

# PROJECT RISK ANALYSIS AND MANAGEMENT (PRAM) GUIDE

## Chapter 2. Benefits

Heather Groom, 6<sup>th</sup> January 2005

### PRAM GUIDE

- Project Risk Analysis and Management Guide
- First edition 1997
  - Team of experts from APM Risk SIG
    - Peter Simon, Ken Newland, Martin Mayes, Professor Chris Chapman, Ron Gerdes, Dr David Hillson, Philip Rawlings, Catriona Norris, David Vose, et al
- Second edition 2004
  - Slightly different team of experts from APM Risk SIG
    - Paul Close, Heather Groom, Dr David Hillson, Professor Chris Chapman, Dr Steve Simister, John Bartlett, Ron Gerdes, Margaret Greenwood, Ken Newland, Karl Davey, Piyush Desai, Martin Hopkinson, Emma Major, Professor Terry Williams, Peter Campbell

## SECOND EDITION

- Foreward and Introduction
- Benefits
- Principles
- The PRAM Process
- Organisation and Control
- Behavioural Influences
- Application of PRAM
- Tools and Techniques

## CHAPTER 2. BENEFITS

- Combined with 'Behavioural Influences' in First Edition
- Contents:-
  - Hard and Soft Benefits
  - Benefits from Different Perspectives in the Organisation
  - Threats to Effective Risk Management Processes
  - Conclusion

## HARD BENEFITS

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- Leads to the use of the most suitable type of contracts.
- Allows a more meaningful assessment of contingencies.
- Discourages the acceptance of financially unsound projects.

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- Helps develop ability of the staff to assess risks.
- Focuses attention on the most important issues.

## RELATIVE MERITS

- It provides data to support the planning and decision-making process.
- It helps focus the way in which the project team thinks, behaves and works together.

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- A less stressful working environment.

## **THREATS TO EFFECTIVE RISK MANAGEMENT PROCESSES**

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- Lack of ownership
- Effectiveness is difficult to prove.
- Benefits to timescale/budget not achieved

## CONCLUSION

- Significant benefits to be gained.
- Some are not readily quantifiable, but they can be significant in improving reputation, confidence and performance.

QUESTIONS?