 **Eight Steps To Managing Risk**

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1. **Collaborate**

Risk management should be a collaborative process involving the whole project team. While not every team member is a risk expert, a project needs lateral thinking, and everyone’s contribution is valuable. An effective way to identify and categorise risk is to conduct a risk workshop with the team in the planning stage, followed by regular risk meetings during the project life cycle. Team members are typically more likely to recognise risk that affect their area of delegation and the project manager needs their input. Involving the team creates understanding of risk management processes and promotes a risk aware culture. Since risk can also be positive, the project manager is in a better position to maximise discovery of opportunities by involving everyone in this process.

1. **Categorise**

The first activity of the risk workshop should be to build a risk breakdown structure. This should be an engaging and stimulating activity. Let participants brainstorm and jot down risks on post-it notes, grouping them underneath agreed risk categories on the wall or a whiteboard. It is likely to be overlap as some risks belong to more than one category, and this method might also reveal new categories, not thought of initially.

1. **Analyse**

After identification and categorisation, the next step is to analyse each risk and give it a rating. There is a range of tools available, and a simple matrix where risks are given a number on a scale from one to five according to likelihood and impact is usually sufficient. Irrespective of the tools applied, it is important that the scale values are contextualised for the project. Descriptions that are specific and measurable are most effective. Once the team understands what the risks are and how they might affect the project, appropriate mitigation strategies can be developed.

1. **Delegate**

For each risk it is also vital to appoint those responsible for developing, approving and implementing mitigation strategies. The most ingenious mitigation strategies become quite useless if no one is responsible for putting them into practice. Risks and information about them should be entered in a register and made accessible to the whole team. Good documentation and sharing of information are prerequisites for effective monitoring and assessment.

1. **Report**

Compliance with risk reporting is achieved through the right communication. The project manager needs to make expectations clear from the beginning. There should be well-defined guidelines for how to report on risk, and how to proceed when a risk becomes an issue. Status updates should be thorough, but not too onerous. Team members are likely to take an interest in this process when they feel their involvement is valued.

1. **Share**

So far the focus has been on the team, but there are other players who also contribute to risk management. It is beneficial to involve stakeholders in risk workshops, as their participation might highlight areas of concern, as well as expose causes and consequences of risk. It is also a way of sharing risk responsibility. The project team cannot shoulder responsibility for the entire list of risks, and if stakeholders are involved in the process they will be more willing to accept ownership. Subject matter experts are also valuable participants, as they can share past experience through their expert perspective.

1. **Support**

It is a challenge to implement all of the above if team members are reluctant to speak up about things that go wrong for fear of reprisals. Effective risk management happens in a culture where team members feel they have a voice, and when they are expected to identify risks and issues that threaten the project. The approach to risk management, the processes implemented, the time invested, and the level of team involvement, are closely linked to organisational culture and management style.

1. **Communicate**

Be proactive about risk on your project! Invite discussion from team members! The most sophisticated tools do not replace the human thought process and the collaborative team effort in managing risk with awareness and openness. Risk management is qualitative as well as quantitative and requires sound communication and team management skills.