Risk management in SEO projects
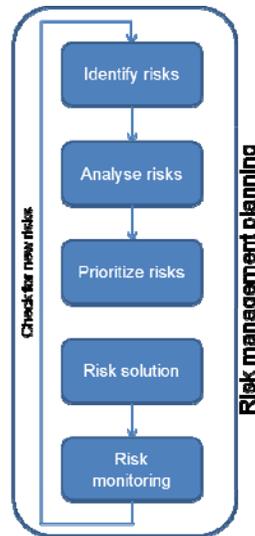
Introduction and process model

Risk-boosting factors in all projects

- Lack of time, deadlines

- Bad acquisition and controlling of key performance indicators

- Insufficient project management

- Bad management of requirements and expectations

- Huge and long-lasting projects

Risk-boosting factors in SEO projects

- Wrong expectations about SEO success

- No ex-ante planning of SEO success factors

- SEO conducted without project management

- SEO manager in role of project manager without having project management experience

Risk definition

Risk definition: uncertain event that effects one or more project objectives. Notice: effects can be positive or negative!

Example: The outage of an important software developer can cause a two-week delay of project completion

Risks consist of different components:

- Risk event with probability of risk event

- Risk impact with probability of risk impact

- Expected gain or loss calculated from expected effect multiplied with probability of risk event and risk impact

Risk components

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┌─────────────────┐      ┌─────────────────┐      ┌─────────────────┐
│                 │      │                 │      │                 │
│   Risk event    │ ───► │     Impact      │ ───► │ Total gain / loss│
│                 │      │                 │      │                 │
└─────────────────┘      └─────────────────┘      └─────────────────┘
        ▲                        ▲
        │                        │
┌─────────────────┐      ┌─────────────────┐
│  Probability of │      │  Probability of │
│   risk event    │      │   risk impact   │
└─────────────────┘      └─────────────────┘
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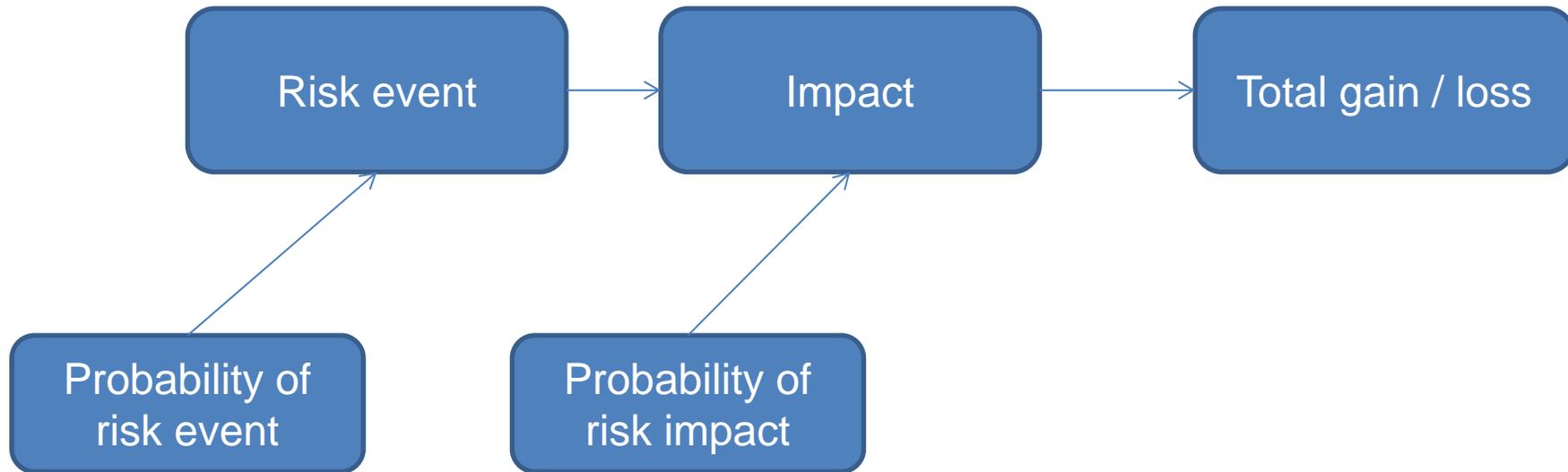
Typical SEO risk-events

