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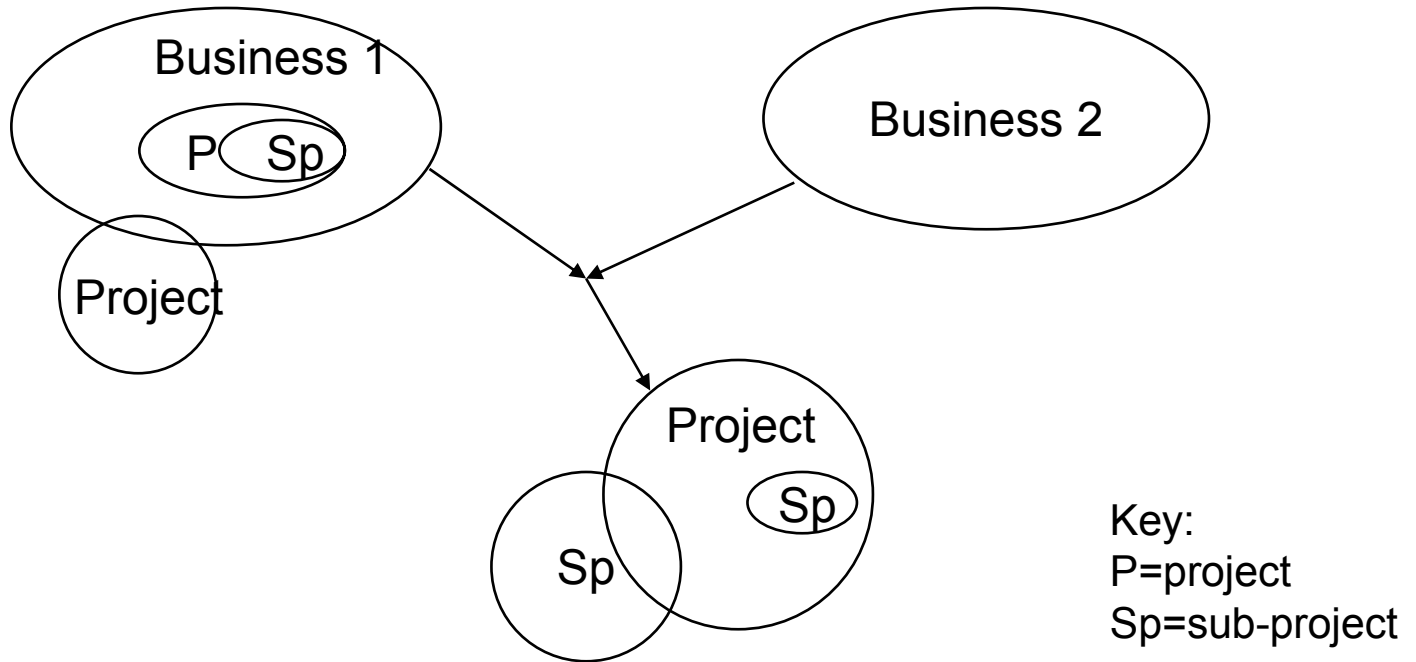
# Project Risk Management – Delivering the Benefits

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# Projects Environment





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# Why Do Projects Fail??

Project	Construction Cost Overrun %
Humber Bridge, UK	175
Channel Tunnel, UK, France	80
Baltimore metro, USA	60
Tyne & Wear metro, UK	55
Portland metro, USA	55
Buffalo metro, USA	50
Miami metro, USA	35
Paris Nord TGV, France	25



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## How do we react?

- What risk management is undertaken?
- What does it take account of?
- What drives it?
- How can we improve it?



