

# Unit 1:

## Demystifying your role in Risk Management

Unit code: XXXXX

Level 7: XXXXX

Credit value: XXXXX

Guided learning hours: 20

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### Unit aim

This unit provides the learner with an ability to become a proficient and influential participant in the risk management process. This training will equip the learner with the knowledge and skills necessary to lead risk conversations effectively, understand the fundamental risk principles, and significantly enhance their contribution to the risk management process.

### Unit introduction

Throughout this unit, we will explore strategies to engage in productive risk discussions, interpret and apply core risk principles, and leverage the learner's existing knowledge to make a more substantial impact on risk management outcomes.

The learners will also be able to demonstrate a comprehensive understanding of the key principles and provisions within the NEC contract, including its unique approach to risk allocation and management.

By the end of this learning, the learner will not only be well-versed in risk management but also equipped to lead, guide, and actively participate in the risk framework. Their newfound expertise will enable the learner to mitigate risks, enhance decision-making, and ultimately contribute to the overall success of any organisation's risk management endeavours.

## Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria determine the standard required to achieve the unit.

### On completion of this unit a learner should:

Learning outcomes	Assessment criteria
1. Participants will understand industry best practice risk management process, as well as a comprehensive understanding of key frameworks, enabling them to effectively identify, assess, and manage risks within the context of their organisations.	1.1 explain the benefits of the risk management process 1.2 understand all stages of the risk management process 1.3 explain the link between risk management and NEC4 1.4 refer to the standard risk management framework
2. Participants will have the knowledge and skills to proficiently establish the contextual framework for a project, considering both internal and external factors, effectively identifying and engaging stakeholders, and ensuring alignment with governance structures to facilitate successful discussions on potential risks around project initiation and execution.	2.1 understand the context in which projects exist and the impacts these have from a risk perspective 2.2 understand how to assess the internal context 2.3 understand how to assess the external context 2.4 understand different governance structures 2.5 understand how to review the stakeholder landscape
3. Participants will be proficient in the assessment stage of the risk management process, with the ability to systematically and comprehensively identify and evaluate risks, enabling them to proactively manage potential threats and opportunities	3.1 understand how to approach the risk identification process efficiently 3.2 use different methods to prompt the risk identification discussion 3.3 discuss potential risks inherent in NEC contracts, recognising the specific language and mechanisms employed within the contract for risk allocation and mitigation.
4. Participants will possess the expertise to effectively analysis risks in the assessment stage of the risk management process, allowing them to assess the potential impact and likelihood of identified risks, make informed decisions, and implement targeted risk mitigation strategies.	4.1 understand how to evaluate risks using a probability impact diagram 4.2 utilise techniques within the context of NEC contracts, integrating tools and methodologies to evaluate and prioritise risks associated with project delivery.
5. Participants will have the capability to proficiently evaluate risks within the assessment stage of the risk management process, enabling them to assess their potential consequences, prioritise them effectively, and make	5.1 understand the difference between current and residual risk positions 5.2 increase awareness of specialised risk management techniques and the benefits of these as part of commercial discussions

<p>informed decisions to enhance the resilience and success of their organisation or projects.</p>	
<p>6. Participants will be equipped to expertly address the treatment of risks during the assessment stage of the risk management process, allowing them to develop and implement tailored risk treatment plans, effectively monitor progress, and ensure the mitigation of identified risks.</p>	<p>6.1 review at the different treatment options of risks for threats and opportunities 6.2 learn how to develop tailored risk management strategies aligned with the NEC framework, considering contract provisions for collaborative risk management and dispute resolutions</p>
<p>7. Participants will have the competence to systematically monitor and review risks during the assessment stage of the risk management process, enabling them to proactively track risk treatments, assess their effectiveness, and make necessary adjustments to ensure ongoing risk mitigation and improved outcomes for their organisation or projects.</p>	<p>7.1 review different reporting styles and structures 7.2 discuss project performance indicators and key risk indicators using the NEC framework to indicate how projects are addressing and managing risks</p>
<p>8. Participants will possess the skills and knowledge necessary to proficiently handle communication and consultation within the assessment stage of the risk management process, allowing them to effectively engage stakeholders, share risk information, and foster collaboration to ensure a well-informed and coordinated approach to risk management.</p>	<p>8.1 discuss effective communication techniques 8.2 review different ways to influence and gain collaboration among project stakeholders to proactively manage risks throughout the project life cycle, aligning actions with NEC's principles of mutual trust and cooperation.</p>

## Unit content

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- 1. Participants will understand industry best practice risk management process, as well as a comprehensive understanding of key frameworks, enabling them to effectively identify, assess, and manage risks within the context of their organisations.**

ISO 31000:2018 Risk Management Frameworks  
Commercial NEC4 legislation, including Option Types and Contract Clauses

