Unit 3 discussion

the aim of the project is to enhance and transform the infrastructure of the information systems in the organization due to increased needs of information which involve management customer relations. In regard to the same, the main objective to undertake the project is to attain the increased requirement of management of information for customers.

**Financial risks**

Operational risk, this is one of the financial risks we faced in our project execution. We had financial constraints in the project simply because the organization didn't have enough funds which we took a lot of time to negotiate, the organization had not decided fully either to adopt the new technology or not due to division in the organization, it was a challenge to train the employees on how to use the technology in hand.

**Technical risk**

Infrastructure risk, under the technical risk this is the major challenge we faced in this project. This is because; the location of the project was characterized with failure in power supply, the region also had a poor network connection which was a big problem, also there was a shortage of human labour and machinery.

**Commercial risk**

The organization we were doing the project for seemed to have not enough funds to finance the whole project starting by procuring the resources needed to execute the project. Therefore, we had fear of using our own funds to finance the project and the organization would fail to pay us later our agreed sum. In our part we faced a big challenge because we acquired the materials based on credit terms due to lack of enough funds, we did also face fraud in procuring the materials since some of the materials were not of the value we expected.

**Execution risk**

Workloads risk, the organization did not have skilled personnel to make use of the new technology installed. The employees also had the fear of using the new information system. It took us a lot of time to train them on how to use the new system.

**Legal risk**

Initially, the project had not acquired a license due to challenges in compliance with the law. This was a risk because e could not operate without the license until the time we acquired it. The license acquiring process is a very long process and a tedious one due to its complexity in protocol observation.

**Mitigation strategies**

Financial risk, as the pioneer of the project we advised the management of the organization on various ways they can get funds to cater for the project and also to train their own personnel rather than outsourcing personnel since it will be cheaper and easy to maintain. The hindsight was to maintain its internally trained labour.

Technical risk, the organization was to acquire automated generators for a reliable power supply and again to liaise with network suppliers to facility excellent network connection. The hindsight mitigation for this risk remains the same.

Commercial risk, the organization should always allocate enough funds for their projects as early as possible in order to prevent inconveniences.

Execution risk, the organization has to encourage its employees to always be ready to adopt new changes in technology and this will be also the best hindsight mitigation for the future.

Legal risk, we advised the organization to comply with the law in order to keep the technology working and to avoid colliding with the law which may make the technology rendered illegal. For hindsight mitigation measure the organization must always consult with the legal advisers before making any decision.

**Types of costs**

Fixed costs; Computers, vehicles, Insurance cover for the workers

**Variable costs**

Fuel, wages, power supply

**Nonrecurring costs**

Vehicle repair and computer repair

**Recurring costs**

Computer support services

The method used to estimate and budget the project

Bottom-up estimating, we found this as the most precise method to estimate and budget for the project because it is the most accurate method to identify the cost of every item in every activity scheduled which may include materials and labour. There were no contingencies because the estimation and the budget of the project were not predicted earlier.