Risk Management

Every project and business faces uncertainty: a supplier may be late, a key person may leave, prices may rise. The international standard ISO 31000 describes risk simply as the effect of uncertainty on objectives. So a risk can be a threat to our goals, or an opportunity for them. Risk management is the habit of looking ahead, so that surprises become fewer and smaller. It follows four clear steps: identify the risks, analyse them, plan the responses, and then monitor and review.

1. Identify the Risks

The first step is to list what could happen and affect our objectives. We look at people, money, time, suppliers, technology and safety. Useful sources are past projects, checklists, experts and a team brainstorming session. A good risk statement names a cause and an effect: because the supplier has few trucks, the delivery may be late. At this stage, the aim is to find as many risks as possible, not to judge them yet.

Example: before a family road trip, we think about a flat tyre, heavy traffic or a full hotel.

At work: Mona, a project manager, is leading her company's move to a new office. In a one-hour workshop, her team lists twenty risks, from late movers to a missing internet connection.

2. Analyse Likelihood and Impact

Next, each risk is analysed with two questions. How likely is it to happen, and how big would the impact be on time, cost, quality or people? Many teams score each answer from one to five and multiply them: likelihood times impact gives the risk level. A risk that is very likely and very harmful comes first, while a rare and small one may only need watching. The scores are not perfect, but they help the team agree on priorities.

Example: light rain during the trip is likely but harmless, while a car breakdown is rare but serious.

At work: Mona's team rates the missing internet connection as likely, with a high impact, because nobody can work without it. It moves to the top of the list.

3. Plan the Responses

For every important risk, the team chooses a response. It can avoid the risk by changing the plan, or reduce it, also called mitigation, by lowering its likelihood or impact. It can transfer the

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risk to someone else, for example through insurance or a contract, or accept it and prepare a backup plan. For opportunities, the logic is reversed: we try to exploit them, enhance them or share them with a partner. Each response needs an owner, a deadline and a budget, otherwise it stays a good intention.

Example: travellers check the car before leaving to reduce the risk of a breakdown, and buy travel insurance to transfer the cost.

At work: Mona orders the internet line six weeks early, and her contract makes the moving company pay for any damage. She accepts the small risk of rain on moving day and keeps plastic covers ready.

4. Monitor and Review

Risks change during the work, so risk management is not a one-time task. The team keeps a risk register: a simple table with each risk, its score, its response, its owner and its status. The register is reviewed regularly, for example in the weekly team meeting. New risks are added, old ones are closed, and weak responses are changed. After the project, the team records the lessons learned for the next project.

Example: during the trip, the driver checks the traffic app and changes the route when a road is closed.

At work: every Monday, Mona and her team spend ten minutes on the risk register. When a new risk appears, late delivery of the new desks, she adds it and asks the supplier for a partial delivery.

Conclusion

In summary, risk management helps us face uncertainty with a plan instead of hope. We identify the risks, analyse their likelihood and impact, plan clear responses and keep them under review. The four responses to threats are avoid, reduce, transfer and accept, and opportunities deserve attention too. A simple risk register and a regular review are often enough to start. Teams that look ahead cannot remove every risk, but they are rarely caught by surprise.

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