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Featured Article



There are many measures a project manager and his/her team can take to address risk management, including group discussions and forums.

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Greetings!

Last month, Project Management Tipoffs spoke to you about the current climate and nature surrounding job interviews and job assessments and what you can do to make a great personal impression. Our November newsletter explores a necessity in every project manager's tool belt - risk management. By the end of this issue, we feel you will have a solid idea about the ins and outs of risk management: Its definition, what it requires, how the popular methodology M_o_R ties into it, plus a nod from guest writer and author Simon Moore to the human side of managing risk. We continue our series of book reviews, this month delving into "Public Sector Project Management" by David Wirick, and as always, a chance for one reader to win the book of the month. Our Q&A comes from a reader who asks about risk management in job interviews.

What IS Your Risk Management Philosophy?

If the content in the headline doesn't stop you in your tracks, it will definitely do so when inserted into the content of a job interview question instead.



When it comes to risk management questions in a job interview, the dilemma posed by the headline is hardly alone.

For example:

1. What tools would you initially use to tackle risk management matters? What is approach would you take to delegating risk? When do you feel that an issue has escalated to a risk or threat?
2. How would you build communication skills within your project team?

If you're gritting your teeth or watching the sweat bead up on your forehead simply after reading those possible stumpers, don't worry. We at Arras People think these questions can be dealt with effectively, provided you're willing to practice this preaching.

1. Hypothesize; Share It; Laugh About It; Talk About It

A colleague at work once told me about her experiences working as a risk assessor. She mentioned organising sessions with project personnel, including the project manager, throwing out hypothetical scenarios that might result in damage to the project's effective, on-time delivery. Brilliant in its simplicity: Unleash those varied, creative minds within the team and determine exactly what scenarios pose a threat. It might build some camaraderie, too.

For instance, let's say materials you need can only be transported by ship to the project location. Yet recently, there has been a wave of piracy on the high seas, both in commercial and private boating. While immediate instinct may leave several readers laughing and recalling the zany statements of Steve the Pirate from "Dodgeball", the good project team will shake off the laughter and give the matter some warranted thought and assessment. The ones who don't invariably may find themselves the butt of the joke...and the blame.

You might do well if you haven't done it before to consider using a risk management forum like the above to lay out the risk possibilities standing in your way. Perhaps you might want a facilitator to establish the guidelines and mediate the forum. With an expert on hand, you can get things on the table faster, build communication skills, build team bonding and create the need for delegation.

[When? - Operational Risk Management](#)

Websites

- [ProjectOffices](#)
- [pposig](#)

Podcasts & Vodcasts

- [The PM Podcast - Ep. 63 - How Do Risk Attitudes Affect Your Project](#)
- [The PM Podcast - Ep. 20 - Risk Management: "The Black Sheep of Project Management"](#)
- [Project Shrink - Ep. 26: Leadership and the Project Management](#)
- [CERT Library of Risk Management Podcasts](#)
- [Supply Risk Management Interview with Dr. Uwe Schulte - Supply Excellence](#)

Arras on Twitter

- [projectmgmt](#)
- [PM_StrayDogg](#)
- [PMOcentric](#)

Risk Management Focused Websites

- [IRM \(Institute of Risk Management\)](#)
- [HSE \(Health and Safety Executive on Risk Management\)](#)
- [M_o_R \(OGC page for Management of Risk methodology\)](#)
- [M_o_R \(APM Group page for Management of Risk methodology\)](#)

Latest News from Arras People



Arras' Annual PM Survey Is Back!



2. Delegation Is About Trust and Leadership

Even if we weren't talking about risk management, good project managers have a track record that all but demands that they know how to delegate properly. Let's face it: you simply cannot spend all your time running down the list and chasing down each risk posed to assess them personally - you've got to lead the entire project, right? The harried, wary and worried project manager most often finds them stuck in a never-ending maze of tracking, chasing and correcting if he/she can't rely on their cohorts.

