

RISK	PROPOSED RISK RESPONSE
The new product has not been adequately tested.	Replace the product with one that has been tested. Draw up an alternative plan that ensures a technical solution if the product proves unusable. Make sure the product is tested as soon as possible so that corrective action can be taken rapidly if it fails to correspond to specifications.
Unqualified customer who fails to play a positive role.	Find out something about the customer that will ensure he/she “toes the line” (balance of power). Ally yourself with the customer’s boss or his/her boss. Possibly get your boss or his boss to ally himself with the corresponding level in the customer’s organization.
Subcontractor goes bankrupt.	Make sure the contract gives right of access to drawings, source texts (software), special tools, etc., in the case of bankruptcy. This will make it possible for you to carry on in spite of the bankruptcy – if you hire some of the customer’s staff. Make sure that any part payments are made against the provision of bank guarantees so that you are not liable to pay for anything you haven’t received.
A key person withdraws from the project.	Extend the person’s term of notice. Offer a bonus scheme payable on the conclusion of the project. Train a “novice”.
Theft of a PC.	Take backups every day and store them on another PC.
That we make a mistake in connection with a certain task that we have no experience with.	Find a subcontractor with good references in the area and enter into an agreement with him.
The customer’s director who signed the contract resigns and is replaced by somebody else who is very critical of the project.	Make sure that all agreements are in writing, that there is no doubt about the deliverable, and that the acceptance criteria for the deliverable are measurable and realistic.
The customer’s company becomes insolvent.	Make sure that the project’s invoicing plan follows the project’s cost plan to the extent possible – and that the customer pays. This will ensure that most project costs have been paid on the day the customer’s company becomes insolvent.
The research result anticipated, which was the reason for establishing the project, cannot be verified.	Make sure that the project’s hierarchy of goals is such that there is a legal end to the project if the anticipated research result cannot be verified. Warn stakeholders from the beginning that this is a possible outcome. In other words, don’t promise more than you are certain you can perform.

FIGURE 4.64
Suggestion for handling risks.