



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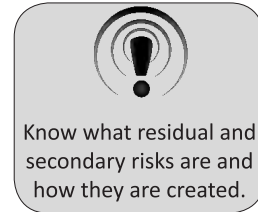
Version 6.1 aligned with the Project Management Institute, *A Guide to the Project Management Body of Knowledge, (PMBOK<sup>®</sup> Guide)* - Sixth Edition, Project Management Institute Inc., 2017

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### 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.

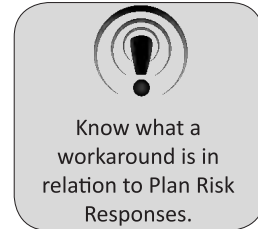


### 14.7.2. Secondary Risk

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.

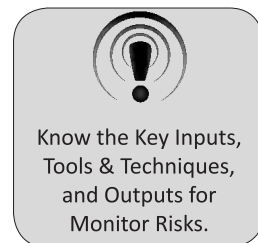


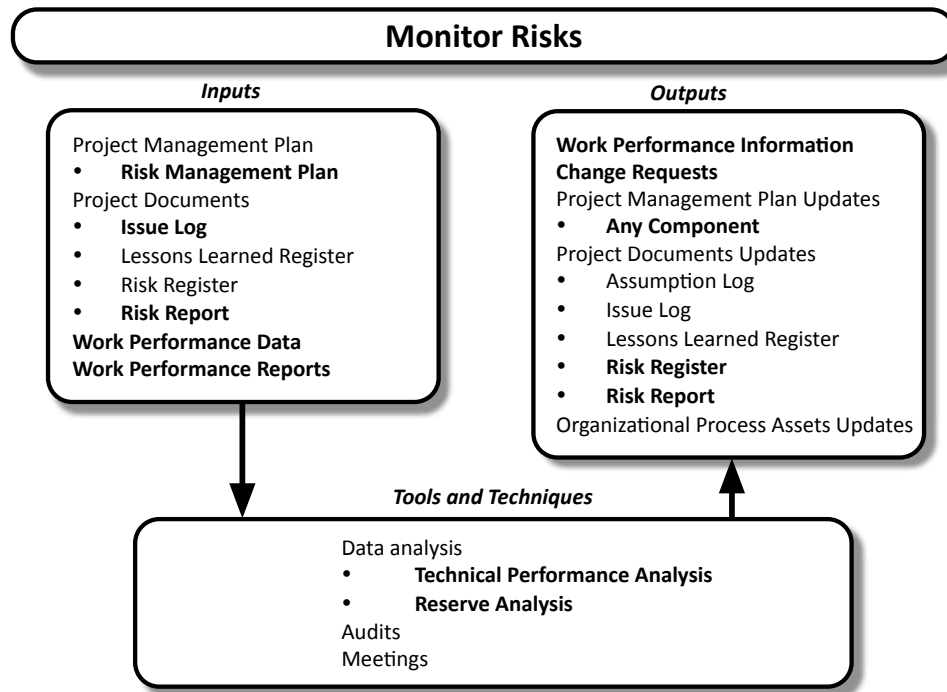
The source for the above text is the Project Management Institute, *A Guide to the Project Management Body of Knowledge, (PMBOK® Guide)* – Sixth Edition, Project Management Institute Inc., 2017, Pages 449-452

## 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.





**Figure 14-15: Monitor Risks 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 11-20, Page 453

<b>Monitor Risks (Monitoring and Controlling)</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. Typically it addresses risk strategy, risk methodology, roles and responsibilities, financing (the budget for risk-related activities, contingent reserves, and management reserves), timing of risk processes, risk classification for grouping individual risks (typically, this is accomplished by using a risk breakdown structure), the probability and impact of individual risks (often supported by a probability and impact matrix), reporting formats, and tracking. It delineates the timing and manner in which risks are reviewed and addresses the review procedures, roles and responsibilities, and format for review-related reporting.
	Issue Log	The issue log is used to record and track any project challenges that cannot be immediately resolved. Issue-related information is communicated to affected stakeholders. The log is periodically reviewed for updates that may impact the risk register.

Monitor Risks (Continued)		
<b>Key Inputs (Cont.)</b>	Risk Report	The risk report details the origins of overall project risk and recaps key data about unique project risks (typically the number of threats and opportunities and other summary metrics). It 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 their owner, as well as a brief overview of project risk.
	Work Performance Data	Work performance data represents the raw metrics and observations identified during the performance of project work activities. It also includes data regarding risks that occurred, risks that are active, risks that have been closed out, and risk responses that have been executed.
	Work Performance Reports	Work performance reports are representations, either physical or electronic, of work performance information and are used as the basis for decisions and/or actions. The reports can include <b>variance analysis</b> , <b>earned value data</b> , and <b>forecasting data</b> . This information may be pertinent to performance-related risk.
<b>Key Tools &amp; Techniques</b>	Technical Performance Analysis	Technical performance analysis is the comparison of actual technical performance to targeted technical performance. An anomaly may signify risk. Note that technical performance measurements may include <b>velocity</b> , <b>capacity</b> , and <b>accuracy</b> .
	Reserve Analysis	Reserve analysis is used to determine the amount of contingency reserves required for the project. If a risk does occur that impacts the budget or schedule contingency reserve, reserve analysis can be used to compare the remaining contingency to the remaining project risk. A burndown chart may be used to depict the comparison.
<b>Key Outputs</b>	Work Performance Information	Work performance information includes information regarding the performance of risk management, specifically the effectiveness of planning and implementing risk responses.
	Change Requests	Change requests are requests for modification that have not been formally approved through the change control process. They can include actions that would prevent or correct the impact of individual risks or overall project risk. Modifications to the cost and schedule baselines or other impacted components of the project management plan may be requested.

### Monitor Risks (Continued)

<b>Key Outputs (Cont.)</b>	Any Component of the Project Management Plan	Changes to the project management plan are subject to the change control process. Authorized changes are used to update the plan, so that it reflects the current approach to, and state of, the project.
	Risk Register	Each identified risk is recorded in the risk register. 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 of identification, date range for probable occurrence, and response deadline. It is updated with new information related to each risk, including the probability and impact evaluation, priority level, score, owner, urgency, and category.
	Risk Report	The risk report details the origins of overall project risk and recaps key data about unique project risks (typically the number of threats and opportunities and other summary metrics). The risk report also includes a prioritized catalogue of all identified risks and a brief overview of project risk. It is updated with information related to risks with the highest risk scores and the current status of major risks and overall project risk.

### Situational Question and Real World Application

Failure to effectively perform the Monitor Risks process can result in a reactive environment. Instead of prioritizing risks by impact and probability, determining cogent risk responses, and anticipating risk occurrences based on triggers, each risk would be addressed as it occurred without any planning and with no regard for the urgency or impact of the risk.

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 453-458