But how do you delegate effectively? Overzealous leaders often like to say they could do the job of everyone else on their team if they had the time. While it's a buzz killing thought for the team dynamic, it is, for the effective delegator, true: Delegation requires thought about the activity that needs to be undertaken, and determination of what the project manager wants it to look like in the end. They do know how to do it, but they've got so many other things to keep track of. So in assigning responsibility for any activity, including issue management, the effective risk manager needs to tell the assignee what the end product is meant to look like, and help them get to that end solution by providing support, training, resources, time and advice when required. Remember this simple Benjamin Franklin axiom:

"Involve me and I will understand."

This quote is part of a bigger statement that has been taken other ways; in this context, though, the project manager or any other team leader should use it as a reminder to give team members ownership through involving them. Suddenly, you established a simple two-way street of trust.

3. Differentiate Between Issues and Risk

Small, but so important. Issues are managed everyday by members of the team, reported on daily in meetings and monitored constantly. Risk management is necessary when certain issues escalate to a level that directly requires the involvement of the project manager. This is often referred to as 'management by exception': Trust the team to monitor & fix (thus adhering to the rule), then put the project manager in immediate charge when the exception comes to be.

4. Building Team Communications from the Beginning.

Think back to the notion of troubleshooting we mentioned earlier, where hypothetical risk scenarios were posed. Communication bonds, ultimately, can be forged through this activity because of the open nature to brainstorm and spitball - the fact is, you can build from this. The openness and comfort with each other in these sessions could prove crucial your communication techniques as the project advances - this is something a risk manager should take advantage of.

The team's communication culture is the responsibility of the Project Manager - he/she must instill it and maintain it for the betterment of the group. Included in that is the openness and awareness of risk management. Each team member has to understand what their roles, responsibilities and obligations to risk management truly are. Forge a good communication structure, and then all you'll have to do is, well, communicate it!

Image courtesy of [WhyOhGree](#) @ Flickr and re-used with permission

Three Tips For Improving The Human Side of Risk Management



from Simon Moore

Many systems exist for complex risk management - Monte Carlo analysis is one example. However, many organizations main problem is not poor analytics, but poor inputs and basic process. We need greater focus on the human side of risk management.

This article focuses on three basic steps to improving risk inputs.

Back for its fifth installment, the 2010 Arras People Project Management Survey will soon be ready for project managers eager to share the extent of happenings and issues faced by the PM industry today.

Over the last five years, Arras People's renowned annual surveys have used information culled from project managers throughout the UK to determine the trends and issues faced by the project management field. Cited by a variety of field experts as a commendable and reliable source of what project managers are thinking at present. Previous survey questions have addressed issues including work/life balance, the contractor job market, the permanent job market, age groups, PM accreditation, ageism, salaries, day rates and bonuses and many other professional issues.

The new survey will be open in December, watch out for more details on how you can contribute

JobSearch Support Service for Newly Unemployed Professionals



Arras People have been working with Job Centre Plus across the country to provide practical help and advice to project managers who are currently out of work

There's further in-depth details on how to access the service via [the blog](#) or via [the website](#)

Please pass along the details to any friends you know who may be able to benefit from the service

We've got testimonials to back up the quality of our service:

They are simple, but mastering them is crucial for effective risk management.

1.) Asking Neutral Questions

It's very easy to influence people's answers based on the questions you ask. For example, if you ask a leading question such as... So you'll have that report on South America finished by Friday, right? Then you'll be much more likely to get a positive (and possibly **misleading**) response than if you ask something more balanced along the lines of... When will the report on South America be complete? Of course, there's a big difference between getting the superficial answer you want and getting the true, underlying data you need to make an accurate estimate or decision. This is harder than it sounds because with deadlines looming everyone wants to believe everything will pan out OK, especially under stress, but of course that's not what good risk management is. The questions you ask determine whether you will get realistic information back or not. Be careful how you phrase them. Balanced questioning can be critical in spotting potential problems early. Everyone from the most junior employee to the CEO must master this skill to effectively understand and learn about risks.

