

9 – Risk and Crisis Management.

Speck Product Academy 2024

Overview

- Introduction
- Understanding risk
- Identifying risks
- Assessing risks
- Risk mitigation strategies
- Crisis management

Introduction



Introduction

→ Importance of risk and crisis management

- ◆ Ensuring project success and sustainability
- ◆ Helps minimize potential negative impact

→ Key concepts and definitions

- ◆ Risk - potential negative event
- ◆ Crisis – immediate, disruptive event

Understanding risks



Understanding risks

→ Risk

- ◆ Possibility of an event that can negatively affect project objectives

→ Types of risks

- ◆ **Strategic risks** – long-term goals, market changes
- ◆ **Operational risks** – day-to-day activities, processes
- ◆ **Financial risks** – budget issues, cost overruns
- ◆ **Compliance risks** – legal and regulatory requirements
- ◆ **Reputational risks** – brand image, public perception

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Identifying risks

Identifying risks

→ Risk identification methods

- ◆ **Brainstorming sessions** – collaborative identification of potential risks
- ◆ **SWOT analysis** – assessing strengths, weaknesses, opportunities, threats
- ◆ **Expert interviews** – gaining insights from experienced professionals
- ◆ **Historical data analysis** – learning from past projects
- ◆ **Checklists and templates** – standardized tools to ensure comprehensive identification

SWOT analysis

S STRENGTHS	W WEAKNESSES	O OPPORTUNITIES	T THREATS
<ul style="list-style-type: none">• Things your company does well• Qualities that separate you from your competitors• Internal resources such as skilled, knowledgeable staff• Tangible assets such as intellectual property, capital, proprietary technologies etc.	<ul style="list-style-type: none">• Things your company lacks• Things your competitors do better than you• Resource limitations• Unclear unique selling proposition	<ul style="list-style-type: none">• Underserved markets for specific products• Few competitors in your area• Emerging need for your products or services• Press/media coverage of your company	<ul style="list-style-type: none">• Emerging competitors• Changing regulatory environment• Negative press/ media coverage• Changing customer attitudes toward your company <p data-bbox="1232 868 1452 896"> WordStream</p>

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Assessing risks

Assessing risks

→ Risk assessment techniques

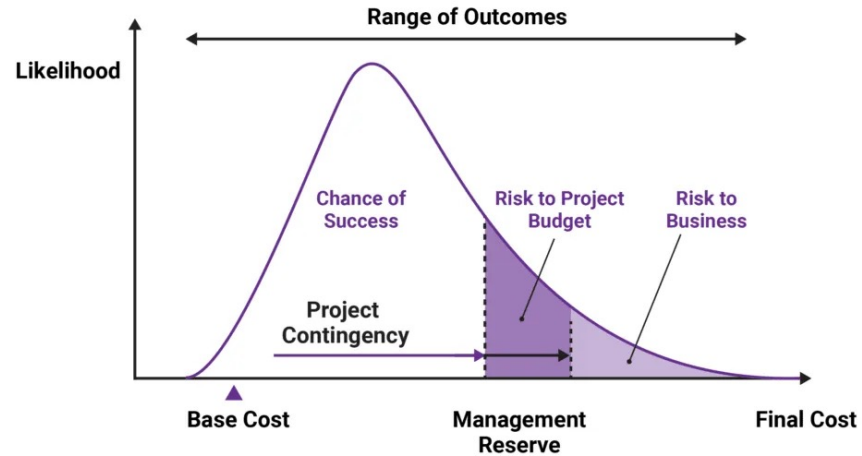
- ◆ **Qualitative analysis** – probability and impact matrix to prioritize risks
- ◆ **Quantitative analysis** – Monte Carlo Simulation, Decision Tree Analysis for detailed evaluation

