



Version 6.1 Updated for the 2021  
Project Management Professional (PMP)<sup>®</sup> Exam



## Crosswind Success Series: PMP<sup>®</sup> Exam Bootcamp Manual

[www.crosswindpm.com](http://www.crosswindpm.com)

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Version 6.1 aligned with the Project Management Institute, *A Guide to the Project Management Body of Knowledge, (PMBOK<sup>®</sup> Guide)* - Sixth Edition, Project Management Institute Inc., 2017

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Risk Response Strategies for both Positive and Negative Risks		
Risk Response Tool	Description	Example
<b>Escalation</b>	The escalation strategy involves <b>entrusting the opportunity</b> , which is outside the project scope, to program management, portfolio management, or another relevant area of the organization.	The manager of the project to build a revolutionary new habitat for the zoo's big cats escalated the affiliated funding campaign to the program manager.
<b>Acceptance</b>	The acceptance strategy involves <b>tolerating the risk</b> . It is a valid option if there are no other options available.	Determining that, if a union goes on strike, the project will have to be delayed until the strike is settled.

**Note that there is active acceptance, which involves a risk response, and passive, which does not involve a risk response.**

Contingent Response Strategy		
Risk Response Tool	Description	Example
<b>Contingent Response Strategy</b>	The contingent response strategy involves defining responses that will only be enacted if triggered by predefined events, such as a change in project conditions or the need to accommodate worst-case situations.	The team developed a contingency plan to add staff to the project if the important development milestone was missed.

The source for the above text is the Project Management Institute, *A Guide to the Project Management Body of Knowledge, (PMBOK® Guide) – Sixth Edition*, Project Management Institute Inc., 2017, Pages 437-448

## 14.7. Implement Risk Responses (Executing Process Group)

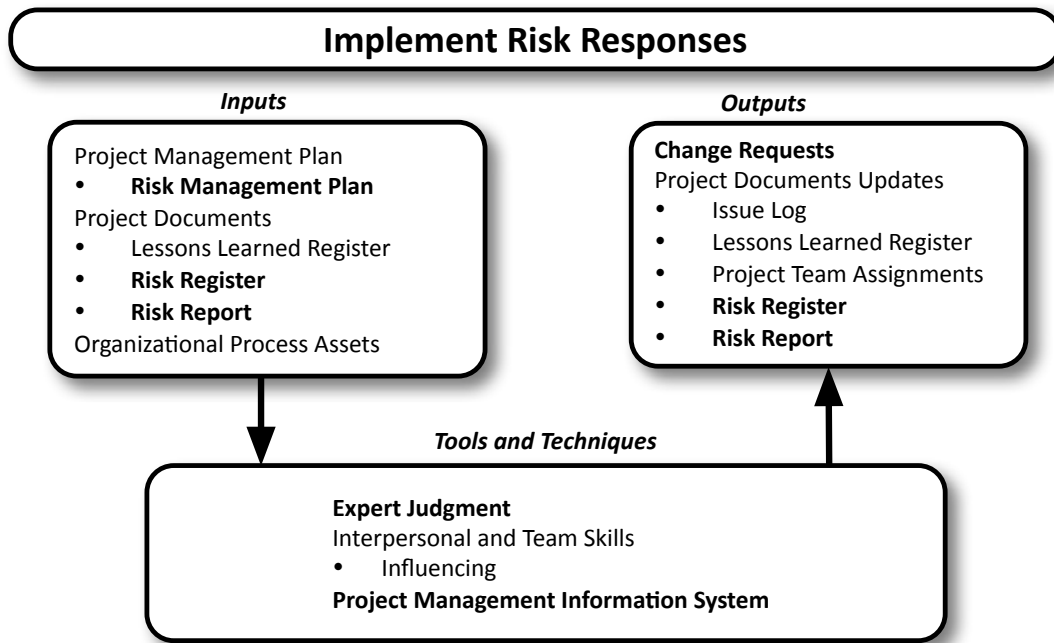
During the Implement Risk Responses process, risk response plans are implemented.

Note that implementation of a specific risk response may result in residual risk (risk remaining after implementation of a risk response) and/or secondary risk (risk resulting from implementation of a risk response).

