



# Project Primer

## It's a Blast!!!

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[www.MFA-A.com](http://www.MFA-A.com)

### In This Issue

About Us

Risk Management

Troubled Projects?

Project Humor

### About Us

**It's our 10 year anniversary this year!!**

Our Company started in the service industry supporting traditional utilities. As we grew we added engineering firms, general contractors, and specialty contractors to our client base. Our early involvement with utility customers included preparing and managing world-wide procurement, material-handling and transportation logistics for a \$250 million simple-cycle dual fuel jet-peaker powerplant project.

## Greetings!

Welcome to the second installment of our newsletter, the "Project Primer". We hope to continually capture your attention each month with potentially explosive topics that add value and are relevant to your current and future business needs.

## Risk Management

Risk exists to some degree in every aspect of our lives. Risk Management is a term that we use throughout the construction industry to address a wide variety of situations. A few examples that quickly come to mind include:

- **Safety Risk Management**
- **Contractual Risk Management**
- **Financial Risk Management**
- **Construction Risk Management**

A few simple easy-to-use tools such as a **Risk Assessment Worksheet** and a **Risk Matrix** can go a long ways towards controlling risk on a project. Identifying key risks and creating response plans to mitigate the impacts makes projects easier to control. Understanding project risks prior to committing and starting work on a project makes margins easier to achieve and sets up the field team for success.

The **Risk Assessment Worksheet** captures responses to a series of yes/no questions about a project in several key risk categories on a simple spreadsheet. Based on the level of perceived risk, a project control level is assigned to tailor the level of management controls to

## Additional Risk Management Resources

### How to Develop a Risk Management Plan

[wikiHow](#)

### Risk Analysis Techniques

[Disaster Recovery Journal](#)

### The Psychology of Risk and How It Relates to project Risk Management

[ProjectTimes](#)

## Future Topics

If you have a topic of interest you'd like to see please submit your suggestion on our website

[Submission Form](#)

the level of risk. This process allows resources to be cost-effectively applied, minimizing the total cost of project controls across an organization and maximizing resource usage at the same time.

The **Risk Matrix** assigns an action plan to manage and mitigate each identified risk. These action plans range from managing the risk as part of the work plan, to setting aside contingency (dollars) and/or float (schedule days) to mitigate the risk events. While these action plans and the use of Contingency will vary by company, management philosophy, resource availability, etc... what is important is that this step in the risk management process is an extremely powerful tool for improving project financials. Consistent and proper use of contingency can dramatically improve forecasting and generate more consistent and repeatable financial results.

As financial reporting and accountability requirements increase due to shareholder, customer, and governmental agency requirements, it is becoming increasingly more critical that financial reporting be more accurate, more consistent, and more repeatable. Proper use of risk management tools will help you increase your ability to control and navigate your projects to more successful outcomes.

Mike Allen, P.E.  
President

## Troubled Projects?

Over the years we developed our "ACID" methodology to help organizations become more proactive in their risk management approach. ACID is an acronym that stands for Anticipate, Communicate, Implement, and Document. These four simple steps help to organize the thought process and generate "look-ahead plans" to identify potential obstacles to successful project completion as well as mitigation options.

We would be happy to discuss this approach with you in more detail and help you improve your margin and sleep better at night. We can be reached at (630) 515-0883 or submit a question on our website

[Submission Form](#)

# Project Humor

