

Top 25 Risks In IT Projects

*A presentation extending the concepts discussed in
“Create A Risk Management Plan”*

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Objectives



- Basic Definitions
- Project and Risk Management Lifecycle
- Risk Management Plan
- Risk Database
- Risk Categories
- Risk Starting Point
- The Top 25 List

Let's Begin !!



Risk Management

The process involved with identifying, analyzing, mitigating, monitoring, and responding to a risk. It includes maximizing the results of positive events and minimizing the consequences of adverse events.

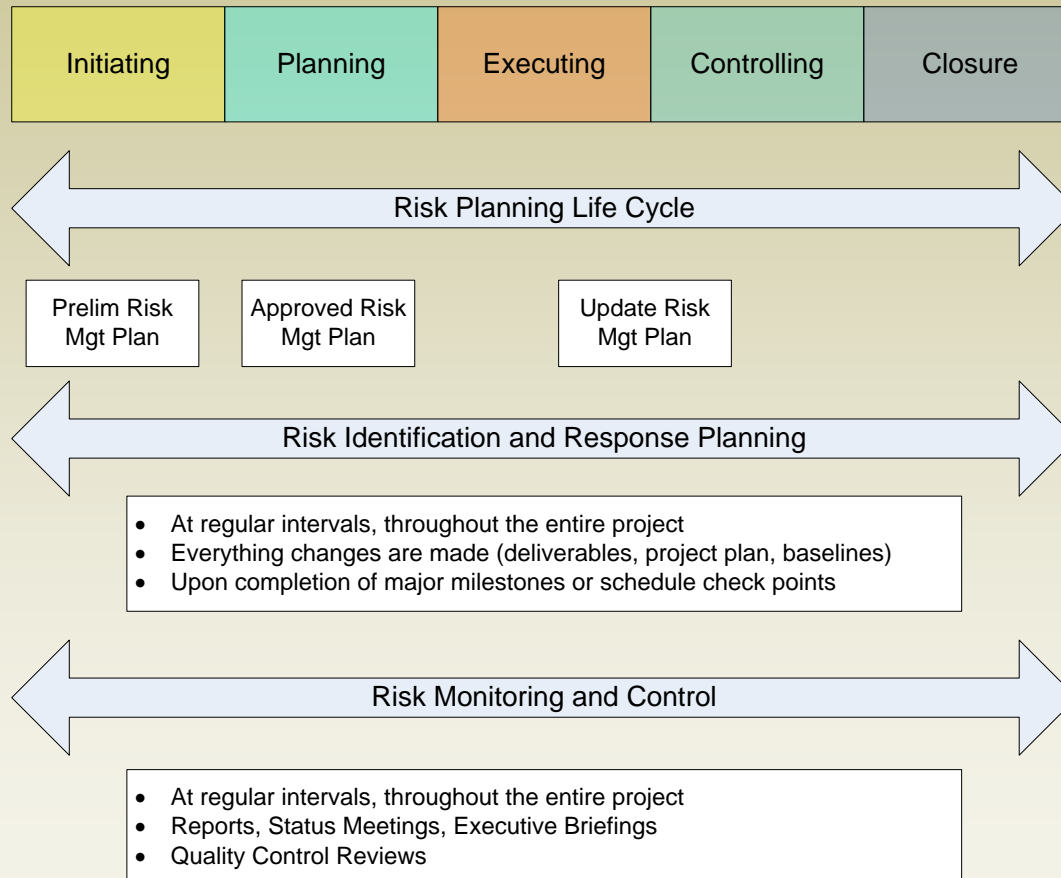
Various studies show that:

- Risk Management is overlooked on most IT projects
- Most “runaway” projects do not utilize Risk Management
- Risk Management should be thought of as a investment

Risk Management Planning

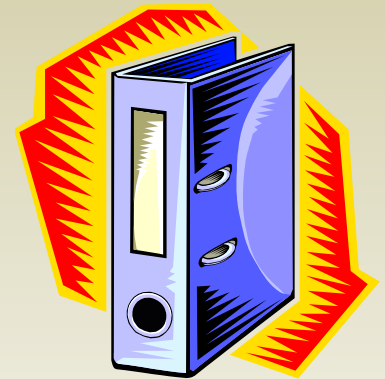
- Should begin as early as possible
- The deliverable from this phase is the Risk Management Plan
- Meeting with team members so they can become familiar with the process, tools, techniques, and expectations
- Define the level of depth and detail that the Risk Management Plan (and process) will address

Project and Risk Management Life Cycles



Risk Management Plan

The **Risk Management Plan** defines “how” the risk process will be structured and conducted during the project life cycle. The risk management plan contains an analysis of likely risks with both high and low impact, as well as mitigation strategies to help the project avoid being derailed should common problems arise.



Risk Database

- Also known as a **Risk Register** or **Risk Log**- a repository of the project risks
- Enables documentation and ability to incorporate into reports
- Advanced tools can integrate with other software solutions



Risk Entries

Risk ID – Create an ID methodology that is easy

Risk Title – Just a few words to describe the risk

Risk Statement – Use the “If, then” format. State the problem then the consequence.

Example:

Risk ID: PMI-SVC-TF-001

Risk Title: Equipment Fails

Risk Description: If the video equipment fails during this presentation, the outcome will be less than successful.

