

## Writing a Good Risk Event Statement

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**Abstract:** Provides a brief explanation of how to write a risk event description, and why.

Risks are everywhere, and a project manager knows this better than most. People will often express risk in general terms, for example as “getting sick”, “experiencing an earthquake”, “bugs in software”. These are how risk are often captured during preliminary identification processes. This format certainly indicates what may occur but is wholly inadequate in describing an event.

A pattern for writing a statement of risk is:

IF conditions(s) OCCURS  
[during period]  
THEN A NEGATIVE/POSTIVE IMPACT TO consequence(s)  
MAY OCCUR

A *condition* is the future event (or situation) that may arise. If timing of the *condition* matters then *during period* needs to be defined. Using either *negative* or *positive* identifies the risk as a threat or opportunity respectively. *Consequences* define the areas that will be impacted by the risk event.

When a *condition* occurring at different times has different *consequences* then each instance needs to be written as a separate risk event. An example of this is the condition ‘software bugs cause the rugby world cup broadcasting system to crash’. If *during period* was ‘during testing phase of the system’ the risk event is an opportunity. We want to find bugs during testing. If *during period* was ‘at go live of the world wide coverage of the final’ the risk is definitely a threat, and the consequences wide ranging and potentially catastrophic to the organisers.

In writing the risk statement it is important to clearly capture the conditions and consequences without emotional anchors, ensuring they are objectively expressed. Also, identify consequences as easily distinguishable areas of impact so that over multiple risk events the same area of impact may be easily recognisable. Below is an example of a risk statement from a recent project, modified for anonymity:

IF customer-facing systems fail as customer volumes increase OCCURS  
THEN A NEGATIVE IMPACT TO

- levels of communications required to support the industry AND/OR
- media attention AND/OR
- revenue stream to Supplier AND/OR
- level and timing of financial returns for Owner AND/OR
- ability to deliver on contractual requirements AND/OR
- reputation of Owner AND/OR
- relationships with the industry AND/OR
- satisfaction levels of key stakeholder groups

MAY OCCUR.

Across the more than 100 risks in the risk register “reputation of owner” was very heavily represented. This item was identified for specific attention independent of a specific risk, and there was a beneficial impact for all risks containing that area of impact across the project.

Writing a good statement of risk enables you to:

- Clearly understand the areas of impact of a given risk
- Identify triggers and symptoms that suggest the risk event may be about to or actually has materialised
- Determine interrelations between risk events through their common areas of impact
- Communicate with stakeholders about the risks in a form that is readily understandable to them
- Increase your confidence through greater awareness of the risks facing your project. You will be better prepared than a project manager who does not start the risk management process
- Move cleanly into the risk analysis process

When you do come to perform analysis you will need to investigate and determine the significance of the consequences. However the statement of risk ought to cover the range of consequences and lead a more focused analysis phase.