Deeply Practical Risk Management

The core thread of risk planning applicable to any kind of project.

IFPPM.org

Definitions

Issues are problems, for sure, for real, right now.

Risks are problems that are "uncertain", that might not happen, and so maybe can be avoided.

S3.11.1

Risk Management Fundamentals

"A project plan with an insufficient risk reserve, both time and money, is already late and over budget... and it hasn't even started yet!"

Less than 2/3rds of the risk budget remaining at half way is a warning sign on most projects.

S3.13.2, PMLL 4, 5

Threat Risks Response Planning

Avoid, Mitigate, Transfer, Accept
Owner
Trigger
Due Date

Secondary Risks
Contingency Plan

S3.11.8, S3.11.9

Monitoring & Control Fundamental

Risk budget statusing is the key to project monitoring & control.

When the risk budget is being burned too fast, ask for guidance in the most constructively positive way: "What is most important to you, the scope, schedule, or budget?"

S1.5, S5.10.3, PMLL 5

Management Reserve

The calculated risk budget according to the process in this chart is your "risk reserve".

Your boss has another 10% "management reserve". *Never mention it unless it is offered.*

S3.11.13

Identification
Risk Statement Form

Risk checklist
S.W.O.T.
Assumptions check

S3.11.4, S3.11.5

Qualification
Shortlist max top 10

Probability = 1 to 5
Impact = 1 to 5
Rank by P x I

S3.11.6

Quantification
Remaining risks

Estimate %, T, $
Use Delphi if helpful
Probable T = % x T
Probable $ = % x $

S3.11.7

Update Project Plan with the T and $ required by the response actions

S3.6

Revise Quantification

%, T, $
% x T, % x $
Add more risks if < 5

S3.11.7

Add risk register to Project Plan

$ in Risk account
T before final customer deliverable with Critical Chain Mgmt

S3.11.10

Put T and $ for all the smaller risks directly in Project Plan

S3.6

Opportunity "Risks" Response Planning

Exploit, Enhance, Share, Accept
Owner
Trigger
Due Date

S3.11.15

Risk Budget Sizing

For small projects, about 15%, both time and money.

For larger projects, run the full process shown here, so you can justify the full budget, *and* have the information to mitigate the risks in advance.

Rule of thumb for larger projects: ~ 5% to 15%.

S3.11

Protect Your Project First

Create an opportunity risk register, and take action if appropriate, but focus on managing the threat risks.

S3.11.14

Deeply Practical Project Management

This flowchart identifies the essential thread of professional risk management planning best practices. For more information see the *Institute For Practical Project Management* at IFPPM.org, also providing the following completely free resources:

- The standard *Deeply Practical Project Management*.
- The companion book *Project Development Methodologies: Waterfall, Iterative, Spiral, Lean, Kanban, Agile, Scrum, etc.*
- The $44M example project *Magical Devices Version 3*, including a realistic project plan and risk register.

The IFPPM also provides online self-paced courses, and administers the certification *Deeply Practical Project Manager* (DPPM). Always free for Non-profits.

Download this flowchart from IFPPM.org/dppm

Institute For Practical Project Management – IFPPM.org
"As simple as possible, but no simpler."

SX.Y = DPPM book section
PMLL X = PM Lessons Learned course
(Many objects are clickable)

© 2026-08-20 IFPPM / Wm. Stewart