- 2. Participants will have the knowledge and skills to proficiently establish the contextual framework for a project, considering both internal and external factors, effectively identifying and engaging stakeholders, and ensuring alignment with governance structures to facilitate successful discussions on potential risks around project initiation and execution.**

Association of Project Management, Project Lifecycle  
PESTLE analysis techniques  
Stakeholder mapping

- 3. Participants will be proficient in the assessment stage of the risk management process, with the ability to systematically and comprehensively identify and evaluate risks, enabling them to proactively manage potential threats and opportunities**

Risk Prompts and Libraries  
SWOT Analysis  
Commercial NEC4 legislation, including Risk Allocation

- 4. Participants will possess the expertise to effectively analysis risks in the assessment stage of the risk management process, allowing them to assess the potential impact and likelihood of identified risks, make informed decisions, and implement targeted risk mitigation strategies.**

Probability Impact Diagram  
Pre-defined scoring criteria

- 5. Participants will have the capability to proficiently evaluate risks within the assessment stage of the risk management process, enabling them to assess their potential consequences, prioritise them effectively, and make informed decisions to enhance the resilience and success of their organisation or projects.**

Advanced risk modelling techniques monte carlo explanation for cost and schedule

- 6. Participants will be equipped to expertly address the treatment of risks during the assessment stage of the risk management process, allowing them to develop and implement tailored risk treatment plans, effectively monitor progress, and ensure the mitigation of identified risks.**

Mitigation strategy analysis: 4Ts for Threats, 1T for Opportunity

- 7. Participants will have the competence to systematically monitor and review risks during the assessment stage of the risk management process, enabling them to proactively track risk treatments, assess their effectiveness, and make necessary adjustments to ensure ongoing risk mitigation and improved outcomes for their organisation or projects.**

Real life examples of risk reports used by live organisations (anonymity remains)

- 8. Participants will possess the skills and knowledge necessary to proficiently handle communication and consultation within the assessment stage of the risk management process, allowing them to effectively engage stakeholders, share risk information, and foster collaboration to ensure a well-informed and coordinated approach to risk management.**

Real life examples of risk escalation used by live organisations (anonymity remains)

## Unit 2:

### Mastering Data Confidence and Decision-Making

Unit code: XXXXX

Level 7: XXXXX

Credit value: XXXXX

Guided learning hours: 20

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### Unit aim

This unit is designed to empower the learner with the knowledge and skills required to build confidence in risk data and leverage it to make informed decisions. It goes beyond siloed risk management to equip them with a deep understanding of how consistency in risk data capture is essential and how it integrates seamlessly into the contract administration process, enabling the learner to effectively challenge the status quo and make better decisions.

### Unit introduction

Throughout this unit, the learner will learn the art of creating assurance around risk data points, ensuring they are reliable and accurate, which, in turn, will elevate their ability to make well-informed risk decisions. Additionally, this unit provides insights on unravelling "poor quality data in, poor quality data out" risk management, minimising potential pitfalls, and ensuring that each learners' decisions are well-supported.

The learner will also develop a comprehensive understanding of how to integrate NEC commercial contract information into their risk data handling processes. By incorporating NEC principles, participants will learn to enhance the reliability and accuracy of risk data points, aligning with the contractual framework's specific requirements.

By the end of this training, the learner will acquire the skills to be proficient risk data handlers within the NEC commercial contract environment. The emphasis on NEC-specific insights will enable learners to unravel complexities related to risk data, ensuring that their decisions are well-supported by the contractual guidelines.

## Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria determine the standard required to achieve the unit.

### On completion of this unit a learner should:

Learning outcomes	Assessment criteria
1. Participants will have an understanding of risk ownership, risk allocation, and their direct impact on the commercial mechanisms in project and contract management.	1.1 understand the different risk allocations within the commercial contract
2. Participants will understand the critical importance of risk hierarchies and how they influence commercial mechanisms, allowing for more effective risk management and decision-making that positively impacts the organisation's commercial strategies and outcomes	2.1 recognise and prioritise risks according to the hierarchical structure
3. Participants will be proficient in the identification of risks using various techniques and practices, including the recognition of different personas/scenarios involved, ensuring a well-prepared and responsive approach to risk management.	3.1 utilising risk lenses to gain a comprehensive view of potential risks, and will have the capability to efficiently apply the Early Warning Notification System (EWNS) to proactively address emerging risks 3.2 discussion on risk events that are deemed outside of contract/project liability/control
4. Participants will have a thorough understanding of quantitative risk assessment techniques and practices, specifically focusing on cost-related assessments. They will be well-versed in evaluating risk from various positions, including the current, residual, and target positions, enabling them to make data-driven decisions that effectively manage costs	4.1 understand how to evaluate risks quantification techniques 4.2 understand the importance between the various risk positions and the impact on commercial discussions
5. Participants will be well-versed in risk contingency management and its seamless integration with commercial systems like CEMAR.	5.1 understand the how risk contingency is generated 5.2 understand how risk budget, risk contingency are managed differently to the risk forecast 5.3 understand how integrated risk and commercial management can give early insight into trends of risk impacts

