



Tackling Project Risk Head-On Using AI (And Humans!)

A BRIEF HANDBOOK OF AI-DRIVEN APPROACHES
TO RISK MANAGEMENT



Thanks for picking up this handbook. It was crafted with love from a live, interactive session we did in December 2023, where we explored how AI can help make managing risk less of a drag... and where it can do the opposite!

As with all good emerging technologies, things change fast, and I don't expect that all the information in this handbook will age well. But one thread of steel underpinned the entire conversation: AI tools are best used to drive human collaboration, not replace it.

So if you're reading this at a time where AI tools have long since evolved beyond their humble beginnings, hopefully you can treat this as an amusing historical record or cautionary tale to inform your current context.

Warm regards,

Galen Low

Co-Founder of The Digital Project Manager

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The Setup

The Thing About Risk Management

- No one really wants to do it
- It's can be very time consuming
- The ROI can be invisible
- ... but it can save your project!

The Thing About AI

- We need to wrap our heads around it
- No one has 100% mastered it
- Many of us are still afraid of it

The Goal

To explore, test, and refine a few ideas for using AI-driven tools to enhance the way we manage risk.

The Tools

- ChatGPT 
- Miro AI 
- RAIDLOG 

The Topics

- Identifying risks
- Deciding on a risk response strategy
- Creating a risk response plan

AI Best Practices

A Few Best Practices

- **DO NOT** put sensitive information into tools like ChatGPT & Bard.
- **DO** treat it like a conversation, not a single command.
- **DO NOT** be afraid to include context and be specific about the output you want.
- **DO** a sense check! Don't expect the results to be 100% accurate and ready-to-ship.

The Scenario

Let's Pretend...

- The project is an e-commerce website redesign project
- You work for an agency
- You're working with an external design vendor
- You've got a fixed deadline

USE CASE 1

Identifying Risks

How Might We Use AI Tools To...

**Help us identify and
prioritize risks that could
impact our project?**

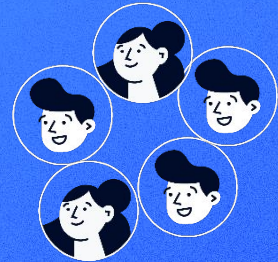
Does this sound familiar?



YOU

What might happen that would impact our project in a good or bad way?

YOUR WHOLE TEAM





Risk Identification

ChatGPT Exploration

Goal

Quickly build out a list of relevant vendor risks that my team and I can discuss in terms of likelihood and impact.

Approach

- Use a well-sculpted ChatGPT prompt to generate a list of risks
- Take the most relevant risks and prioritize them by severity
- Include a healthy dose of context, inputs, and output guidelines throughout

Get Hands-On

<https://bit.ly/3R0nVUd>

Prompt Architecture

Parts of a prompt	What Chat Thinks
Context	Setting the stage, allows chat to enhance outputs and better understand your intent
Inputs	The data chat needs to compute the output.
Output guidelines	Now I know how to respond, and I'll use the context and inputs provided to get to the end goal

This prompt is fine.

What are some common positive and negative risks related to having an external vendor work on a digital marketing campaign project?

Context

Inputs

Output guidelines

This prompt is better!

Act as a senior digital project manager working in a small/medium-sized business. What are some common positive and negative risks related to having an external vendor work on a digital marketing campaign project? Answer in bullet points, make sure to clearly outline the risk, the parties involved, and the impact.

Context

Inputs

Output guidelines



Risk Identification: ChatGPT Exploration

Prompt #1

“Act as a senior digital project manager working in a small/medium-sized business. What are some common positive and negative risks related to having an external vendor work on a digital marketing campaign project? Answer in bullet points, make sure to clearly outline the risk, the parties involved, and the impact.”

Results #1

ChatGPT produced a succinct and quite accurate list of positive and negative risks, following my guidance about answering in bullet points and speaking to me as an expert.

In other explorations, not specifying the tone has led to more verbose, beginner-level responses.



You

Act as a senior digital project manager working in a small/medium-sized business. What are some common positive and negative risks related to having an external vendor work on a digital marketing campaign project? Answer in bullet points, make sure to clearly outline the risk, the parties involved, and the impact.