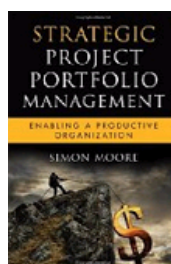
2.) Avoiding Group think

Organizations are often dysfunctional and power relationships can distort effective decision making. This is crucial for risk management. Post mortems on poor risk management often identify group think as a cause. Group think occurs when people share an underlying set of beliefs and assumptions and fail to question them. Organizations common culture tends to promote group think. Group think can be countered by building a diverse team across disciplines, skills and past experiences. Assigning a devil's advocate in meetings can be effective to ensure that the contrary opinion is heard even if it's not popular, especially if the meeting attendee is relatively senior. Even with an apparently valuable risk management process, group think can mitigate the benefits. Finally, group think can be hard to overcome within an organization as even for different groups there can be cultural similarities. Therefore, consider bringing in external parties (vendors, customers etc.) to help analyze thinking and counter strongly held beliefs because they will invariably bring a fresh perspective helping to manage risks, by identifying them earlier.

3.) Considering Unknown Unknowns

In some sense risk management is an analytical exercise, but it is also an exercise in creativity, some events can have dramatic (risky) consequences, but fall outside of our range of experience before they happen. Using tools such as scenario planning to think creatively about future states of the world can be more valuable than the number crunching side of risk management. Such exercises can also build team rapport, further enhancing the teams effectiveness. There are a number of methods for scenario planning, one effective tool can be to assume that the project failed and think about the reasons for the failure - coming up with as many reasons as possible and exploring them in depth. This frees up the team to think creatively about potential weaknesses in the plan, and again bringing in external parties to participate can be useful to help avoid groupthink.

So, I am not trying to dismiss the power of quantitative techniques in managing risk, but rather calling upon organizations to recognize how people and processes can also be improved to drive better risk management results.



Simon Moore is the product planner for Microsoft's Enterprise Project Management solution and author of [Strategic Project Portfolio Management](#), the Strategic PPM blog and has engaged with project and portfolio executives from Brazil to Japan. Moore has worked with Anheuser-Busch, and the Bank of England, and has also served as a strategic consultant to firms in the technology, retail and financial industries. His writing credits include The Guardian and he is a member of the Project Management Institute. Born in the UK, Simon currently resides in Seattle.

"Generally informative and professionally led discussion with some good tips - Many Thanks!"

"I would like to personally thank Mick Hides for all his sympathetic council and professional career advice, in my book he is a credit to Arras People."

Arras People Speaks at University of East London



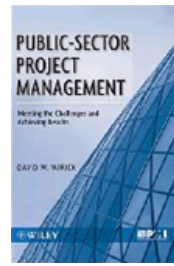
Last week, Arras People made a presentation to the students at the University of East London. Many of the students in attendance are studying MSc Project Management, and Arras People were invited along to talk to the group about project management careers, providing practical help and advice for the students when thinking about their new careers post University.

Arras People has more information available about the evening's festivities, including a [blog about the presentation](#). For more on this event plus a look at the notes of the Arras People presentation, click [here](#) for the presentation's image and notes, click [here](#) (.PDF)

Next Month

Arras People reviews Moore's recent release, "*Strategic Project Portfolio Management*"

Book Review - Public-Sector Project Management



Author: David Wirick

Length: 288 pages

Publisher: John Wiley & Sons

See details on how to win this book below

When I first picked up this book for the review and started reading my first thoughts were not favourable, there is a lot in the first couple of chapters that are nothing new. Indeed, were you to spend a short amount of time looking around the internet for items on why public sector projects fail or even the importance of project management as a skill in public sector, you, like me would uncover quite a lot.

There's much that you might not like about this book, especially if you're reading the book based in the UK; it's American-based, focused on PMI's Body of Knowledge as the project management method and a lot of the examples are gigantic projects (NASA Space Shuttle, Marshall Plan, etc.) which bare little resemblance if you're working in the public sector in the UK today.