<p>6. Participants will be proficient in quantitative risk assessment techniques and practices related to project schedules.</p>	<p>6.1 gain a solid grasp of basic planning principles 6.2 systematically assess and manage schedule-related risks</p>
<p>7. Participants will have a comprehensive understanding of the 5 Ts in the risk management process; Tolerate, Treat, Transfer, and Terminate.</p>	<p>7.1 adept at applying these risk management strategies under different scenarios 7.2 understand the influence these have on the commercial position of the project</p>
<p>8. Participants will possess the necessary skills and knowledge to effectively navigate the communication and consultation stages of the risk management process. They will be adept at engaging stakeholders, conveying risk information, and fostering collaboration, ensuring that key risk information is disseminated efficiently. They will also understand how risk escalation facilitates key risk visibility across the entire risk landscape, enabling informed decision-making and fostering a proactive risk management culture that contributes to improved organisational resilience and success</p>	<p>8.1 reviewing different techniques to manage stakeholders and influence using different formats of risk information (key risk indicator) 8.2 understand how to efficiently escalate risk information for discussion 8.3 utilise risk trends to inform commercial discussions</p>



## Unit content

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- 1. Participants will have an understanding of risk ownership, risk allocation, and their direct impact on the commercial mechanisms in project and contract management.**

Commercial NEC4 legislation, including Option Types and Contract Clauses

- 2. Participants will understand the critical importance of risk hierarchies and how they influence commercial mechanisms, allowing for more effective risk management and decision-making that positively impacts the organisation's commercial strategies and outcomes**

Real life examples of risk hierarchies used by live organisations (anonymity remains)

- 3. Participants will be proficient in the identification of risks using various techniques and practices, including the recognition of different personas involved. ensuring a well-prepared and responsive approach to risk management.**

Risk Workshop material

Risk Prompt & Risk Libraries

Real life examples of risk identification scenarios used by live organisations (anonymity remains)

- 4. Participants will have a thorough understanding of quantitative risk assessment techniques and practices, specifically focusing on cost-related assessments. They will be well-versed in evaluating risk from various positions, including the current, residual, and target positions, enabling them to make data-driven decisions that effectively manage costs**

Advanced risk modelling techniques monte carlo explanation for cost and how to interpret confidence ranges, include 3 point estimate descriptions

Real life examples of estimating scenarios used by live organisations (anonymity remains)

Real life examples of how risks were used to support the development of the project estimate used by live organisations (anonymity remains)

- 5. Participants will be well-versed in risk contingency management and its seamless integration with commercial systems like CEMAR.**

Real life examples of risk contingency management and how this is developed, and how this works differently to risk forecast

Highlight best practice with CEMAR linkage and risk systems/risk register

Commercial NEC4 legislation, including Option Types and Contract Clauses – i.e. pain/gain mechanism

**6. Participants will be proficient in quantitative risk assessment techniques and practices related to project schedules.**

Advanced risk modelling techniques monte carlo explanation for schedule and how to interpret confidence ranges

**7. Participants will have a comprehensive understanding of the 5 Ts in the risk management process; Tolerate, Treat, Transfer, Terminate and Take.**

NEC Option types drive different mitigation strategies, review the best use cases for each

**8. Participants will possess the necessary skills and knowledge to effectively navigate the communication and consultation stages of the risk management process. They will be adept at engaging stakeholders, conveying risk information, and fostering collaboration, ensuring that key risk information is disseminated efficiently. They will also understand how risk escalation facilitates key risk visibility across the entire risk landscape, enabling informed decision-making and fostering a proactive risk management culture that contributes to improved organisational resilience and success**

Stakeholder mapping

## Unit 3:

Commercial Success: Optimising Risk Management  
for Profitability

Unit code: XXXXX

Level 7: XXXXX

Credit value: XXXXX

Guided learning hours: 20

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### Unit aim

This unit is designed to empower the learner to delve into the art of creating influence for commercial benefit, where they will discover the power of interpreting risk information to drive commercial gain and deliver successful outcomes through both commercial and project management activities. This training will explore the key strategies that enable the learner to harness the potential of risk integration, influence stakeholders effectively, and build these insights into future contracts.

### Unit introduction

As the learner progresses through this training, they will gain a deeper understanding of how to leverage risk data and insights to optimise decision-making for commercial success. By developing the ability to influence stakeholders, they will not only enhance their organisation's current projects but also lay the foundation for future profitability.

By the end of this training, the learner be well-prepared to strategically influence the commercial landscape, interpret risk information for their advantage, and foster a culture of success that directly impacts any organisation's profitability and growth.

## Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria determine the standard required to achieve the unit.

### On completion of this unit a learner should:

Learning outcomes	Assessment criteria
1. Participants will have an understanding of the risks associated with construction contracts in the pre-contract stage, enabling them to make informed decisions that optimise risk management in the construction industry.	1.1 Recognise fundamental risks in construction contracts, understanding different contract types and their associated risks 1.2 analysing environmental factors that should be considered pre-contract 1.3 reviewing construction contracts to identify risk avoidance strategies for owners 1.4 apply a variety of approaches to effectively control risks for both owners and construction contractors
2. Participants will have an understanding of the risks associated with construction contracts in the pre-contract stage, enabling them to make informed decisions that optimise risk management in the construction industry.	2.1 Lecture continued
3. Participants will have an understanding of the risks inherent in project delivery systems during the post-contract stage. This knowledge will enable participants to make informed decisions and implement effective risk management strategies for successful project delivery.	3.1 approach and calculate risks related to various critical project aspects, including scope, health and safety, quality, schedule, and costs
4. Participants will have an understanding of the risks inherent in project delivery systems during the post-contract stage. This knowledge will enable participants to make informed decisions and implement effective risk management strategies for successful project delivery.	4.1 Lecture continued
5. Participants will complete a practical task using a case study with two scenarios	5.1 identification of risks and different stakeholders 5.2 reviewing risk allocation and the impact of this against different option types 5.3 understand how to identify and interpret the application of

		quantitative risk analysis as a part of risk management process
6. Participants will complete a practical task using a case study with two scenarios	6.1	Discuss and apply how contract changes impact on commercial positioning
	6.2	Discuss and apply different risk communication techniques and how this impacts the ability of stakeholders and driving informed decisions
7. Participants will be equipped with the ability to effectively utilise lessons learned to drive improvements in commercial negotiation strategies, ultimately securing profit margins more effectively. They will gain the skills and insights needed to adapt and refine negotiation approaches based on past experiences, contributing to enhanced profitability and better business outcomes	7.1	adept at facilitating a lessons learned workshop
	7.2	understanding how to use the lessons learned information to influence future commercial discussions
8. Participants will have the capacity to drive continuous improvement in commercial negotiations using risk data and add significant value when communicating with the C-Suite. They will develop the skills and knowledge to effectively convey insights, data, and strategies that contribute to growth, efficiency, and long-term success, making these discussions powerful when negotiating future contracts.	8.1	Review different communication techniques to executive and c-suite members
	8.2	Understand how to convey insights effectively and use risk reports and data to make an impact

## Unit content

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**1&2. Participants will have an understanding of the risks associated with construction contracts in the pre-contract stage, enabling them to make informed decisions that optimise risk management in the construction industry.**

Commercial NEC4 legislation, including Option Types and Contract Clauses

Real life examples of pre-contract risk identification scenarios used by live organisations (anonymity remains)

**2&3. Participants will have an understanding of the risks inherent in project delivery systems during the post-contract stage. This knowledge will enable participants to make informed decisions and implement effective risk management strategies for successful project delivery.**

Commercial NEC4 legislation, including Option Types and Contract Clauses

Real life examples of post-contract risk identification scenarios used by live organisations (anonymity remains)

**4. Participants will complete a practical task using a case study with two scenarios – risk identification & risk quantification**

Commercial NEC4 legislation, including Risk Allocation

Risk Prompt & Risk Libraries

Real life examples of risk identification scenarios used by live organisations (anonymity remains)

Advanced risk modelling techniques monte carlo explanation for cost/schedule and how to interpret confidence ranges

Real life examples of estimating scenarios used by live organisations (anonymity remains)

**5. Participants will complete a practical task using a case study with two scenarios – contract changes & communication**

Commercial NEC4 legislation, including Option Types and Contract Clauses

Real life examples of contractual change examples used by live organisations (anonymity remains)

Educational material on communication

**6. Participants will be equipped with the ability to effectively utilise lessons learned to drive improvements in commercial negotiation strategies, ultimately securing profit margins more effectively. They will gain the skills and insights needed to adapt and refine negotiation approaches based on past experiences, contributing to enhanced profitability and better business outcomes**

Lessons learned workshop material

Lessons learned analysis techniques

- 7. Participants will have the capacity to drive continuous improvement in commercial negotiations using risk data and add significant value when communicating with the C-Suite. They will develop the skills and knowledge to effectively convey insights, data, and strategies that contribute to growth, efficiency, and long-term success, making these discussions powerful when negotiating future contracts.**

Educational material on influencing, stakeholders and communication>

Using scenario based examples to influence future contractual discussions

Testing that the contractual mechanisms in place for future similar works

Include how you test continuous improvement across the risk hierarchy