



RISK MANAGEMENT PLAN | D 1.3

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TABLE OF CONTENTS

1. BACKGROUND.....	3
1.1. Purpose	3
1.2. Method	3
2. RISK IDENTIFICATION	4
3. ANALYSIS AND ACTION PLAN.....	5
3.1. High risks.....	5
3.1.1. Failure to achieve business cases for the consolidation schemes (R18).....	5
3.1.2. Difficulties in gathering data for evaluation of electric vehicles (R19)	5
3.1.3. Project actions can be susceptible to business cycles and markets outside of the project management’s control (R20)	6
3.2. Medium risks.....	6
3.2.1. No facilities for establishing UFTs (R11)	6
3.2.2. Change in political acceptance for actions in local sites (R12)	7
3.2.3. Change of staff (R16)	8
3.2.4. The cost of using electrical vehicles in the UFTs is too high and decreases the profitability model (R17).....	8
3.3. Low risks.....	8
3.3.1. Partners leaving the project (R4).	8
3.3.2. Lack of availability of electric vehicles (R5)	9
3.3.3. Delays in establishments of UFTs (R13)	9
3.3.4. Delays compared to time plan (R14).....	10
3.3.5. Mismatch in budget compared to actions needed (R15).....	10

1. BACKGROUND

1.1. Purpose

The purpose of the risk management plan is to identify, assess and plan for how to manage and mitigate the possible risks of the project - risks that could hinder that the project will be implemented as planned and reach its objectives and goals, as stated in the Grant agreement and its Annexes.

The report is a deliverable (D1.3) within the WP1.

1.2. Method

The aspects (or “risks”) that were identified already in the application process have been analysed further in the view of probability (low, medium, high risk) and consequences (low, medium or high impact). Possible new risks have also been reviewed. A plan with corrective actions needed, and responsibilities for acting has been elaborated (see 3. Analysis and action plan). All risks have been reviewed and planned for, but the actions focus on the risks that have been identified as high (R18-R20), medium (R11, R12, R16, R17), and low (R4, R5, R13-R15).

The risk management plan will be reviewed continuously during the project progress in order to, if necessary, update with new risks and actions to mitigate them. The drafted plan will be sent for review to the partners.

Risks vary in their nature and some may be very difficult to foresee, which then makes it difficult to implement corrective actions. Some of the identified risks are considered to be of an internal nature, which come from risks connected to the implementation of different activities and the links between inter-related activities. These are considered relatively easy to identify and plan corrective actions to meet.

The more difficult risks are of an external nature. All projects are run in a context or environment that affects the possibilities to implement the whole or parts of the projects. These factors are for example changes in political support, economic difficulties in general or for a specific partner. These risks are harder to identify and therefore it is harder to plan corrective actions.

The corrective actions are planned to meet the identified risks as good as possible. It must however be recognised that some factors may affect the project in such a way that the planned actions will be impossible to implement.

2. RISK IDENTIFICATION

Reviewing the risks in M4, it has been concluded that no further risks have been identified at this stage, for which the initial risk identification matrix will be used as a basis for analysis and actions.

	Low impact	Medium impact	High impact
Low risk	R1: Low resources for stakeholders in terms of personnel, creating difficulties attending meetings, workshops.	R2: Inability to develop cooperative business cases. R3: Low quality of reporting from partners.	R4: Partners leaving the projects. R5: Lack of availability of electric vehicles.
Medium risk	R6: Inability to maintain competitive balance on market.	R7: Difficulties developing a demand base for consolidation schemes. R8: Lack of external and internal communication. R9: Lack of expertise in important technical areas. R10: Difficulties of getting information from stakeholder on prices for the transportation of goods from stakeholder, hence difficult to forecast the potential of UFTs.	R11: No facilities for establishing UFTs. R12: Change in political acceptance for actions in local sites.
High risk	R13: Delays in establishments of UFTs. R14: Delays compared to time plan. R15: Mismatch in budget compared to actions needed.	R16: Change of staff. R17: The cost of using electrical vehicles in the UFTs is too high and decreases the profitability model.	R18: Failure to achieve business cases for the consolidation schemes. R19: Difficulties in gathering data for evaluation of electric vehicles. R20: Project actions can be susceptible to business cycles and markets outside of the project management's control.

Table 1: Risk identification matrix.

3. ANALYSIS AND ACTION PLAN

In this section, risks are analysed and actions to manage and mitigate the risks are elaborated and described.

3.1. High risks

High risks are those risks identified as high probability that they will occur (high risk) and that this will have serious consequences (high impact).

