

Cert Guide

Stand out with a project management certification



Practice
Tests



Review
Exercises



Study
Planner

Risk Management Professional (PMI-RMP)[®]



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Risk Management Professional (PMI-RMP)[®] Cert Guide

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Pearson

- c. Storming
 - d. Norming
 - e. Performing
3. You are going to use brainstorming to gather risk data. What can you expect? (Pick two)
- a. Team members will provide detailed analysis of their ideas as well as the ideas of their peers.
 - b. Team members will share ideas openly and freely until every last idea is exhausted.
 - c. Data gathered will be documented and then shared with the team as a whole.
 - d. The process will move quickly, drawing out a prioritized list of responses.
 - e. The process may take longer than anticipated, and some team members may dominate the information sharing.
4. One of your team members identifies a major, previously undisclosed risk in the middle of your latest meeting. The room is a hive of activity as the discussion intensifies. The team seems energized by the discussion and you are anxious to learn more about the implications of the risk. To deal with this new concern, what should you do?
- a. Table the discussion until a future meeting when it can be put on the agenda and scheduled into the discussion.
 - b. Remove items from the existing agenda to make room for the discussion.
 - c. Extend the existing agenda to make room for the discussion.
 - d. Let the discussion continue.
 - e. Ask the team what they would prefer to do.
5. Your organization is ardent about the use of nondisclosure agreements, particularly as they apply to corporate policy. Everyone working on every project is required to sign such an agreement and stick to it. In the middle of a risk meeting, your customer asks if you have thought about the risks associated with travel on your project and the potential to lose team members because they will be away from home for months at a time. Internal corporate policy in

your organization limits monthly travel in an effort to achieve work-life balance. There are specific rules in place for you and your fellow employees.

- a. Tell the customer that the concern has been addressed, but say nothing else.
 - b. Explain the corporate policy to the customer.
 - c. Provide the customer with a written copy of the policy.
 - d. Speak in hypotheticals, explaining that organizations facing such concerns have historically had policies in place to limit monthly travel.
 - e. Say nothing.
6. The escalation rules for your organization are clear. Anytime a project exceeds planned spending during a fiscal year by 3 percent or more, the causes must be identified, and the risk of continued overspending must be escalated to the chief financial officer. It's the first month of the new fiscal year. Last fiscal year, your project was underbudget by 7 percent. But it's been a tough month. You are currently overbudget by 3.5 percent, but you have eleven months in which to recover. What should you do?
- a. Contact the chief financial officer and let her manage the overspending situation.
 - b. Give it another month to see if you continue to overspend.
 - c. Document the overspending and your rationale for expecting it to improve.
 - d. Wait to take action until the overspending breaks above 3.9 percent.
 - e. Contact the chief financial officer and tell her you believe you can manage the overspending situation.

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This chapter covers the following subjects:

- Identification Approaches
- Preliminary Data Analysis
- The Risk Register

Practical, Team-Based Risk Identification

Risk identification involves creating risk statements that are clear, readily understood, and in a consistent format. Identifying risk is a form of clairvoyance, because risks are future phenomena that have not yet occurred. The more perspectives that can be brought to bear on identifying risk, the better. Customers see the risks of their environment. Vendors know the risks associated with their products or services. Team members know the risks engendered by having them (the team members) on the team (as well as the risks associated with completing the project work).

A basic understanding of risk statements is required to identify risks well. They can take a variety of forms and formats, but after the form is determined, it must be enforced with rigor. The classic approaches to risk statements include

- IF/THEN
- EVENT might happen, causing IMPACT

By generating risk statements in a consistent format, risks are more readily identified. A risk is never a one-word answer. “Schedule” is not a risk. It is a risk category. It is a risk source. The same applies to “Resources” or “Weather.” Those who allow one-word answers during risk identification do themselves and their organizations a disservice.

Team members need to understand not only the format, but the nature of risk. Risk is a future phenomenon that has not yet occurred. “I might hit a deer with my car, causing significant damage to the vehicle.” That’s a risk statement that captures the nature of risk as being in the future. After a risk is realized, it converts from being a future state of being to becoming an issue. Issues management is separate and distinct from risk management.

Team members also need to be aware that risk comes from both negative and positive perspectives. Risk is both threat and opportunity. Just as bad things might happen, good things might happen as well. Both perspectives need to be brought into consideration.

This chapter examines the tools of risk identification, how the data gathered by those tools are applied, and the classic archival practice of using a risk register.

This chapter addresses the following objectives from the PMI-RMP[®] Exam Content Outline:

Domain	Task #	Exam Objective
Risk Identification	Task 1	Conduct Risk Identification Exercises

“Do I Know This Already?” Quiz

The “Do I Know This Already?” quiz allows you to assess whether you should read this entire chapter thoroughly or jump to the “Exam Preparation Tasks” section. If you are in doubt about your answers to these questions or your own assessment of your knowledge of the topics, read the entire chapter. Table 7-1 lists the major headings in this chapter and their corresponding “Do I Know This Already?” quiz questions. You can find the answers in Appendix A, “Answers to the ‘Do I Know This Already?’ Quizzes and Review Questions.”

Table 7-1 “Do I Know This Already?” Section-to-Question Mapping

Foundation Topics Section	Questions
Identification Approaches	2, 6
Preliminary Data Analysis	3, 5
The Risk Register	1, 4

CAUTION The goal of self-assessment is to gauge your mastery of the topics in this chapter. If you do not know the answer to a question or are only partially sure of the answer, you should mark that question as wrong for purposes of the self-assessment. Giving yourself credit for an answer you correctly guess skews your self-assessment results and might provide you with a false sense of security.

1. Your supervisor is a data-driven manager. She loves data. The more, the better. She has taken a heightened interest in your work in risk management and wants to know about your project risks. What is the best tool to provide that information?
 - a. The risk register
 - b. The risk breakdown structure
 - c. The work breakdown structure
 - d. The risk report
 - e. The risk response report