< 1 / 2 >



ChatGPT

Positive Risks:

1. Expertise Enhancement:

- **Risk:** Vendor may bring specialized skills and knowledge.
- **Parties Involved:** External Vendor.
- **Impact:** Positive impact on project quality and innovation.

2. Faster Time-to-Market:

- **Risk:** Vendor might have efficient processes and resources.
- **Parties Involved:** External Vendor.
- **Impact:** Accelerated project timelines and faster delivery.

3. Cost Savings:

- **Risk:** Vendor might offer competitive pricing.
- **Parties Involved:** External Vendor.
- **Impact:** Positive impact on project budget and financial resources.

4. Scalability:

- **Risk:** Vendor may provide scalability for variable workloads.
- **Parties Involved:** External Vendor.



Risk Prioritization: ChatGPT Exploration

Prompt #2

"Would you be able to assign a priority to each of the negative risks into a table based on their likelihood of happening and the severity of the impact? Please also include a description of what the impact would be if they happened."

Results #2

It took me a few refinements to get the table to look the way I wanted it to, but my eventual prompt produced quite a usable risk severity table that also included descriptions for my team to latch onto.

I would use this table to drive a conversation with my team, starting with the high priority risk areas.

You

Thanks! Would you be able to assign a priority to each of the negative risks into a table based on their likelihood of happening and the severity of the impact? Please also include a description of what the impact would be if they happened.

< 4 / 4 >

ChatGPT

Certainly! Let's create a risk prioritization table based on likelihood and impact for the negative risks associated with having an external vendor for a digital marketing campaign project:

Risk	Likelihood	Impact	Priority	Description of Impact
Dependency	Moderate	High	High	Delays or disruptions in the project if the vendor encounters issues.
Communication Challenges	High	Moderate	High	Misunderstandings leading to delays or misaligned project outcomes.
Quality Concerns	Moderate	High	High	Negative impact on project outcomes and potential damage to reputation.
Data Security and Privacy	Low	High	Medium	Legal and reputational consequences, loss of trust.
Vendor Reliability	Low	High	Medium	Project disruptions, delays, or even termination if the vendor faces issues.
Hidden Costs	Moderate	Moderate	Medium	Budget overruns and financial strain.



Risk Identification

Miro Exploration

Goal

Quickly prepare a presentation of technical risks that my team and I can discuss with our client.

Approach

- Create a presentation of technical risks
- Discuss with my team and refine
- Drive a conversation with the client around risk and risk management
- Prioritize those risks together as a group

Get Hands-On

<https://bit.ly/3THpDrI>



Risk Identification: Miro AI Exploration

The Prompt (using Presentations)

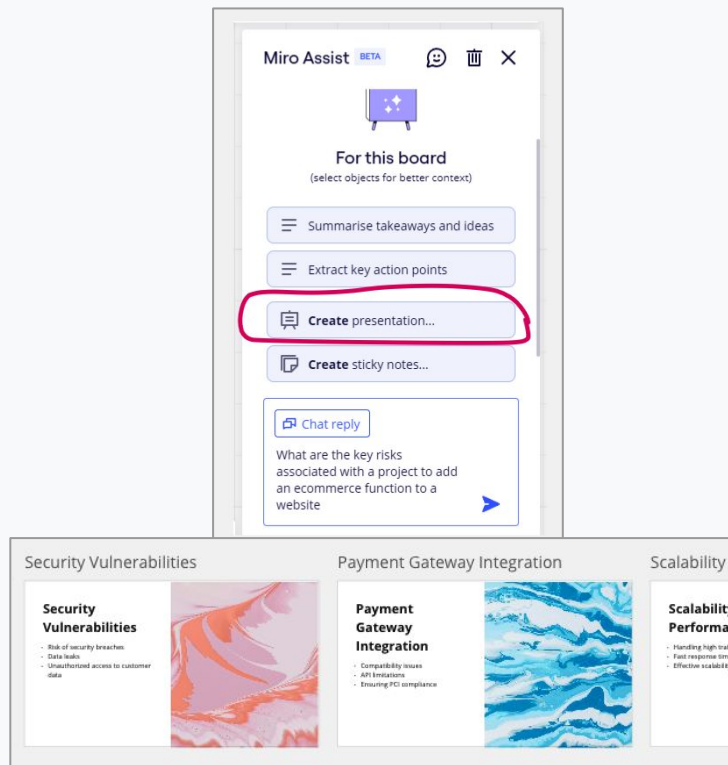
“What are the key technical risks associated with a project to add an ecommerce function to a website”

