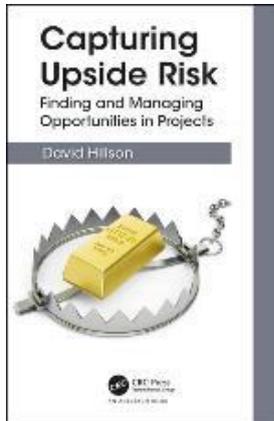


## PM WORLD BOOK REVIEW



Book Title: ***Capturing Upside Risk: Finding and Managing Opportunities in Projects***

Author: **Dr David Hillson**

Publisher: CRC Press, Taylor and Francis

List Price: \$49.95                      Format: Hardcover, 270 pages

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Reviewer: **Edwin S. Burt, PMP**

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### Introduction

The idea behind this book is that risk includes both opportunity and threat. The idea is not new; in fact, global standards have generally accepted this as part of the definition of risk management. Despite the accepted broader definition, a significant gap between theory and practice remains. Organizations continue to limit their risk management approach only to threats. The book spends time on modeling and other technical topics, but it is written in simple English and is a relaxed read.

The book's focus is the application of the expanded definition of risk management to projects concentrating on where we might find upside risks in projects and how we might go about managing them. Chapter one states that "Winning the War" is largely complete in the Definitions battle (accepted standards) but the outcome of the war remains to be settled in the field. Mr. Hillson provides several useful ideas, process modifications and tool suggestions to win the battle of applied practice for ultimate victory.

### Overview of Book's Structure

The book has three sections: The first section includes three chapters dealing with why opportunities matter, a longer section on the process for managing opportunities in projects, and a final short section on making it work. The case is made for including opportunity in the definition of risk, alongside threats, and explains how this is relevant to projects. A structured risk process is presented based on both threats and opportunities in a single integrated approach.

The second section of the book is structured to provide a step-by-step guide to the project risk management process, with a chapter devoted to each step. An initial

discussion of the purpose and principles for each chapter sets out the scope and key points. The risk process is examined in detail, focusing on finding and managing opportunities adapting threat-focused risk techniques.

The third section of the book is structured to provide Critical Success Factors to succeed at applying the broader inclusive definition of risk. Process modifications are outlined, and direction provided on how software tools might be enhanced to support the approach. There is a final emphasis that wider application of this concept requires the delivery of value both tangible and intangible to move organizations to require the management of both upside and downside risks.

## Highlights

Chapter one covered the general debate on the nature of opportunity and outlined the reluctance to act as well as remedies.

Chapter two explores where opportunities might be found in projects and how to manage them. In addition, individual risk is compared to the overall risk exposure.

Chapter three covers how to manage specific risk and overall risk exposure using nine structured questions. The chapter also discusses the need for an integrated risk management process.

Chapter four describes the first step (Planning) in the risk management process. The chapter sets the scene for opportunity management including tailoring the process for a specific project and determining stakeholder thresholds for acceptable risk.

Chapter five discusses identifying knowable risks that otherwise would not be managed. It points out that all risks are uncertain, however, each must be linked to a project objective. Multiple tools, perspectives on and sources of risk are discussed as well as the need for repeated iterations of risk review and analysis during a project.

Chapter six explains the basic principles of qualitative risk assessment, focusing first on how to prioritize threats. All the same approaches are applied to opportunity. The chapter provides direction on picking the winners (risks) that will have the biggest positive effect on a project.

Chapter seven describes quantitative risk analysis or using numbers to model opportunities. The principles used to evaluate overall project risk consider the combined effect of uncertainty on project outcomes. Typical modeling techniques are covered as well as how they might be modified to comprehend opportunity.

Chapter eight outlines risk response planning or deciding what to do. The principles discussed include; considering strategy before tactics; treating threats and opportunities equally; responding to individual and overall risk; being creative; matching the response level to the risk and ensuring that risk ownership is clear. Typical techniques and how they might be modified are covered.