3.1.1. Failure to achieve business cases for the consolidation schemes (R18)

There is a risk that the project will fail to deliver one of the main expected results: *cost effective and sustainable business models for combined consolidation and zero-emission distribution of goods*.

A result may then be that cost effective and sustainable business models are not possible to create, given the existing conditions. This would also be an important result in itself. The problem might though be that there are not sufficiently reliable data to analyze why this has occurred - why did we not reach the expected result, why was it not possible to create these cost effective and sustainable business models?

This is of course a serious risk which will have to be mitigated as far as possible. Actions will be taken already in the beginning of the project to minimize the risk. The importance will be highlighted at the very initial phase of the project.

Actions

- At the kick-off meeting, dedicate time and focus on the presentation of WP2 and the development of business models.
- Continuously analyse and follow up the business model development progress, in close communication between WP-leader and PC.

Responsible

- Responsible: CLAS (WP 2-leader)
- Partners involved: Gothenburg (PC)

3.1.2. Difficulties in gathering data for evaluation of electric vehicles (R19)

There is a risk that it will be difficult to access relevant data on the electric vehicles that are to be used for demonstration in the project, which would then risk affecting the main expected results.

Actions

- At the beginning of the project, the exact monitoring of the performance of the clean vehicles will be detailed in WP 4 in close cooperation with WP6.

Responsible

- Responsible: UNEW (WP4 leader)
- Partners involved: Trivector

3.1.3. Project actions can be susceptible to business cycles and markets outside of the project management's control (R20)

External factors such as economic crisis, political changes or new regulations may change the current conditions of the planned project actions. The business model generation may be the most susceptible to such external factors. A way to mitigate the risk is to be updated and prepared to adapt the project if necessary.

Actions

- Continuous media coverage on the current situation, as well as the trends and projections for the future, in the transport sector and in general economics and politics.

Responsible

- Responsible: Gothenburg (PC), Site leaders
- Partners involved: all partners

3.2. Medium risks

Medium-high risks are those risks identified as high probability that they will occur (high risk) and that this would have medium-high consequences (medium impact). Or, risks identified as medium-high probability that they will occur (medium risk), but if they did it would have serious consequences (high impact).

3.2.1. No facilities for establishing UFTs (R11)

The establishment of the UFTs (Urban Freight Terminals) are a central feature of SMARTSET. The forerunner cities were all chosen because of their plans to establish UFTs within the project life cycle. There is however always a risk that problems arise that jeopardise the implementation of the UFTs.

The probability that this happens is considered to be only medium-high, but the impact would be high if it did occur, affecting the possibility to implement the project actions.

Actions

- Site leaders shall immediately communicate any problem that may affect the possibility to establish the UFTs to other affected partners and to the Gothenburg (PC).
- Site leaders should within reasonable limits try to develop corrective actions.
- The PMG (Project Management Group) will be requested to assist with ideas and suggestions as how to adapt the implementation.
- At worst, the failure to establish a UFT may affect the project end result which will be communicated to the evaluation leader and project officer at the EACI as soon as possible.

Responsible

- Responsible: Site leaders
- Partners involved: Gothenburg (PC), Trivector

3.2.2. Change in political acceptance for actions in local sites (R12)

As part of urban transport, city logistic activities are carried out in a political context. Political priorities may change over time and the current support that all city partners have today for the establishment of UFTs (Urban Freight Terminals) may be diminished or disappear. The probability that this happens is considered to be only medium high, but the impact would be high if it did occur, affecting the possibility to implement the project actions. The actions planned in SMARTSET have been carefully prepared and planned since the proposal phase. The partners have committed to the content of this project and have entered into an agreement with the EACI by giving mandate to the PC. However, decrease of political support for the actions in SMARTSET may cause difficulties for a specific partner in the implementation.

Actions

- Communication between the affected partners if the above mentioned factors arise.
- Any partner that signals difficulties in implementing the activities defined in SMARTSET, will be reminded of the commitment it has pledged to the project by giving mandate to the PC to enter into an agreement with the EACI on the description of work.
- PC will continuously discuss the possibilities for any or several partners to implement the planned actions and to outline possible corrective actions.
- If a change in the political support severely will affect any partner's possibility to implement the planned actions, the evaluation leader and the project officer will be informed as soon as possible.

Responsible

- Responsible: Site leaders.
- Partners involved: Gothenburg (PC)

3.2.3. Change of staff (R16)

The probability that this happens is considered to be high, but the the impact is to be manageable since the partners have at least two persons or more involved in the project.