The Results

Miro generated a set of slides that could be used to drive a conversation with the client around risk management and risk ownership (complete with images!).

Would I use it exactly as-is? Probably not. But you can see the potential here.

But the main thing is that we are now able to start a conversation in a collaborative space that transcends death-by-PowerPoint.





Risk Prioritization: Miro AI Exploration

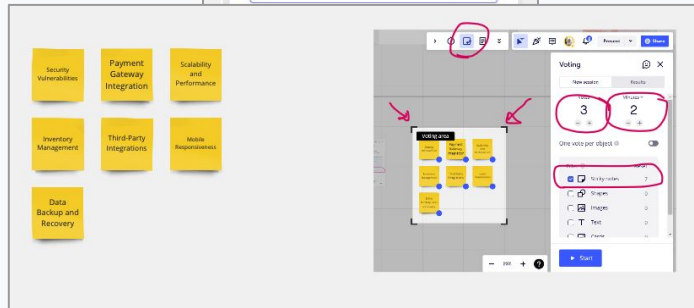
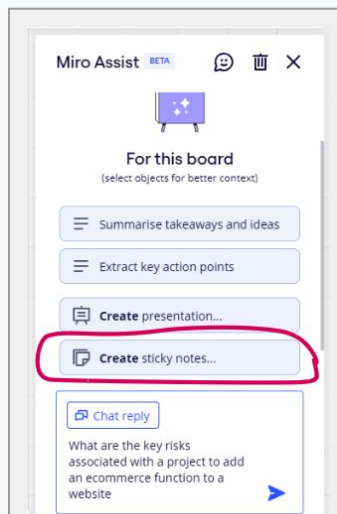
The Prompt (using Stickies)

“What are the key technical risks associated with a project to add an ecommerce function to a website”

The Results

Using the same prompt we were able to generate a starting point for documenting risks as stickies. This also allowed us to run an interactive group exercise to vote on risk priority.

But it's a bit hard for the team to understand what they're voting on in this fidelity, so let's switch to Miro's mindmap mode and see if it can help us get to a deeper, shared understanding of each risk.





Risk Prioritization: Miro AI Exploration

The Prompt (using Mindmap)

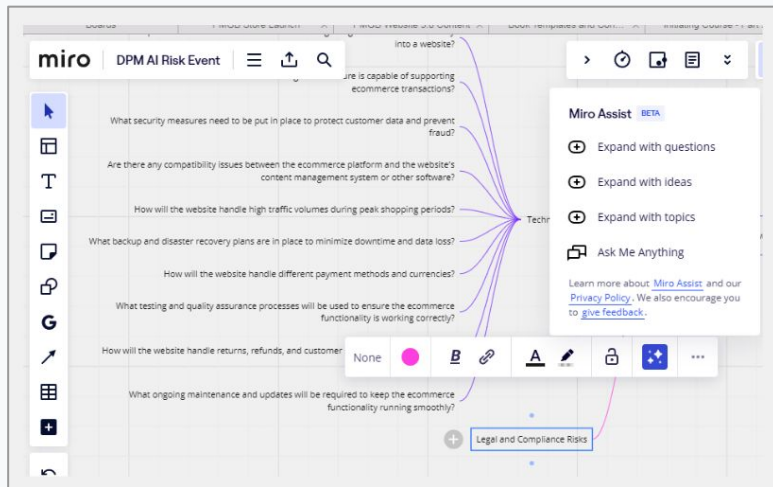
“Key risks associated with adding ecommerce functionality to a website”

Then...

