

# MSS Modernization Project

## Risk Management Plan

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## Document Revision History

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# 1. Risk Management Strategy

The Risk Management Plan defines the process for systematically identifying and tracking risks during a project. As part of the Project Management Office (PMO), the risk management process will continuously analyze potential risks from all aspects of the project. The Message Switching System (MSS) Project Team, including Nebraska State Patrol (NSP) Stakeholders and the Unisys Team, will have a mechanism to report new risks and changes to existing risks in their status reports. The Unisys Project Manager will consolidate risks into the Project's Risk Register. The Risk Register will catalog all project risks, potential impacts, mitigation strategies, and contingency plans for managing the risks. During the risk management process, multiple types of risks are evaluated, including:

- **Implementation Risks** – project issues that can affect a project's schedule or overall costs (For example, project tasks are slipping behind schedule for whatever reason).
- **Technical Risks** – project issues due to technology (For example, a piece of software or hardware does not perform to expected specifications).
- **Legal Risks** – project issues that could expose the NSP/Unisys to financial liability (For example, a project requires consolidation of sensitive information that could potentially violate local, State, or federal guidelines if proper security is not implemented).
- **Privacy Risks** – project issues that may risk violating the local, State or federal privacy policies (For example, a project uses sensitive criminal history information that could potentially violate state privacy policy or FBI regulations if proper security is not implemented).
- **Financial Risks** – project issues caused by underestimating the project's financial metrics (For example, Project Team hours and hardware or software costs).
- **Human Resource Risks** – project issues caused by an unexpected loss of a key Project Team member.
- **Sponsorship Risks** – project issues caused by changes in the level of commitment by NSP Project and NSP Executive Stakeholders.

A Risk Management Plan provides leadership and focuses attention on the elimination of risk wherever possible. It seeks to isolate and minimize risk by developing alternate courses of action and to establish target schedules for addressing and mitigating project risks. Risk management is only of value if it recognizes future conditions and recommends actions to enhance a project's success. By developing and following the Risk Management Plan, the NSP Project Team will have a better view of the potential threats and can work with realistic targets. Moreover, the NSP Project Team will benefit from working in a planned, proactive environment rather than reacting to problems and issues after they occur. The Risk Management Plan includes the following sections illustrated in **Figure 1-1**.

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**Figure 1-1. Risk Management Plan.**

The Risk Management Plan will be reviewed and updated on an ongoing basis by Unisys and NSP Project Managers throughout the course of the project. Risks will be identified, assessed, and managed throughout the lifecycle of the project. Risks that can be mitigated within the sphere of influence of the NSP will be addressed within the organizational boundaries. Those requiring external influence will be elevated to the appropriate level for resolution.

Any stakeholder or project team member can identify a risk. The NSP and Unisys Project Managers will perform the risk analysis. The project team, management team and stakeholders will develop the risk responses. Both Project Managers will be responsible for monitoring and control of risks.

### 1.1 Risk Planning

To formalize the risk management process, risk planning assigns resources and responsibilities and documents the project management methodologies that will be used to identify, analyze, manage, and handle ongoing project risks. As the project is initially conceived, the initial potential risk should be itemized to help NSP Executive Stakeholders make approval decisions. Although risk management is a primary responsibility of the NSP and Unisys Project Managers, the entire project team must identify and document risks as they develop. The risk management responsibilities of the NSP and Unisys Project Manager(s) include:

- Develop and implement the risk management processes.
- Identify risks by reviewing project requirements and technical challenges.
- Catalog risks the project team (stakeholders, vendors, and the NSP team) identifies in the Risk Registry.
- Quantify risks by estimating the potential impact and the probability of occurrence.

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- Manage ongoing risks through mitigation and contingency planning.
- Monitor risks during the entire project.
- Inform NSP stakeholders, NSP Executive Stakeholders, and vendors of the risks.
- Implement contingency plans (when needed).

The risk management responsibilities of the project team include:

- Report risks as they are identified during execution of the project.
- Investigate strategies for mitigation and contingency.
- Estimate the potential impact of the risk and the probability of its occurrence.
- Monitor risks that both the NSP and Unisys Project Managers assign.
- Suggest alternate solutions.