The more I read, the more value I began to unearth and actually this book is a great book for several reasons. First; who is the book aimed at? It mentions in the preface that it's for public sector PMs and those private sector PMs who work on government contracts. I think it has a greater readership than that and would appeal to those that are new to project management and also those senior managers that performed roles like Project Sponsor or are part of the Steering Committee. I also think it's an appropriate book for our PRINCE2-obsessed public sector because it goes beyond just the method and really digs deep in all those areas of project management that when performed well enable project success.

This is the curious thing about the book, there is an element of "teaching grandma to suck eggs" by laying out the areas of the PMI's BoK piece by piece. The book then covers the specific angle of public sector project management. The example of "Managing Project Scope" starts by giving a generic overview, quickly followed by "The Challenges of Scope Management for Public Sector Projects", which highlights the complexities and fragmentation that occurs when public sector projects are being scoped. There is also a general consensus that runs through the book that "stakeholder management" contributes much, much more to the success or failure of a public sector project than a private sector one. As such, there is a heavy emphasis on stakeholder management and how it impacts right across the project life cycle. Within the book there are a number of plan templates and set examples which within the scope management chapter of the book included; scope management plan template and work breakdown structure, including guidance on how to put together the scope plan and which additional pointers the public sector project manager must be aware of.

In each area of project management there is a Best Practices section which highlights the key learnings or areas that the public sector PM should pay attention to. These are great pointers for a project manager who may be looking to move into the public sector and needs a quick heads up on what actually is different about working within the public sector vs. private.

Each chapter also finishes with exercises and discussion points (also the case studies - can we learn from historical American case studies here in the UK?), which could certainly give further thought about how these project management competencies work within your organisation.

I think this book adds value to the PRINCE2 public sector project manager as it not only gets back to the basics of project management (the what and how of project management) and then applies them directly to the public sector environment. The detail in the how is detailed enough to be of real practical use in the field, for example, how to manage "Project Requirements" gives a number of techniques to use. Retailing at £57, it's an expensive addition to the PM bookshelf but is in the similar price bracket to other professional

Want a chance to win this book?

Let us know what your risk management philosophy is. [Email us](#) with your response and you could be in with a chance of winning.

Special Note

Please note that for anyone interested in the PMI's approach to project management, especially in the public sector there is also a "Government Extension to the PMBoK Guide" available [here](#).

Q&A***What kind of risk management questions can you expect at a job interview?*** - Mike, Leicester

Mike, thanks for your questions and comments. There is no true way to pinpoint exactly what questions you'll get at an interview, let alone pin down exactly what risk management

questions you would be asked. However, the sample questions we've culled together do provide a bit of insight into an interviewer's risk management philosophy and give you a chance to brush up on what your answers would be.



Here are just a few possible risk management questions you might come across.

- "What do you do with your risk plan once you have completed it?"
- "At what point do you release risk contingency to the project P&L?"
- "How do you share your risk plan with your client?"
- "What areas of a project would you consider when creating a risk plan?"
- "What tools / methods have you used for risk analysis?"
- "How would you prioritise interdependent risks across multiple projects?"
- "Which stages of the life-cycle would you consider risk management to be most important? (trick question)"
- "What procedures have you used for escalating risk to senior management?"
- "Define a risk. Can you tell me the difference between a risk and an issue?"
- "How do you measure risk?"
- "What in your opinion is the most effective way to communicate risk resolution across the project team?"
- "At what point in the project would you consider risks?"
- "What elements are key to mitigating risk?"
- "What are the key risk management processes you would use on your project?"
- "How do you assess risks?"
- "How important is the project team when managing risks? And why?"
- "How often do you look at risk management in the delivery of the project?"
- "How do you delegate certain responsibilities in risk management to others?"
- "How do you communicate risk to your stakeholders?"

We also posed this question to our Twitter connections, and found some very useful responses from Rolf Goetz:

- "Why should we manage risk separately from the rest of the project?"
- "When do you choose to ignore a risk?"
- "Why is it best to ignore complex time-related effects of mitigating actions?"

Got a question for us, [contact us](#) today.

Sincerely,

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