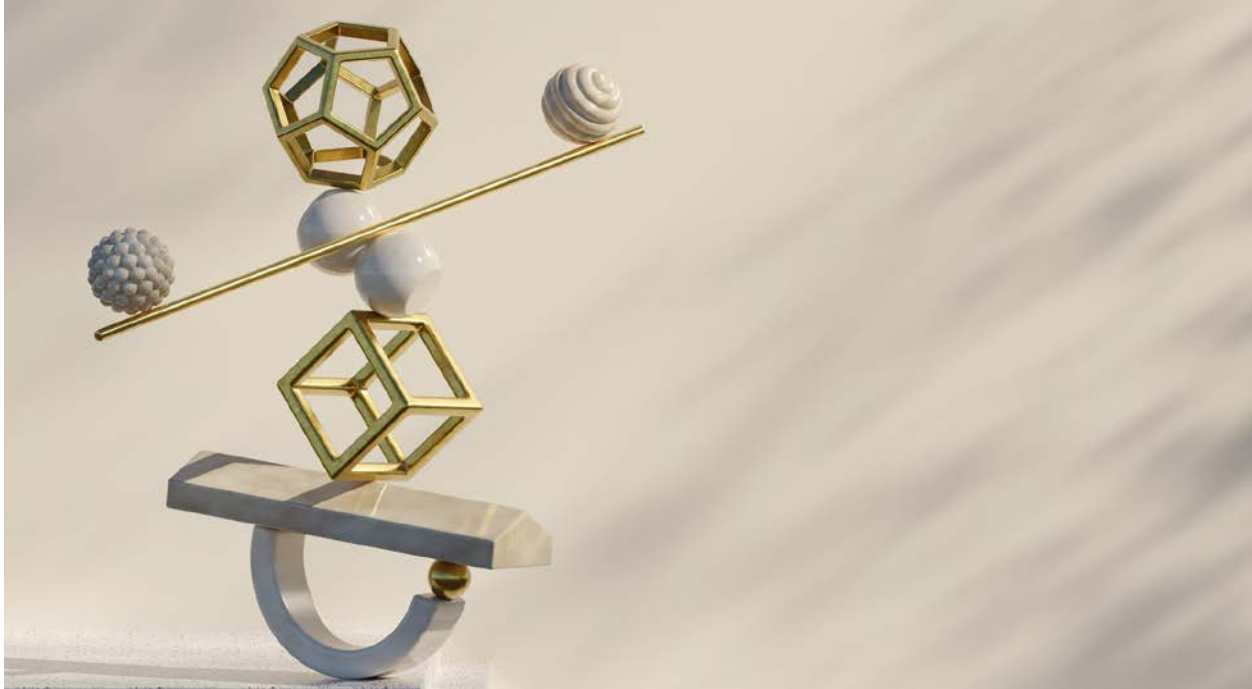


Case Study: Integrating Project, Program and Portfolio Risk Management With Organizational Risk Management



Organization: XYZ Corporation, a multinational company operating in various sectors

Background: The ABC Project was a strategic initiative within XYZ Corporation aimed at diversifying its product portfolio. The objective was to develop and launch a new line of innovative consumer electronics. The project involved extensive research and development, market analysis, manufacturing and marketing efforts. Given the scale and complexity of the project, effective risk management was crucial to ensure its success.

Project-Level Risk Management

At the project level, the ABC Project team identified several risks that could impact progress and outcomes. These risks included resource constraints, technology dependencies, market volatility, and regulatory compliance. By integrating project risk management with the organizational risk management process, the team was able to assess these risks holistically. They considered not only their impact on the project but also their potential implications for the broader organization.

The integration allowed for a more comprehensive risk assessment and prioritization process. Team members collaborated closely with stakeholders from different departments and applied a standardized risk assessment framework to evaluate each identified risk. This approach enabled

them to determine the probability and potential impact of each risk on both the project's objectives and the organization's strategic goals.

Based on this assessment, the team developed a robust risk response plan that included proactive measures to mitigate risks as well as contingency plans. The integration of project-level risk management with organizational risk management ensured that the response plan aligned with XYZ Corporation's overall strategies and objectives.

Program-Level Risk Management

The ABC Project was part of a larger program aimed at expanding XYZ Corporation's product offerings and market presence. This program involved multiple projects, each with its own set of risks. By integrating program risk management with organizational risk management, program managers could evaluate the risks specific to the ABC Project in the context of broader program objectives.

The integration allowed for effective resource allocation across projects within the program. Program managers collaborated with project teams to identify interdependencies and shared risks. They employed a common risk management framework to assess the impact of these shared risks on the program's success.

With this holistic view of risks, program managers could prioritize resources based on the collective impact of projects on the organization's strategic objectives. They allocated resources strategically to mitigate risks that had the highest potential to hinder the program's overall success. This integration of program-level risk management with organizational risk management ensured optimal use of resources while minimizing exposure to significant risks.

Portfolio-Level Risk Management

At the portfolio level, XYZ Corporation evaluated risks associated with multiple projects and programs simultaneously. The integration of portfolio risk management with organizational risk management enabled senior executives to assess risks across all levels and make informed decisions regarding resource allocation and risk-mitigation strategies.

The portfolio-level risk assessment involved analyzing risks associated with individual projects and programs as well as their cumulative impact on XYZ Corporation's strategic objectives. By considering the risks collectively, senior executives gained a comprehensive understanding of potential threats and opportunities.

This integrated approach allowed for effective portfolio-level decision-making. Senior executives prioritized resources based on the potential return on investment and the alignment of projects and programs with strategic goals. They allocated resources strategically to mitigate risks that could jeopardize the achievement of organizational objectives.

Approach: To integrate project, program and portfolio risk management with organizational risk management, XYZ Corporation adopted the following approach:

1. **Common Risk Management Framework.** XYZ Corporation developed a standardized risk management framework that encompassed all levels of operations—from individual

projects to the overall organizational strategy. This framework ensured consistency in risk identification, assessment, response planning and monitoring.

2. **Risk Governance Structure.** XYZ Corporation established a dedicated Risk Management Committee consisting of representatives from project teams, program managers, portfolio managers and senior executives. This committee was responsible for overseeing the integration of risk management practices across all levels.
3. **Risk Assessment and Prioritization.** XYZ Corporation conducted regular risk assessments at project, program and portfolio levels as well as at the organizational level. Risks were evaluated based on their probability, impact and alignment with strategic objectives. This process enabled team members to identify high-priority risks that required immediate attention.

Outcome: The case study of the ABC Project within XYZ Corporation demonstrates the practical implementation and benefits of integrating project, program and portfolio risk management with organizational risk management. By adopting a common risk management framework, collaborating across different levels, assessing risks holistically, and aligning risk mitigation strategies with strategic objectives, the organization was able to effectively manage risks at all levels.

The integration enhanced risk management practices by providing a comprehensive view of risks, optimizing resource allocation and facilitating informed decision-making. This approach ensured that risks were evaluated in the context of the organization's goals, resulting in better outcomes and overall organizational success.

By examining this case study, organizations can gain valuable insights into how integrating risk management practices can enhance their own risk management processes and contribute to achieving their strategic objectives.

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