## 1.2 Risk Management Roles and Responsibilities

**Table 1.5-1** provides a list of Risk Management Roles and Responsibilities for the following roles:

- Executive Sponsor
- Technology Sponsor
- Steering Committee
- Information Security Officer
- NSP Project Manager
- Unisys Team Project Manager
- Technical Manager (Infrastructure)
- Advisory Workgroup (if required)
- Project Team

**Table 1.5-1. Configuration Management Roles and Responsibilities.**

<b>Risk Management Responsibilities</b>	<b>Executive Sponsor</b>	<b>Technology Sponsor</b>	<b>Steering Committee</b>	<b>Information Security Officer</b>	<b>Project Manager</b>	<b>Technical Manager</b>	<b>Advisory Workgroup</b>	<b>Unisys Project Manager</b>	<b>Project Team</b>
Identification of risks	J	J	J	J	J	J	J	J	J
Analysis of risks					P	S		S	S
Risk Response	S	S		S	P	S		S	S
Develop and administer Risk Management Plan					P			S	S
Approve Risk Management Plan	J	J			S			S	
Monitor and control risks					P			S	S
Approve the use of Contingency Plans	J	J			S			S	
Implement Contingency Plans	S	S		S	P	S		S	S
	<b>Legend:</b> <b>J = joint/shared responsibility</b> <b>P = primary/lead responsibility</b> <b>S = support/participatory responsibility</b>								

### 1.3 Risk Assessment

Risk Assessment is the process of combining the information gathered on individual risks to determine the overall level of risk to a project. Risk analysis is also the process of classifying and assessing the potential impact and the probability that it will occur. Risk analysis is essential for MSS Planners to prioritize risks and allocate time and resources to mitigate the impact or likelihood of their occurrence. During a project, periodic analysis of risks should be included as part of normal progress reporting to senior management and project sponsors. Risk Assessment includes not only the identification of risks but also the development of specific, discrete, and measurable responses to each one. Responding to a risk is not necessarily limited to the development of one response. It is often essential to develop two or more alternative responses, especially if the response to a risk is contingent on the outcome of a future activity.

Initial risks will be identified during brainstorming session with the project team. The NSP and Unisys Project Managers will routinely re-evaluate the project to identify any potential new risks to the projects. In addition, any project team member or stakeholder can submit a risk to the NSP or Unisys Project Managers during the course of the project.

The elements of risk analysis are:

- **Risk Identification** – What is the risk? How can it be documented in business terms?
- **Potential Impact** – What are the risk’s potential effects of the risk on the project (of cost, schedule, and system performance)?
- **Risk Avoidance** – Are there actions or strategies to remove a risk (probability = 0)?
- **Risk Mitigation** – Are there actions or strategies to reduce the probability, impact, or both of the risk?
- **Risk Level** – At what level (high, medium, or low) is the risk cataloged? High-level risks may require weekly attention from the Nevada DPS and Unisys Project Managers.
- **Risk Owner** – Who is assigned as the primary individual to monitor the risk?
- **Risk Contingency** – What actions or strategies should be implemented to resolve the problems if the risk occurs?

### 1.4 Mitigation Strategies

Risk mitigation strategies are employed to reduce the impact or the likelihood of a risk’s occurrence. Many risks will have several avoidance and mitigation actions that can be taken simultaneously. However, depending on the circumstances and cost of the mitigation strategies, the MSS Project Team may want to enact these strategies one at a time to determine whether a risk is managed successfully. Sequential mitigation of risks may save a project money by implementing only as many actions as necessary. Each potential strategy for risk mitigation will be documented in the Risk Register. To determine when to enact the mitigation strategies, both NSP and Unisys Project Managers will review the status of each potential risk periodically.

### 1.5 Contingency Strategies

If there is no way to avoid or mitigate a risk, the only action left is to resolve the problems the risk causes. When a risk occurs, the associated risk contingency actions in the Risk Register should be enacted. Risk contingencies are actions to resolve problems when a risk materializes. The project team can select the actions to take. This decision should be based on the likelihood of success and cost and several actions may be appropriate. To determine whether the risk is managed properly, the



team should monitor the progress of these actions. Additional actions may be required if the risk continues. Each identifiable risk should be listed with a mitigation plan and a contingency plan in the Risk Register. The cost to the project for each action should also be calculated and recorded. The Risk Plan and the Risk Register should be developed at the beginning of the project and updated by the NSP and Unisys Project Managers with each status reporting cycle or when a new risk is identified.