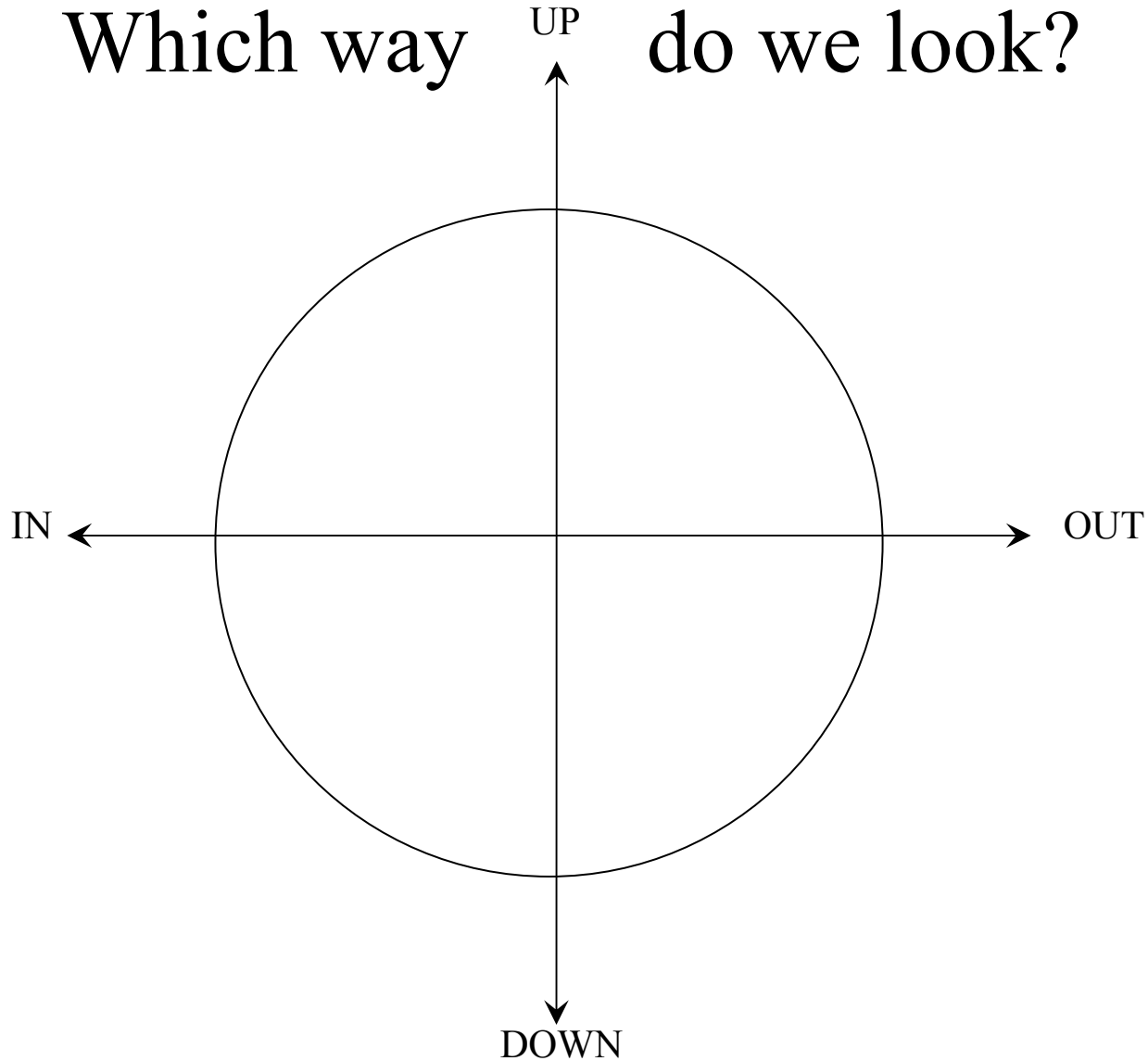
## How do we determine that things are important?

- What are the uncertainties?
- Where do they come from?
- Bias toward negative considerations?
- What drives this? Safety?