- Expand with Questions
- Expand with Ideas
- Expand with Topics

The Results

This provided us with much more to talk about in terms of ideas, questions, and subtopics. Ultimately we start getting a clearer view of a risk which we can then vote on from an informed position.



USE CASE 2

Risk Response Strategies

How Might We Use AI Tools To...

**Help us come up with ways
to respond to these
high-priority risks?**



Risk Response Strategies

ChatGPT Exploration

Goal

Come up with some response strategies to handle or accept the risks we are pretty sure we're going to have to face.

Approach

- Use a well-sculpted ChatGPT prompt to generate risk response strategies for vendor resource availability issues
- Refine patiently and as needed
- Include a healthy dose of context, inputs, and output guidelines throughout

Get Hands-On

<https://bit.ly/3R0nVUd>

Continuation & refinement

Thanks! The vendor we're considering is known for not always having the right resources available at the right time. Could you help come up with some risk response strategies that would help safeguard against timeline delays and make sure to say at what stage of the project they should occur?

Context

Inputs

Output guidelines



Risk Response Strategies: ChatGPT Exploration

Prompt #3

"The vendor we're considering is known for not always having the right resources available at the right time. Could you help come up with some risk response strategies that would help safeguard against timeline delays and make sure to say at what stage of the project they should occur? Please list the results as a table so I can add it to our risk register."

Results #3

The result was quite a good starting point for a risk register, but I probably should have specified that we are already past the contracting stage with this vendor, so I'll need to do a bit of refinement in the next step!



Anonymous

Thanks! The vendor we're considering is known for not always having the right resources available at the right time. Could you help come up with some risk response strategies that would help safeguard against timeline delays and make sure to say at what stage of the project they should occur? Please list the results as a table so I can add it to our risk register.



ChatGPT

Risk Response Strategies for Vendor Resource Availability:

Risk	Stage	Response Strategy	Result
Lack of Right Resources	Planning	Diversify Vendor Resources: Identify alternative vendors or build a backup plan for critical resources.	Reduced impact if the primary vendor faces resource constraints.
Lack of Right Resources	Execution	Regular Resource Check-ins: Establish regular check-ins to monitor resource availability and allocate tasks accordingly.	Early identification and adjustment of resource issues to prevent delays.
Lack of Right Resources	Monitoring & Control	Implement Resource Contingency: Have a contingency plan in place, such as a resource pool, to address sudden resource shortages.	Swift adaptation to unexpected changes without compromising timelines.
Lack of Right Resources	Execution	Flexible Task Assignments: Design the project plan with flexibility, allowing for resource substitution without affecting critical paths.	Minimized impact on timelines by adapting to resource fluctuations.
Lack of	Monitoring &	Performance Metrics Tracking:	Proactive identification



Risk Response Strategies: ChatGPT Exploration

Refinement


“We are now past the contracting and planning stage. Could you show only the risk response strategies that are applicable once the contract has been signed and the project is underway?”

Refinement Result


This was a simple but effective refinement to exclude risk response strategies where the ship has already sailed.

Now I've got a relevant list of response strategies to address the risk of vendor resource availability during the Execution & Monitoring stage of the project.

I'd now add these to the risk register so that we can start to think about risk owners and a detailed plan.

 **Anonymous**

We are now past the contracting and planning stage. Could you show only the risk response strategies that are applicable once the contract has been signed and the project is underway?

 **ChatGPT**

Certainly! Here are risk response strategies specifically applicable during the execution and monitoring stages of the project:

Risk Response Strategies for Vendor Resource Availability (During Execution and Monitoring):

Risk	Stage	Response Strategy	Result
Lack of Right Resources	Execution	Regular Resource Check-ins: Establish regular check-ins to monitor resource availability and allocate tasks accordingly.	Early identification and adjustment of resource issues to prevent delays.
Lack of Right Resources	Monitoring & Control	Implement Resource Contingency: Have a contingency plan in place, such as a resource pool, to address sudden resource shortages.	Swift adaptation to unexpected changes without compromising timelines.
Lack of Right Resources	Execution	Flexible Task Assignments: Design the project plan with flexibility, allowing for resource substitution without affecting critical paths.	Minimized impact on timelines by adapting to resource fluctuations.
Lack of	Monitoring &	Performance Metrics Tracking:	Proactive identification

Risk Response Strategies

RAIDLOG Exploration

Goal

Generate risks and risk mitigation strategies in a tool that will also be used to manage my project's RAID log.

