

## CASE- STUDY - Light All Africa Project.

Ammy & Pepple Ltd is a top-notch portfolio management organization in Nigeria, and they have just been engaged by the World Bank to serve as the Programme Management Unit (PMU) for this Light All Africa Project.

This Light All Africa Project is a technical and very complex project that requires very experienced project team members to handle most components of it. Ammy & Pepple Ltd decided to deploy a large number of its staff personnel to this project because majority of its project staff are very experienced and of recent have been exposed to project management practice standards by Eco-Ways Limited. In conducting the risk management, you have logically completed the aspect of the project scope, time, quality, required human resources, etc, and now at the risk identification and analysis stage. Delphi technique was used to identify risk and assigning probability and impact rankings. Some experts are available in your company to serve on the Delphi panel, as well as some folks in industry organizations you belong to outside the company. You assemble the group, set up a summary of the project, and send it out via email, requesting responses to your questions about risk. After series of passes, you compile the list of risks according to their categories and assigned probability and Impact of 0 –100% to each risk based on a probability and an impact matrix table presented as follows:

Category	ID No.	Risk	Probability	Impact
Category		Project Sponsor / Client		
	1.0	Slow Decision-Making Process	20%	60%
	2.0	Unclear Project Scope / Scope Changes	40%	100%
Category		Project Management		
	3.0	Mistakes in Measurements	80%	80%
	4.0	Inadequate Checks & Inspections	60%	80%
Category		Project Team		
	5.0	Lack of co-operation between Team Members	60%	60%
	6.0	Team members Leaves	20%	80%
Category		Project Execution		
	7.0	Favorable Weather Conditions	70%	80%
	8.0	Disturbances of Work Processes	40%	80%
Category		Finances		
	9.0	Wrong assumption costs	20%	100%
	10.0	Unusual Fluctuation of Exchange rate	40%	100%



**RISK REGISTER**

**FOR**

**LIGHT ALL AFRICA PROJECT**





2. Risk Identification

**RISK REGISTER**

Category	Risk	Description	Id
Project Sponsor			
Project Management			
Project Team			
Project Execution			
Finances			

**3. Risk Qualification & Quantification**

3.1 Probability & Impact Matrix Table (EXTRACTED FROM RISK MANAGEMENT PLAN)

**3.1.1 Probability** (Describe the scoring system for measuring the 'likelihood' of the risk eventuating)

Title	Score	Description
Very Low	20	Highly unlikely to occur; however, still needs to be monitored as certain circumstances could result in this risk becoming more likely to occur during the project
Low	40	Unlikely to occur, based on current information, as the circumstances likely to trigger the risk are also unlikely to occur
Medium	60	Likely to occur as it is clear that the risk will probably eventuate
High	80	Very likely to occur, based on the circumstances of the project
Very High	100	Highly likely to occur as the circumstances which will cause this risk to eventuate are also very likely to be created

**3.1.2 Impact** (Describe the scoring system for measuring the 'impact' of the risk)

Title	Score	Description
Very Low	20	Insignificant impact on the project. It is not possible to measure the impact on the project as it is minimal
Low	40	Minor impact on the project, e.g. < 5% deviation in scope, scheduled end-date or project budget
Medium	60	Measurable impact on the project, e.g. 5-10% deviation in scope, scheduled end-date or project budget
High	80	Significant impact on the project, e.g. 10-25% deviation in scope, scheduled or project budget
Very High	100	Major impact on the project, e.g. >25% deviation in scope, scheduled end-date or project budget



## Priority

Establish the priority of each risk by identifying the likelihood of the risk's eventuating and its impact on the project. Once the likelihood and impact scores have been allocated, the priority score should be calculated as follows:

- Priority equals the average Likelihood and Impact score
- This is calculated as  $\text{Priority} = (\text{Likelihood} + \text{Impact}) / 2$

	<u>RISK QUALITATIVE ANALYSIS</u>			
ID	Type of Risk	Probability	Impact	Priority Score
1.0	Threat			
2.0	Threat			
3.0	Threat			
4.0	Threat			
5.0	Threat			
6.0	Threat			
7.0	Opportunity			
8.0	Threat			
9.0	Threat			
10.0	Threat			



<b><u>RISK QUANTITATIVE ANALYSIS</u></b>				
<b><u>USING EXPECTED MONETARY VALUE (EMV)</u></b>				
ID	Probability	Interpretation of Impact from matrix table	Cost Implication of Impact (Assume 100M Budget)	Expected Value (Probability X Cost of Impact)
1.0	20%	10% of the budget shall be required to pay employees for delaying the project.	10,000,000.00	- 2,000,000.00
2.0	40%	30% of the budget shall be required to accommodate additional changes in scope	30,000,000.00	- 12,000,000.00
3.0	80%	15% of the budget shall be required to correct errors due to mistakes	15,000,000.00	- 12,000,000.00
4.0	60%	10% of the budget shall be required to correct errors due to inadequate inspections	10,000,000.00	- 6,000,000.00
5.0	60%	5% of the budget shall be required to pay for consequences of delays from lack of co-operation between Team Members.	5,000,000.00	- 3,000,000.00
6.0	20%	5% of the budget shall be required to pay for consequences of proficient team member leaves without a back-up plan	5,000,000.00	- 1,000,000.00
7.0	70%	20% of the budget shall be saved for finishing earlier than expected because of favourable weather	20,000,000.00	+14,000,000.00
8.0	40%	15% of the budget shall be required to pay for additional time resulting from this risk	15,000,000.00	- 6,000,000.00
9.0	20%	30% of the budget shall be required to put the project on track when this risk occurs	30,000,000.00	- 6,000,000.00
10.0	40%	30% of the budget shall be required to put the project on track when this risk occurs	30,000,000.00	- 12,000,000.00
EXPECTED MONETARY VALUE (EMV)				-46,000,000.00