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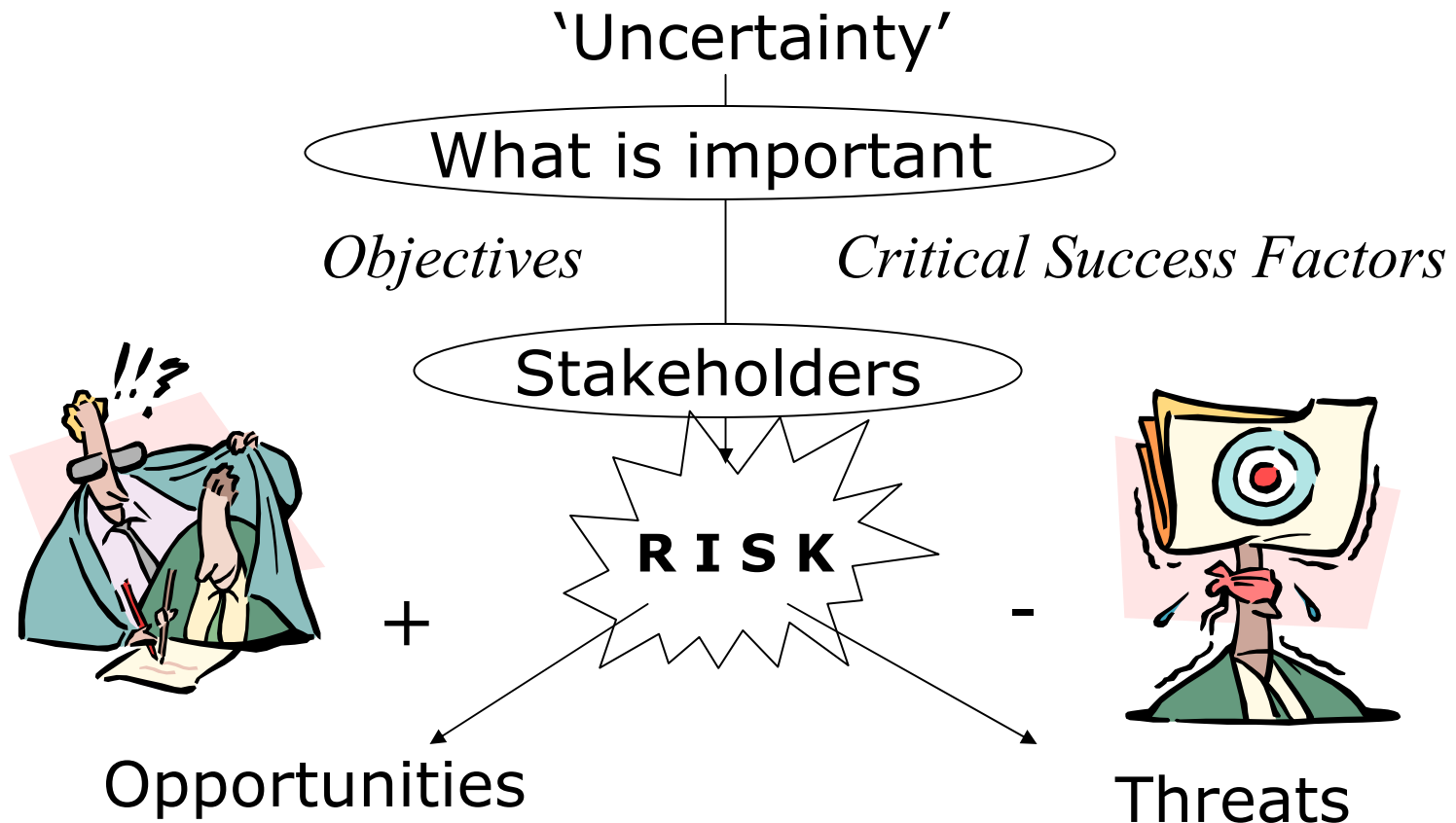
Which way <sup>UP</sup> do we look?



# Risk Management Principles



# Risk Management – Threats and Opportunities





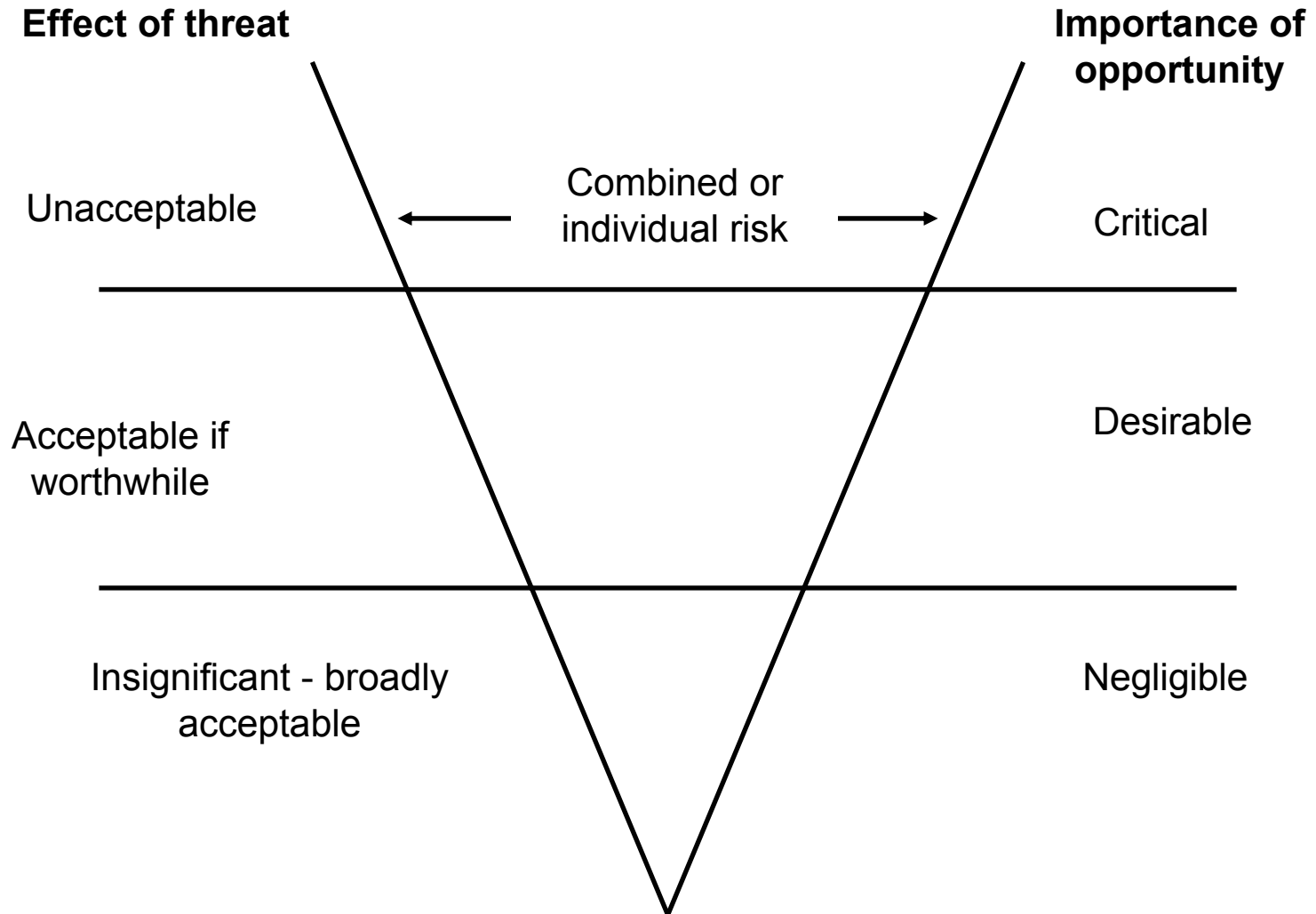
# **‘Opportunities’ as well as ‘Threats’**