Risk Database

Project Name: Risk Log - Report Date: MM/DD/YYYY

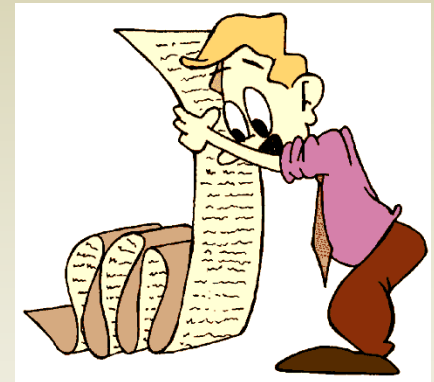
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Risk ID	Title	Description	Status	Prob	Imp	Score	Risk Owner	Open Date	Impact Date	Strategy and Response	Contingency Plan
Proj #1-R001	Title 1	Description 1	Open	2	2	4.0	Name	MM/DD/YY	MM/DD/YY	Enter Here	Enter Here
Proj #1-R002	Title 2	Description 2	Open	3	3	9.0	Name	MM/DD/YY	MM/DD/YY	Enter Here	Enter Here
Proj #1-R003	Title 3	Description 3	Open	2	2	4.0	Name	MM/DD/YY	MM/DD/YY	Enter Here	Enter Here

Risk Categories

Risk Categories are common groupings of risk that can affect the project. There are many ways to categorize risks.

- Technical
- Performance, Quality
- Financial Risk
- Business
- Organization
- Management
- Project Management
- External Risks



IT Risks Starting Point

Ask questions such as:

- Have all technology options been considered and evaluated?
- How well do we know our current technology environment?
- Are the key and critical technologies components of the system design?
- Are there other computer systems connected to this one and will we need interfaces?
- Do we need to decommission the existing system?

IT Risks Starting Point

- Does the vendor have the proven ability to implement the solution?
- Is there a plan for ensuring that the project and deliverables meet the need of the customers/end users?
- Have we planned for adequate testing (ie performance, stress, load test, user acceptance testing, etc) to ensure quality standards are met?
- Are you converting data?

The Top 25

The Top 25 Risks, in no particular order:

1. **Project Management** – the ability to manage the effort effectively
2. **Scheduling** – estimated effort, dependencies, buffers, unrealistic deadlines
3. **Budget** – conducting top-down and bottom up estimating
4. **Poor Planning** – not enough time planning, creating adequate plans
5. **Scope Creep** – sticking to the project scope and nothing else

The Top 25

6. **Expectations-** of the solution, deliverables, stakeholders
7. **Sponsor / Management Support** – ability to understand project and (1) be available and (2) must be a “project champion”
8. **Customer / End User Participation** – failure to engage users of system and meet their needs
9. **Stakeholder Conflict** – differing needs, objectives, goals, rewards
10. **Assumptions** – need to be discussed, gathered, documented

The Top 25

11. **Personnel Turnover** – losing key technical staff during project
12. **Required Skills** – does the team have the skills needed to support this project?
13. **Alignment To Existing Environment** – does this project and solution “fit” with existing architecture?
14. **Strategic Analysis** – how does this project fit into the grand scheme of things
15. **Scalability** – ability to expand system and connect with other solutions

The Top 25

16. **Project Dependencies** – If project A finishes before/after project B.
17. **Unproven Technology** – something new, lack of track record
18. **Misunderstood Solution** – not knowing how something will work, limitations of solution
19. **Stable IT Systems** – changes to environment, upgrades, patching
20. **Inadequate Requirements** – not enough thought or details, poorly constructed

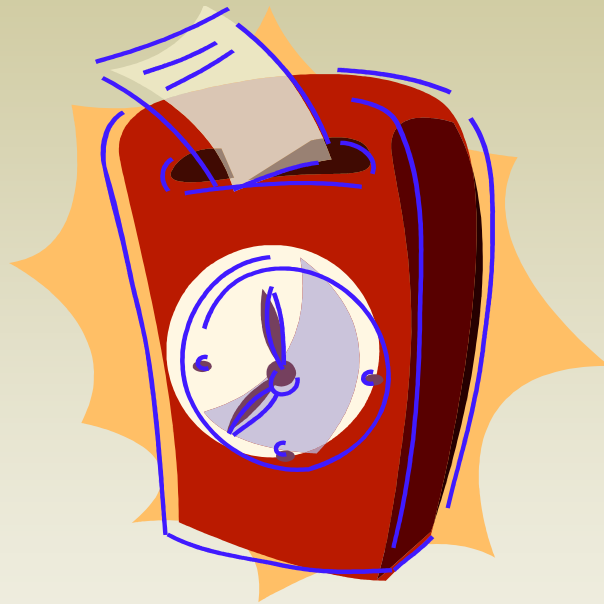
The Top 25

21. **Change Control** – communicating, impact analysis, testing
22. **Ignoring Warning Signs** – inability to monitor and analyze metrics, information, progress
23. **Compliance / Best Practices** – solutions that are not of industry standards
24. **Ongoing Maintenance** – difficulty in using, configuring, maintaining system
25. **System Documentation** – of the system, interfaces, other needed components

References

- [Top IT Project Risks and What to do about them, Vicky Haney](#)
- [Why information systems projects fail: Awatif Amin Qassim](#)
- [Top 5 Risks for IT Projects, Farragut.com](#)
- [Top Ten Lists of Software Project Risks, Tharwon Arnuphaptrairong](#)
- [130 Project Risks, Anna Mar](#)
- [Reasons why projects fail, Tom Carlos](#)
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Wrap Up and Questions



Thank you !!

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