Actions

- All partners have at least two persons involved in the project.
- Keep documentation and dairy over project actions.

Responsible

- Responsible: All partners.

3.2.4. The cost of using electrical vehicles in the UFTs is too high and decreases the profitability model (R17)

The market for electric powered distribution vehicles is today still immature and the availability and costs of aquring and running them is uncertain. The probability of that the cost of the vehicles is to high to make the terminal scheme profitable is considered medium high, but the consequences for the project outcome would be quite serious.

Actions

- Start planning the purchasing process of electric vehicle at an early stage of the project.
- Make a thorough market research, as well as looking into alternatives such as leasing.

Responsible

- Responsible: Site leaders.

3.3. Low risks

Low-high risks are those risks identified as high probability that they will occur (high risk), and if they did it would have rather low consequences (low impact). Or, risks identified as low probability that they will occur (low risk, but if they did it would have serious consequences (high impact).

3.3.1. Partners leaving the project (R4).

A partner that, due to various circumstances, has to leave the project will cause serious consequences for the consortium and the possibility to reach the goals of the project. This is thererfore considererd a risk of high impact. Nevertheless, the partners commitment and engagement to the project is very high and the probability of a partner leaving the project is

therefore considered low. The resignation or exclusion of a partner must be seen as a very last resort after all possible actions are taken to keep this partner in the consortium.

Actions

- The Consortium agreement which has been agreed and will be signed by all partners outlines the respective commitment, consequences of a breach and procedures if any partner is leaving the project.
- If a partner decides to leave the project, the evaluation leader and the project officer will be informed as soon as possible, and the process of amending the contract will have to be initiated.

Responsible

- Responsible: All partners.

3.3.2. Lack of availability of electric vehicles (R5)

The market for electric powered distribution vehicles is today still immature and the availability and costs of acquiring and running them is uncertain. The probability that there will be no vehicles available is considered low, but if this would be the case the consequences for the project outcome would be quite serious.

Actions

- Start planning the purchasing process of electric vehicles at an early stage of the project
- Make a thorough market research, as well as looking into alternatives such as leasing etc.
- Make pre-agreements with distributors.

Responsible

- Responsible: Site leaders.

3.3.3. Delays in establishments of UFTs (R13)

Delays in projects are no uncommon phenomenon. Delays may occur for many reasons, but may in the end risk the final result of the project. The delays of establishing UFTs may depend on factors described above. As a consequence of the factors mentioned in e.g. 3.2.1 (No facilities for establishing UFTs) or 3.2.2 (Change in political acceptance for actions in local sites) the risk must be deemed as medium-high, and the impact may however be high as the final result of the project may be affected.

Actions:

- Gothenburg (PC) and CLAS (WP 2 leader) will make a follow up every two months with the site leaders on the progress of UFTs at the sites.
- Any notice that a partner is not fulfilling its commitments or is lagging behind the time plan will be addressed immediately in order to discuss and plan corrective actions to catch up.

Responsible

- Responsible: Site leaders.
- Gothenburg (PC) is responsible for follow up on the project actions of all partners. This is particularly important when it comes to the establishment of the UFTs.
- CLAS (WP 2-leader) is responsible for monitoring the progress of the establishment of the UFTs.

3.3.4. Delays compared to time plan (R14)

Delays in projects are no uncommon phenomenon. Delays may occur for many reasons, but may in the end risk the final result of the project. The risks referred to here may be for example delay in submission of deliverables or in reporting. The probability that this will occur is considered high, but the impact rather low, since if it is corrected quickly it will not severely affect the project outcome.

Actions:

- Planning and communication with affected partners regarding deliverables and reporting.
- Any notice that a partner is not fulfilling its commitments or is lagging behind the time plan will be addressed in order to discuss and plan corrective actions to catch up.

Responsible

- Responsible: WP-leaders.
- Partners involved: All partners.

3.3.5. Mismatch in budget compared to actions needed (R15)

The actions in Annex I are planned to be carried out within the budget as specified in Annex II. The costs of the different activities are estimated and during the course of action a mismatch between the actions planned and the available budget may occur. The probability of this happening is considered high, but the impact rather low, not severely affecting the project outcome.

Actions:

- Partners will immediately contact Gothenburg (PC) for a discussion on possible solutions and actions.
- If needed, the matter will be brought to the attention of the EACI. The Coordinator will then propose and discuss alternative solutions and actions, and a possible need for revision of the targets of the project.

Responsible

- Responsible: All partners.