Chapter nine is much shorter than others and emphasizes ensuring that the risk plan is followed. The reader is cautioned to take no short cuts, assuming nothing and keep risk owners motivated. Executing the risk management plan is the only way to benefit from the work detailed in the first eight chapters.

Chapter ten covers telling others; about the risks found; how risky the project is; what is being done about it and what risk remains. The goal of risk informed decisions requires timely, accurate, honest, and specific information. The messages are planned and designed for the recipient.

Chapter eleven deals with the need to address dynamic changes to project risk requiring the repetition of the risk management steps during the project. The principles discussed to provide ongoing visibility include; deciding when and where to review risk; how frequently; in what format and involving stakeholders. Typical risk review techniques are covered. The techniques used in a project should be challenged for their relevance and adjusted or deleted as needed.

Chapter twelve discusses identifying risk-related lessons to be captured in a form that will improve performance in the next project phase and future projects. The principles covered include; identifying both good and bad experiences; capturing the lessons regularly during the project and recording lessons in an actionable form as they are not learned until implemented or as lessons to be learned (L2BL).

Chapter thirteen suggests how an integrated risk management process might be made to work. Mr. Hillson outlines Critical Success Factors (CSF's) in addition to tools, techniques and training. These CSF's include: a common risk language; a simple scalable risk process; a supporting infrastructure; a strong/mature risk culture and organizational learning. In addition, the remaining work in standards/guidelines; process modification and supporting software tools is outlined. He lists the best reasons to implement an integrated risk approach including upside and downside risk.

### **Highlights: What I liked!**

Mr. Hillson's book is an excellent example of walking the talk. The book challenges others who provide practical guidelines, textbooks, or training needed to produce materials that will support a wider understanding and awareness of the expanded definition of risk.

Mr. Hillson suggests that there is a significant benefit to be realized by spending structured time finding project opportunity (risk) that may have been missed with other approaches. The approach should increase project success. It does not add new processes but extends existing techniques that are already in use. The result targeted would be to cost effectively extend familiar techniques with minimal training.

## **Who might benefit from the Book?**

Mr. Hillson's book is a call to action for others who provide practical guidelines, textbooks, or training needed to produce materials that will support a wider understanding and awareness of the expanded definition of risk.

Project teams can use the content found in this book to move from a narrow focus on detrimental effects on objectives to a broader view of all effects including those that add value.

Senior leaders who desire to create the environment that will capture the bottom-line benefits from integrating risk opportunities should read the book. The Critical Success Factors discussed in the book are required to make the approach work. The CRFs include organizational factors outside the influence or authority of project managers. Together they are the context that senior leaders create in which project managers manage risk.

## **Conclusion**

Mr. Hillson concludes that for the battle (war) in the field to be won project teams and the organizations they are part of must act on the expanded definition of risk to realize the added value the concept promises. While processes are modified to take advantage of opportunities no new processes are introduced. Added training will only be required for modifying and extending current process.

When organizations and the teams include opportunities in the risk management process, realized opportunities will increase. The associated benefits which would otherwise have been missed can then be captured increasing project success.

Project team members should be motivated to work creatively; to be efficient and productive when asked to capture the upside of risk. Clients should witness enhanced team professionalism delivering a benefit to organizational reputation and business growth.

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For more about this book, go to: <https://www.crcpress.com/Capturing-Upside-Risk-Finding-and-Managing-Opportunities-in-Projects/Hillson/p/book/9780815382515>

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## About the Reviewer



**Edwin S. Burt, PMP**

Texas, USA



**Edwin Burt** has a background which includes Program and Project Management in real estate investment and deploying PC hardware, software and network infrastructure with a Fortune 200 IT company. Led global program deploying PC hardware, software and network infrastructure using virtual teams in multiple global regions. Strengths include project management, team building, leadership, verbal and written communications, team development and customer relationship management. Industry Experience: Real Estate, IoT, Transportation, Financial, Insurance (Medicare, Medicaid, Life, Property and Casualty), Education-Leadership Development, Data Center Operations.

Email address: Attention: Edwin S. Burt [info@lostandfoundfund.com](mailto:info@lostandfoundfund.com)