Risk management is the process of making and carrying out decisions that will minimize the adverse effects of risk on an organization. The adverse effects of risk can be objective or quantifiable like insurance premiums and claims costs, or subjective and difficult to quantify such as damage to reputation or decreased productivity. By focusing attention on risk and committing the necessary resources to control and mitigate risk, a business will protect itself from uncertainty, reduce costs, and increase the likelihood of business continuity and success.A risk exists where there is an opportunity for a profit or a loss. In terms of losses, we commonly refer to the risks as exposures to loss, or simply exposures. A fire is an exposure. Defective products or defamation are liability exposures. The loss of business that results from a damaged building or tarnished reputation is also an exposure. Risk Management is focused on anticipating what might not go to plan and putting in place actions to **reduce uncertainty** to a tolerable level. Risk can be perceived either positively (upside opportunities) or negatively (downside threats). A risk is the potential of a situation or event to impact on the achievement of specific objectives

Working with the risk owner, the project professional ensures that risks are clearly identified before moving on to the risk analysis step of the risk management process.

The project **risk management process**reflects the dynamic nature of project ­work, capturing and managing emerging risks and reflecting new knowledge in existing risk analyses.

A risk register is used to document risks, analysis and responses, and to assign clear ownership of actions.

