

*Practical Project Risk Management*¹

Hints and Tips for Project Risk Managers: A brief guide²

Purpose

This is a personal checklist of suggestions that are mostly missing from professional guidance.

Understand the project requirements and contractual documentation

Whenever joining a team as the new project risk manager, people often assume that I want to start by reading the Risk Management Plan and Risk Register. They are wrong. My priority is to understand the project's scope, its phases and objectives and the interests, roles and obligations and of stakeholders. Without knowing these things, there is no way of judging whether or not the risk data and risk management plan are fit for purpose.

Keep a focus on the effectiveness and implementation of risk responses

There is strong evidence that the most common weakness in project risk management is the failure to implement risk responses e.g. risk mitigation actions. On this basis, I have always recommended that more than half the time during risk reviews should be spent on the effectiveness and implementation of risk responses. Risk review meetings that merely reclassify risks or change risk estimates are largely a waste of time. Everyone knows it, even if they accept what is going on because it gives them an easier ride!

Persuade the most senior manager involved to own at least one risk

Support from the top is critical to any risk manager. If the most senior manager e.g. the sponsor or programme director owns and regularly reviews at least one risk, they will expect others to use the process. A short routine review meeting will also allow you to debrief them on issues such as new significant risks, upcoming risk-related decision and any obstacles to the implementation of risk responses. Ideally, the most senior manager on the project should also chair the routine e.g. monthly risk review, thus ensuring actions are implemented as planned.

¹ This series of articles is by Martin Hopkinson, author of the books "*The Project Risk Maturity Model*" and "*Net Present Value and Risk Modelling for Projects*" and contributing author for Association for Project Management (APM) guides such as *Directing Change* and *Sponsoring Change*. These articles are based on a set of short risk management guides previously available on his company website, now retired. See Martin's author profile at the end of this article.

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Use simple reports that are focussed on decisions and risk responses

I often see risk reports that impress their audience with technicalities and detail, but that distract from the most important matters such as what should be done, by who and whether or not previous decisions were implemented. Reports that feature the use of charts, graphs and colours may be useful to a point, but if they lack actions or names they are often wasted. Risk reports should be designed to be acted upon.

Work constructively alongside other process managers

I try to develop and exploit relationships between risk management and other processes such as planning and contract management and work with their leaders with the aim of improving decisions. For example, effective risk mitigation actions can often be built into contractual requirements. I also try to avoid duplicating process. For example, issues should often be managed through the planning process rather than within the domain of risk management.

Use your role to enhance communication within the project

The risk manager is usually one of the few people to work across all different disciplines within the project team. Embrace this as being one of the aspects of the job that makes it interesting and influential! A common problem on larger projects is that the people working within disciplines often fail to communicate sufficiently with other teams. The risk manager can add a lot of value by conveying new and useful information and encouraging people to discuss the management of risks and issues across team boundaries.

Avoid getting bogged down with maintaining too much information

Many risk tools encourage users to record so much data that it becomes difficult to maintain data quality and currency. Tailor your use of such tools to make best use of your time and that of other project team members. During risk reviews, keep people focussed on the information that matters most e.g. clarifying the rationale for risk ownership, identifying the choices or factors that drive risks and the identification and implementation of the resultant decisions.

Keep Awareness of the Big Picture

The most important sources of risk are often rooted in matters that affect the whole project, or major parts of it. Examples include the use of novel solutions, conflicting interests between stakeholders and pressure to make short-term decisions. Be mindful of macro risk effects and seek to include their implications in your approach to risk identification and analysis. See also the Risk Management Guidance Sheet *Identifying High Risk Projects* (August 2022).

About the Author



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Martin Hopkinson, recently retired as the Director of Risk Management Capability Limited in the UK, and has 30 years' experience as a project manager and project risk management consultant. His experience has been gained across a wide variety of industries and engineering disciplines and includes multibillion-pound projects and programmes. He was the lead author on Tools and Techniques for the Association for Project Management's (APM) guide to risk management (*The PRAM Guide*) and led the group that produced the APM guide *Prioritising Project Risks*.

Martin's first book, *The Project Risk Maturity Model*, concerns the risk management process. His contributions to Association for Project Management (APM) guides such as *Directing Change* and *Sponsoring Change* reflect his belief in the importance of project governance and business case development.

In his second book *Net Present Value and Risk Modelling for Projects* he brought these subjects together by showing how NPV and risk modelling techniques can be used to optimise projects and support project approval decisions. ([To learn more about the book, click here.](#))