

PROJECT RISK MANAGEMENT

Chapter 2: Project Manager as Risk Manager (Organizing for Risk Management)

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Chapter Description

- **Expected Outcomes**
 - Understanding RM in PM
 - Understanding principles of RM



Content #1

2.1 Organizing for Risk Management

2.1.2 Project Management is Risk Management

2.1.3 Risk Management Principles



Organizing Risk Management

Project Mgt is Risk Mgt

Part of PM tools and practice

With RM, Project Managers will know on assessing risks therefore reducing and mitigating them

However, comprehensive risk analysis and management are not required for all projects.

Risk Management Principles

- Creating RM plan
- Including impact of schedule and cost, contingencies, including risk profile
- Appointing risk manager or risk officer
- Including risk reserve in schedule and budget
- Continuous monitoring risk
- Establishing channel of communication
- Identify procedures

Conclusion of The Chapter

- **Conclusion #1**
 - Risk management is one of the 10 knowledge areas in PMBOK 5th Edition, making it a requirement for a Project Manager to have the knowledge and skills in RM.
- **Conclusion #2**
 - Project Manager must acknowledge and understand the principles of RM before undertaking the task to implement the process.



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