

6.8: Key Takeaways

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- Project risk is an uncertain event or condition that, if occurs, has a positive or negative effect on one or more project objectives.
- Contingency reserve is allocated for known-unknowns whereas management reserve is allocated for unknown-unknowns.
- The risk management plan is a component of the project management plan that describes how risk management activities will be structured and performed.
- When risks are identified, they are recorded in a risk register. It is a key tool that helps project teams keep track of the status of risks, ensure response plans are effectively implemented, and new risks are managed.
- Project teams perform qualitative risk analysis in order to prioritize individual project risks by assessing their probability of occurrence and impact.
- The strategies to respond negative risks are escalation, avoidance, transfer, mitigation, and acceptance.
- The strategies to respond positive risks are escalation, exploitation, sharing, enhancing, and acceptance.
- The project team develops contingency plans as an alternative method for accomplishing a project goal when a risk event has been identified.

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