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Develop Risk Management Plan by Sarah Ryan

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UNIFORM DISTRIBUTIONS are probability distributions which may be used when there is no obvious value that is more likely than any other, between high and low limits, such as in the early concept stage.

SENSITIVITY ANALYSES are commonly used quantitative risk analysis techniques which help determine which risks have the greatest potential impact on the project. They are executed by examining the extent of the uncertainty of each project element and how it affects the objective being examined. This is done while all other uncertain elements are held at their baseline values. PMP exam prep courses will cover this topic.

DECISION TREES help managers visualize the decision making process. A decision tree output shows at what point decisions are made, and where alternative decisions, or changes, might occur. The tree begins with a decision that must be made. Options are laid out, and options, risks, and change modes are evaluated and possible outcomes investigated. (Sample Decision Tree Follows)

Task 10: Develop Risk Management Planâ€" Perform Qualitative Risk Analysis

Task 10: Develop Risk Management Planâ€" Planning Risk Response

RISK RESPONSE PLANNING involves the project manager and management team discussing and developing options and actions to encourage opportunities for successful project completion. It is also intended to help reduce threats to achieving the project's objectives. Project Management PMP materials will include planning for risk.

RISK RESPONSE PLANNING addresses risk by:

priority

inserting resources into the budget, the schedule, and project management plan

Task 10: Develop Risk Management Planâ€" Planning Risk Response

RISK RESPONSE INPUTS include:

the risk register

a near-term response risk list

a list of risks for additional analysis

qualitative analysis trends and root causes

a risk management plan, which includes components of risk thresholds for low, moderate, and high

risks

time and budget required to conduct project risk management

risk analysis definitions

roles and responsibilities

Task 10: Develop Risk Management Planâ€" Planning Risk Response

TOOLS & TECHNIQUES USED TO PLAN RISK RESPONSE:

Strategies typically used to plan for risks which have negative impacts on project objectives include:

risk avoidance (changing the project management plan to avoid threats)

risk transference (shifting impact of threat and response to a third party)

risk mitigation (early action to reduce probability)

Strategies typically used to handle risk which have positive impacts on project objectives include:

risk exploitation (to ensure the opportunity is realized)

risk sharing (allocating ownership to a third party who can best capture the opportunity for the project)

risk enhancing (modifies the size of an opportunity)

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