manager (PM)**

The PM is responsible for the execution of the risk management plan. The PM designates a Risk Manager and maintains overall responsibility for the implementation of the risk management program. The PM is also responsible for allocating the resources to implement mitigation plans. The PM participates in reviewing risks and makes decisions on mitigation actions. The PM has final decision authority on all risk-related issues. This role includes the following:

- Review periodically all risk avoidance, mitigation and contingency actions
- Manage the identification and implementation of corrective actions associated with risk issues
- Evaluate the effectiveness for current risk avoidance and/or mitigation activities
- Approve implementation of contingency plans

**Risk Manager**

The Risk Manager is responsible for administering the risk management program and reporting status to the PM. The Risk Manager nominates an owner for each risk and directs the risk-related activities to ensure that the procedures outlined in the risk process are followed. This role includes, but is not limited to, the following:

- Reviewing new risks
- Assessing risks
- Participating in mitigation planning
- Tracking risks and mitigation
- Reporting to the PM

The Risk Manager may nominate owners, but the PM will make actual assignments. The Project Staff will report their progress in developing and implementing mitigation plans during management meetings.

**Project Staff**

The Project Staff are responsible for monitoring the risk management activities within their respective areas.  The Project Staff forwards newly identified risks to their Risk Manger. They may be assigned as owners for individual risks by the Risk Manager and be responsible for developing and implementing detailed mitigation plans.  Staff members may also serve as technical advisors to the Risk Manager. This role includes, but is not limited to, the following:

- Identify risk issues within their respective discipline
- Estimate risk probabilities and impacts
- Assemble the risk data,
- Identify risk avoidance and/or mitigation approaches
- Develop risk contingency plans
- Implement risk avoidance and/or mitigation plans
- Report risk issues status
- Collect risk status, update the risk database, develop risk reports
- Implement risk contingency plans as appropriate

# 4.    Risk Register

Please refer to the risk register.

# 5.    Risk Tracking and Reporting Approach

Risk reviews will be held as a regular part of management meetings. The Risk Manager produces a Risk Register for tracking and reporting of risks.

The owner of each risk issue will track the status of that risk and update the Risk Register on a weekly basis and inform the project manager of any change of status as it happens.  The project manager will review the status of each risk with the team leaders at the weekly status meeting and take action as necessary.  The project manager will, in turn, review risk status with the client and/or as needed.

Risk status reporting can identify four possible risk management situations:
- A risk is resolved, completing the risk action plan.
- Risk actions are tracking the risk management plan, in which case the risk actions continue as planned.
- Some risk actions are not tracking the risk management plan, in which case corrective measures should be determined and implemented.
- The situation has changed significantly with respect to one or more risks and will usually involve reassessing the risks or re-planning an activity.

As the project team takes actions to manage risks, the total risk exposure for the project should begin to approach acceptable levels.

# 6.    Risk Control

Risk control is the last step in the proactive risk management process. After the risk metrics and the triggering events have been identified - risk management melds into project management processes to control the risk action plans, correct for variations from the plans, respond to triggering events, and improve the risk management process.

Risk management relies on project management processes to:

- Control risk action plans.
- Correct for variations from plans.
- Respond to triggering events.
- Improve the risk management process.