- When things work in our favour?
- When things come together?
- Or are they just ‘flukes’?
- Can we ‘engineer’ them?
- When objectives align?



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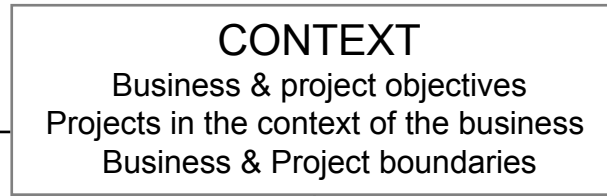
# Scheme for Evaluating Risks



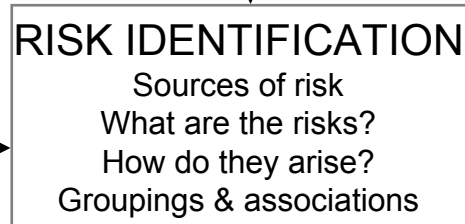


# Risk Management Process

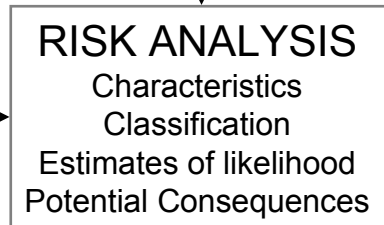
What's at risk & why?



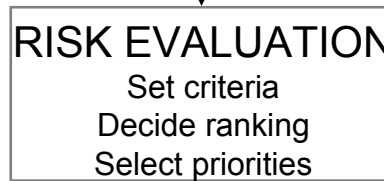
What (& where) are the risks?



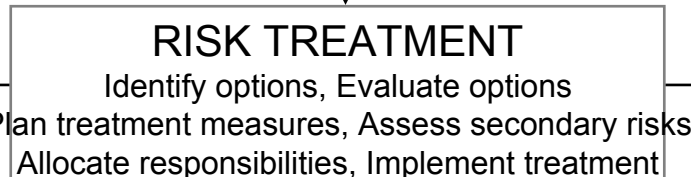
What is known about them?



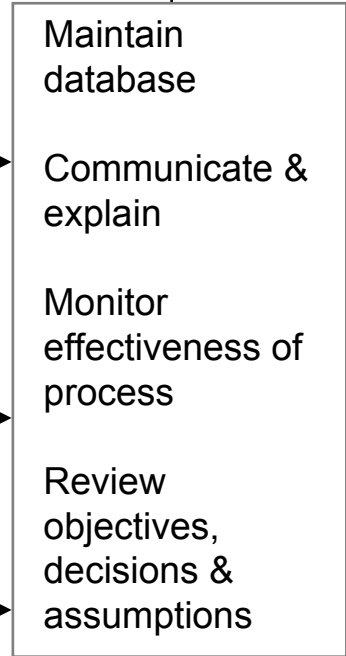
How important are they?



What should be done about them?



Secondary Risks



Update plans



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# The Challenge

- Does it work?
- Can we use the risk management process to identify and manage uncertain opportunities?
- How should we do it?
- Do we need a cultural change?
- What mind set do we need?