Approach

- Ask RAIDLOG to suggest risks and response strategies based on a brief project description
- Assign actions to those risks and response strategies
- Use RAIDLOG as our integrated RAID log for the project

Get A Demo Account

<https://bit.ly/48LoDrd>

Risk Response Strategies: RAIDLOG Exploration

Prompt #1 (AI Assisted Risks Feature)

“An e-commerce website redesign where the client is a baby shoe retailer, and we are working with an external design vendor for illustrations.”

Result #1

RAIDLOG did quite a bit of heavy-lifting to build out a table of risks with probability, impact, severity score, and a proposed response plan.

I still went through to remove any risks that I felt were redundant or irrelevant. I would probably also discuss the probability and impact scores with my team.

But what’s nice is that this is now where I will do the work and track the actions and decisions we make around the risks.

AI Suggested Risks BETA

Welcome to our natural language AI risk analysis tool. Enter a detailed description of your project including the scope, key assumptions, constraints, and deliverables. The more detail, the better. Our AI will recommend a list of risks for your project.

AI generated risks are not a substitute for a good risk analysis process that you can read about [here](#). But, it is a great way to get started - and surprisingly useful!

An e-commerce website redesign project where the client is a baby shoe retailer, and we are working with an external design vendor for illustrations.

149 of 2048 characters

Suggest Risks Cancel

ID	Name	Description	Status	Probability	Impact	Score	Date Raised	Response Strategy	Response Plan and Notes
	Add new risk...		Raised	1%	1/100	0	2023-12-21	None	
16	Delays in design delivery from external vendor	The external design vendor is known for having issues around...	Raised	70%	90/100	62	2023-12-06	Mitigate	Regular communication with the vendor to ensure they are on... SHOW MORE
19	Inconsistent look and feel of the e-commerce website	The look and feel of the site is a core part of the redesign...	Raised	40%	70/100	28	2023-12-06	Transfer	Clearly define the desired look and feel of the website in L... SHOW MORE
17	Lack of client satisfaction with the redesign	The client's satisfaction is crucial for the success of the...	Raised	60%	80/100	48	2023-12-06	None	Maintain open and frequent communication with the client th... SHOW MORE
18	Scope creep and changing requirements	The project has a tight timeline and requires a focused appr...	Raised	60%	80/100	48	2023-12-06	None	Establish a clear scope and requirements baseline at the beg... SHOW MORE

USE CASE 3

Creating A Risk Response Plan

Plot Twist...

KENZI

Just wanted to flag something with you. My friend works at the design agency we're working with, and there's some trouble brewing...



YOU

What kind of trouble?

KENZI

They're planning a mass walkout next week over the sacking of one of their creative directors.



How Might We Use AI Tools To...

Create an actionable risk response plan that we can assign to a risk owner without making them panic?



Risk Response Plan

ChatGPT Exploration

Goal

Develop a lightweight, but clear and actionable plan for monitoring and responding to an evolving risk.

Approach

- Advise ChatGPT of the current state of the project risk and ask it to shape a response plan
- Provide ample context on who the risk owner should be and what their relationship to the vendor is
- Evaluate and refine as necessary

Get Hands-On

<https://bit.ly/3ROnVUd>



Risk Response Plan: ChatGPT Exploration

Prompt #4

"We do have a designer available to take over next week if needed. Can you help me come up with a contingency plan to have that designer step in if the vendor indicates that their deliverable will be late? The risk owner would be Kantara, our creative director, because they are dealing directly with the vendor and have the ability to make decisions around design team resourcing."

Results #4

Even though this may not seem as formal as one might expect from a risk response plan, I actually think it is a great starting point to start getting Kantara comfortable with being a risk owner!



