

**PMEducation**

WHY DEVELOP a RISK MANAGEMENT PLAN?

To some Stakeholders, the time and effort to develop a Risk Management Plan might seem excessive. You might even hear, “We will deal with that if, and when, it comes”

As Professional Project Managers we realize that all projects have uncertainties. This is inevitable because projects are unique and temporary, based on assumptions and constraints. Good Project Management includes managing these uncertainties.

Professional Project Managers comprehend the value of planning ahead. It is always better to make plans with the calmness of foresight than to react in a panic when calamity strikes. We desire to help our team toward success by providing an approach to understand, assess, and manage project Risks.

Here are some further points you can use to explain why you should develop a Risk Management Plan. Your Risk Management Plan:

* Provides a useful tool for managing and reducing the risks before and during the project
* Documents risk mitigation strategies to use in response to the identified risks
* Explains to the Project Sponsor, and other Key Stakeholders, the framework with which Risks will be managed.
* Provides the Project Sponsor and other Key Stakeholders the management approach from which reports on Risk status and resolution will be communicated.
* Offers Key Stakeholders a mechanism for input to Risk management