Case study: Using risk management tools

The project: Ukrainian Treats

Ukrainian Treats is an online retailer of delicious desserts made in Lausanne. Over the course of three years, the business has grown from a small startup to a 100-person organization. Ukrainian Treats wants to expand its offerings even further by adding a new line of healthy treats for kids.

The issue

Six weeks before the new product line is scheduled to debut, Kateryna, the project manager leading the launch, receives a frantic phone call from a manager at the commercial bakery hired to produce the treats. The bakery manager informs Kateryna that the flower-shaped cookie cutters required to shape the treats have not yet arrived. Kateryna knows that baking needs to start the following day in order to stay on schedule for the launch.

Kateryna thanks the bakery manager for the warning and asks her teammate, Valentyna, to call the cookie cutter manufacturer to check on the status of their order. Valentyna learns that the order is delayed due to a product shortage and that the cookie cutters are now expected to arrive at the bakery two days after the original expected delivery date.

Kateryna recognizes that this delay threatens her team’s ability to launch their product on time. Even worse, her team doesn’t have the option to push the launch date, since the Ukrainian Treats marketing team has already purchased nonrefundable advertising placements for the day of the launch. Luckily, Kateryna and her team are already prepared for an issue like this one.

Planning for risks ahead of time

Months earlier, long before the team started work on the project, Kateryna and her team brainstormed potential risks that could impact the project. They created a risk register, a table or chart that contains a list of risks and is often paired with a probability and impact matrix. During the process, the team determined that a delay in the cookie cutter order had a medium probability of occurring and would result in a high impact on the project. Kateryna added the risk to the risk register and assigned Valentyna to create a mitigation plan, which outlines steps to decrease the chances of a risk occurring or decrease the impact of a risk if it does occur. This plan would indicate how the team would handle an issue if it were to materialize. The mitigation plan was then approved by the project sponsor and other stakeholders.

Managing the issue

Now that the cookie cutter issue has occurred, Kateryna and Valentyna consult the mitigation plan for this particular risk. In this case, Valentyna identified two options for handling the risk: The first option is to work with the bakery to slightly increase the number of treats produced in order to make up for the two days they have lost due to the cookie cutter delay. The second option is to place an order with a second bakery to help speed up the pace of production. Kateryna and Valentyna discuss the two plans and settle on option one to avoid the work of bringing in a second bakery.

Before moving ahead with the plan, Kateryna and Valentyna meet to brainstorm potential risks associated with the new plan. Together, they determine that a smaller order of kids treats will likely have a minor—but manageable—impact on the organization's projected growth for 2022. They determine that the best course of action is to accept the risk to avoid delaying the project further. To ensure that the project stakeholders are aware of and comfortable with this change, Kateryna requests a meeting with her project sponsor to communicate the plan, outline the minor risk to projected growth, and recommend accepting the risk. The sponsor agrees and approves Kateryna's new plan.

Kateryna tasks Valentyna with communicating the adjusted plan to the bakery manager. Though baking begins two days behind schedule, Kateryna's new plan helps ensure that the team is prepared to launch the new line on time.