You

Thanks! We do have a designer available to take over next week if needed. Can you help me come up with a contingency plan to have that designer step in if the vendor indicates that their deliverable will be late? The risk owner would be Kantara, our creative director, because they are dealing directly with the vendor and have the ability to make decisions around design team resourcing.



ChatGPT

Certainly! Here's a contingency plan for having your in-house designer step in if the external vendor indicates that their deliverable will be late. The risk owner, Kantara, will play a crucial role in executing this plan:

1. **Early Communication with the Vendor:**

- * Kantara should reach out to the vendor as soon as there is an indication of a potential delay.
- * Request a realistic assessment of the situation, reasons for the delay, and an updated delivery timeline.

2. **Assessment of Delay Impact:**

- * Kantara, in consultation with the project team, should assess the impact of the potential delay on the overall project timeline and milestones.

3. **Confirmation of In-House Designer Availability:**

- * Kantara should check the availability and readiness of the in-house designer to



Risk Response Strategies

Miro Exploration

Goal

Dive deeper into key risks with the team to develop a higher-fidelity response plan.

Approach

- Utilize Miro's "Extract key action points" feature to generate a response plan
- Translate Stickies into Cards
- Export the Cards to Jira

Get Hands-On

<https://bit.ly/3THpDrl>



Risk Response Strategies: Miro AI Exploration

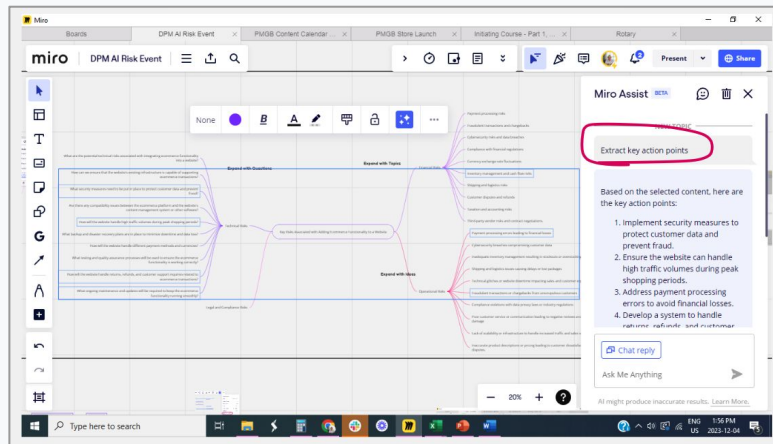
The Prompt (using Mindmap)

“Extract key action points” from an existing node

The Results

The extracted actions were sensible and could become the building blocks for a risk response plan.

We probably could have included more context in our prompting to get more specific results, but these are definitely something that my teams would be able to look at and at least react to positively or negatively!



Conclusions

What We Learned

While it's hard to draw any firm conclusions in a 60-minute working session, here are the key things to take away:

- Project risk is a broad and intimidating topic, but AI-tools can help a team zero in on some key categories without getting bogged down in endless levels of detail.
- AI-driven risk management can be made more collaborative if you start the conversation in a more collaborative context.
- Given enough detail and context, LLM-based tools can provide quite usable suggestions when it comes to project risk and an initial assessment of risk severity. However, it's always worth reviewing and tailoring the results to best suit your project ecosystem.
- If risk management is something you **don't currently do** within high-risk projects in your organization, it's never been easier to start. It doesn't have to be complex, it just has to be intentional and collaborative.

About The DPM School

Get Confident Controlling Complex Projects

Practical Training To Take Your Project
Management Skills To The Next Level

dpm SCHOOL



Today we covered some
**core principles for
planning projects**

All of this and more is covered
in our certificate program,
**Mastering Digital Project
Management**

What Is Mastering Digital Project Management?

In a nutshell, it's a hyperdrive for transforming the way you lead projects in a digital context. Step through real-world scenarios, get hands-on practice, and discuss your approach with your instructors and peers.

After this course, you'll be more in control of your projects; you'll be more confident in your planning; you'll be more comfortable pivoting when things don't go to plan; and you'll stop scrambling to keep up.

Learn more at
<https://dpmschool.com>



If you're interested in getting more involved in the DPM community or have any questions, please get in touch!

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