Also note that if the risk response is not effective, a work-around may be necessary.



Know the Key Inputs, Tools & Techniques, and Outputs for Implement Risk Responses.



**Figure 14-14: Implement Risk Responses Data Flow Diagram**

The source for the above figure is the Project Management Institute, *A Guide to the Project Management Body of Knowledge, (PMBOK® Guide) – Sixth Edition*, Project Management Institute Inc., 2017, Figure 11-18, Page 449

<b>Implement Risk Responses (Executing)</b>		
<b>Key Inputs</b>	Risk Management Plan	The risk management plan is a component of the project management plan that details the manner in which risk management activities are configured and implemented. Because it addresses risk thresholds and roles and responsibilities, the plan is referenced during the assignment of risk response ownership and during the identification of acceptable risk response outcomes.
	Risk Register	The risk register records each identified risk. It typically includes the potential owner of and potential response(s) to each identified risk and may include a title, category, status, cause(s), trigger(s), impacted activity(ies), date(s) of identification, date range for probable occurrence, and response deadline(s).
	Risk Report	The risk report details the origins of overall project risk and risk response strategy. It recaps key data about unique project risks (typically the number of threats and opportunities and other summary metrics) and is updated with information related to risks with the highest risk scores. The risk report also includes a prioritized catalogue of all identified risks and a brief overview of project risk.

### Implement Risk Responses (Continued)

<b>Key Tools &amp; Techniques</b>	Expert Judgment	Expert judgment is judgment based on expertise acquired in a specific area. It is often more significant and accurate than the best modeling tools available and can be provided by stakeholders, company personnel external to the project, professional organizations or groups, and consultants. It is important to consider expertise related to the validation, modification, and effective implementation of risk responses.
	Project Management Information System (PMIS)	The project management information system (PMIS) is an enterprise environmental factor. It can be a portal to automated tools, a system that gathers and distributes information, a configuration management system, and/or an interface to online automated systems that are used to direct and manage project work. It can include software for managing the schedule, costs, and resources which can be utilized to integrate activities associated with the risk response plan into the project.
<b>Key Outputs</b>	Change Requests	Change requests are requests for modification that have not been formally approved through the change control process. Modifications to the budget and schedule baselines or other impacted components of the project management may be requested.
	Risk Register	The risk register is updated with individual project risk information during Monitor Risks.
	Risk Report	The risk report is updated to show the current status of major individual risks and the current level of overall project risk. If the report contains details of the top individual risks, agreed-upon responses, and owners, that information is also updated if applicable.

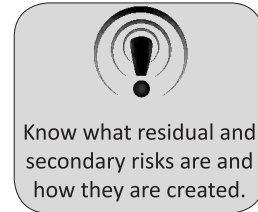
### Situational Question and Real World Application

Failure to effectively address the Implement Risk Responses process could result in a failure to avert or minimize negative project risks or in a failure to take advantage of positive project risks.

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### 14.7.1. Residual Risk

Residual risk is the **amount of risk remaining after a risk response (from the risk response plan) has been implemented.** For example, in a medical situation, residual risk is the risk that remains after the treatment.

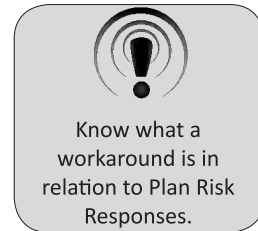


### 14.7.2. Secondary Risk

Secondary risk is risk that **results from the implementation of a risk response.** In the medical situation, secondary risk is a side effect that occurs as a result of the treatment.

### 14.7.3. Work-around

A work-around is an action taken when the risk response(s) and any backup plans don't work.



The source for the above text is the Project Management Institute, *A Guide to the Project Management Body of Knowledge, (PMBOK® Guide)* – Sixth Edition, Project Management Institute Inc., 2017, Pages 449-452

## 14.8. Monitor Risks (Monitoring and Controlling Process Group)

During the Monitor Risks process, the project manager and team focus on **observing the project activities for risks, risk triggers, and appropriate risk responses.**

It can also include verifying that project assumptions are still applicable, the occurrence of any trends, and a determination of contingency reserves for the schedule and budget.