### 1.6 Risk Monitoring

Risk monitoring is a recurring, iterative process that occurs continuously during a project. Risk monitoring is intended to be an integral, ongoing process that is included in the overall project management methodology. The NSP and Unisys Project Managers must monitor risks during the project. Many risks appear without warning and it is vital for all project team members to be constantly aware of potential risks and report any sign of risk to the PMO. Both Project Managers must actively identify new risks by determining root causes for variances in the project plan or missed deadlines. The NSP and Unisys Project Managers will communicate potential risks to the NSP MSS modernization project stakeholders. It is important for the Risk Plan and the Risk Register to be available to all project team members and for each team member to have a mechanism (the Weekly Status Report) to update the status of each risk regularly. Continuous risk monitoring provides the best opportunity for risk avoidance by identifying risks as early as possible.

### 1.7 Risk Registry

The Risk Register is a consolidated catalog of all risks identified during a project. Each risk should have a unique risk ID that is used for reference. The Risk Register will include the following data elements:

- Risk ID (unique ID number)
- Risk description (full text description of the risk)
- Log Date (date risk was identified)
- Risk Status (open, active, or closed)
- Level (high, medium, or low)
- Risk Type (technology, functionality, human resource, legal, or financial)
- Raised by (Project Team member who identified the risk)
- Assigned to (PMO who is assigned to monitor the risk)

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- Risk impact (on cost, schedule, performance, or functionality)
- Risk probability (0 percent to 100 percent)
- Risk mitigation strategies (what can be done to mitigate the risk at low or no cost) / Risk contingency strategies (what can be done to fix the problem, and what the potential costs are).

MS Excel will be used to collect risks into the Risk Registry for the project. The PMO will require a Risk Report for all high-level risks to document the risk avoidance, mitigation, and contingency plans further. The Risk Report will be a standard project template developed in Microsoft Word. To identify a risk, monitor it, and update the Risk Register each week, the Unisys Project Manager will review the Project Team's status reports.

### 1.8 Risk Handling

Risk handling is the process of implementing responses to risks that occurred. Risk handling is the final step in the risk management process after all other mitigation and avoidance strategies are exhausted. Once the risk is formally identified as a problem, the following activities can be implemented to resolve the issue:

- **Risk Acceptance** is the process of acknowledging a risk and informing the NSP Executive Stakeholders and the project team that it has become a serious problem.
- **Implementation of Contingency Plans** that have a financial consequence for the project. Contingency Plans may include the purchase of additional software, hardware, or services to overcome the problem. The Contingency Plans may include invoking the project's change control processes.
- **Risk Avoidance** is the formal process of changing a project's requirements to avoid a problem. This may include eliminating or changing the project's original functionality to avoid the problem.
- **Risk Transfer** is an approach that shifts the responsibility of trying to manage and resolve the risk to another party. This may occur if the risk is transferred to a party that is better equipped to resolve it.

### 1.9 Risk Monitoring and Control

#### 1.9.1 Risk Tracking

Key risks will be monitored by assigned project staff on a regular basis and reported to the NSP and Unisys Project Managers on a weekly basis. If a risk is determined to be in danger of becoming an

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issue, the project team will be notified and will review the risk to determine if a contingency plan needs to be invoked.

Risk mitigation activities will be reviewed by both the NSP and Unisys Project Managers to ensure they are progressing as planned.

### 1.10 Risk Reporting

#### 1.10.1 Risk Items

Risk mitigation activity status will be regularly reported on the monthly status reports. If a significant change in activity occurs, it may be reported on the weekly status report as well.

#### 1.10.2 Risk Status

The Unisys Project Manager will track risks and their status on the Risk Register spreadsheet. Risk status will be reported on the monthly status report. Newly identified risks may be reported on the weekly status report as well.