



Risk and Opportunity

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There are risks and opportunities in everything we do. Managing risk and opportunity in construction is potentially the most important concept faced by project managers. No project is risk free. Most proficient construction teams are competent to formally identify risks, but they may not always be as disciplined in identifying opportunity. The tendency may be to accept what they have.

Risk can be managed, minimised, shared, transferred or accepted. It cannot be ignored.

In the larger construction projects it is common to convene a risk management workshop at commencement of the project. However, it may be equally common to then file the risk assessment, and not look at it again. One may also ask if we should convene extend the workshop to include opportunities.

The process of managing risk (and opportunity) is generally said to comprise (1) Identification, (2) Analysis and assessment, and (3) Action, and (4) Monitoring.

So what are the risks and opportunities?

Risks

Risks may fall into the following categories:-

- Time (Labour resources, productivity, weather, industrial, etc.)
- Procurement (purchases and contracts)
- People
- Cost
- Quality
- Legal - Contracts, litigation, security of payment, time bars, and the like.
- Safety
- Financial
- Change of scope

Opportunities

Opportunities may fall into the following categories:-

- Methods
- Materials
- Program - alternative (more efficient and timely construction processes.
- Change of Scope (Variations)

Cheops Risk and Opportunity Menu Options

Listed here are the menu options for the project and company.

Projects			
Entry	Risk & Opportunity Entry	FROE	This option allows for the setup of line items for each item of risk and opportunity, and allow for values to be entered, which then appear in the cashflow facilities, allowing the values to be included in the overall project cashflow .
Reports	Risk & Opportunity Report	FROREP	
Company			
Entry	Default Risk & Opportunity Maintenance	ROD	Allows for the setup of default Risk & Opportunity items, which are copied to each new project.
Reports	No company level reports required.		