→ Risk prioritization

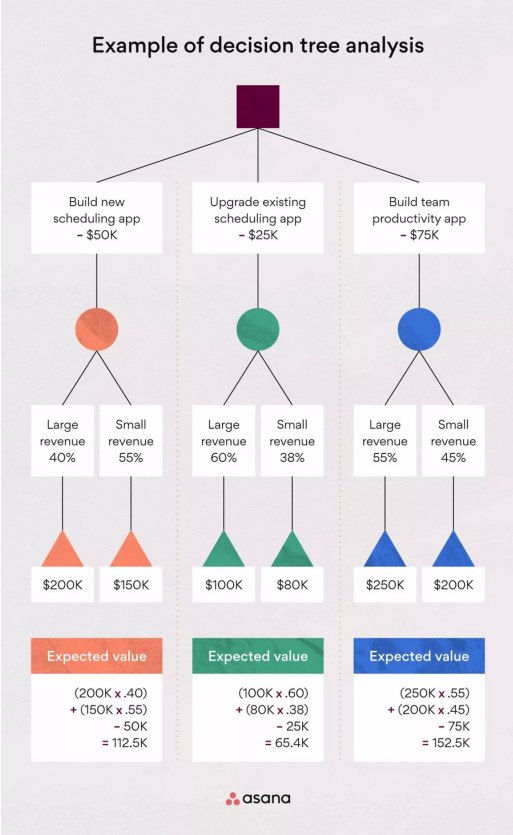
- ◆ **Severity** – impact on project
- ◆ **Likelihood** – probability of occurrence
- ◆ **Proximity** – how soon the risk might occur

Monte Carlo Simulation

Monte Carlo Analysis PMP



Decision Tree Analysis



Risk mitigation strategies

Risk mitigation strategies

→ Avoidance

- ◆ Changing product plans to eliminate risks
- ◆ **Example:** Manual payment handling for the MVP, automated payment processing in the later phase

→ Reduction

- ◆ Implementing actions to reduce likelihood or impact
- ◆ **Example:** Enabling 2FA and additional security layers for users

Risk mitigation strategies

→ Transfer

- ◆ Shifting risk to a third party (outsourcing)
- ◆ **Example:** Lawyers in charge of handling GDPR things for your digital product, security engineers for the technical aspect

→ Acceptance

- ◆ Acknowledging risk and preparing contingency plans
- ◆ **Example:** Setting aside a budget for potential repercussions – you can never be 100% safe!

Crisis management

Crisis examples

- Lawsuit for your product
- System outage
- Team cancellation
- Client-provider payment issues
- Market crisis (war, economy etc.)
- New regulations

Crisis management phases

→ Pre-crisis

- ◆ Planning and preparation to handle potential crises
- ◆ Developing a crisis management plan

→ Crisis response

- ◆ Immediate actions to manage the situation
- ◆ Effective communication and decision-making

→ Post-crisis

- ◆ Recovery and learning from the event
- ◆ Implementing improvements based on the crisis experience

Crisis management plan

→ Communication plan

- ◆ How to communicate with stakeholders

→ Roles and responsibilities

- ◆ Clear definition of who does what

→ Response procedures

- ◆ Step by step actions to manage the crisis

→ Resource allocation

- ◆ Ensuring necessary resources are available

→ Contact information

- ◆ Up-to-date contact details for key personnel

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Examples



You will be split into 6 groups to create your own project – your own digital product 😊. It can be a mobile app, a web app or a desktop app – whatever you prefer.

PHASE 1 – DEADLINE MAY 17 2024

- Conduct at least 3-5 customer development interviews
- Find direct and indirect competition
- Define how an MVP looks like (features, revenue, target group...)
- Fill out a Business Model Canvas for an MVP

PHASE 2 – DEADLINE JUNE 7 2024

- Create low-fidelity wireframes for an entire MVP
- Define a North Star metric and 3 follow-up OKRs
- Create an item-by-item detailed estimate for development of an MVP
- Define 3-5 main risks and how to mitigate them

PHASE 3 – DEADLINE JUNE 14 2024

- Create a product marketing launch plan
- Create a final pitch lasting 3 minutes to present it all – your projects will be presented on the final closing ceremony (June 17-19 – exact date TBC)

Thanks and see you next week!