- Google updates search algorithm unexpectedly

- Important backlink is being devaluated

- SEO black hat methods are discovered by Google

- Wrong implementation of „rel canonical" attribute

Typical impacts of SEO risks

- Website receives a penalty and is downgraded

- Multiple pages vanish from index

- Domain is void due to black hat methods

- Client won't pay because he is not satisfied with results

Risk categories

- Known risks that can be anticipated. Example: competitors follow their own SEO strategy and bias succes of your SEO efforts

- Unknown risks that cannot be anticipated. Example: change of Google search algorithm that leads to declined ranking

- Scope risks (caused by frequent change requests or defects)

- Schedule risks (delays, dependencies, wrong estimates or multiple critical paths)

- Resource-based risks (outsourcing, distributed teams, integration of new team members)

Multiple critical paths in projects
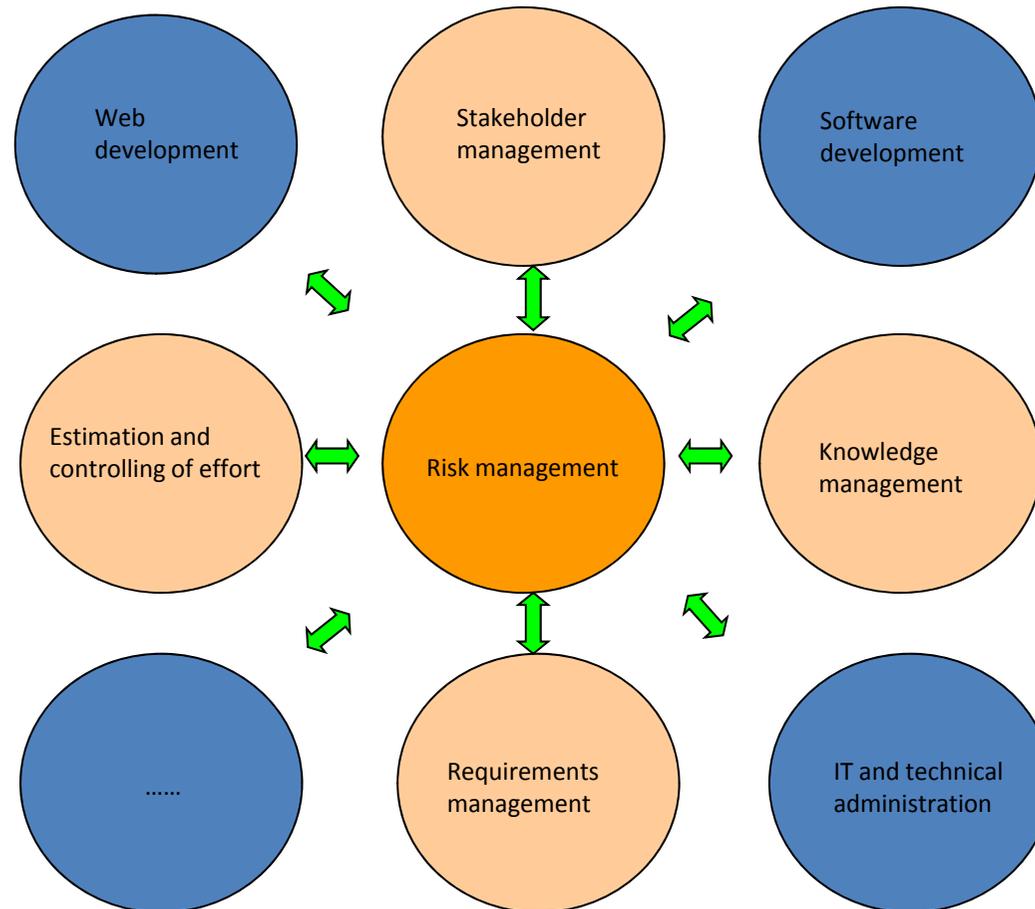
Critical path 1
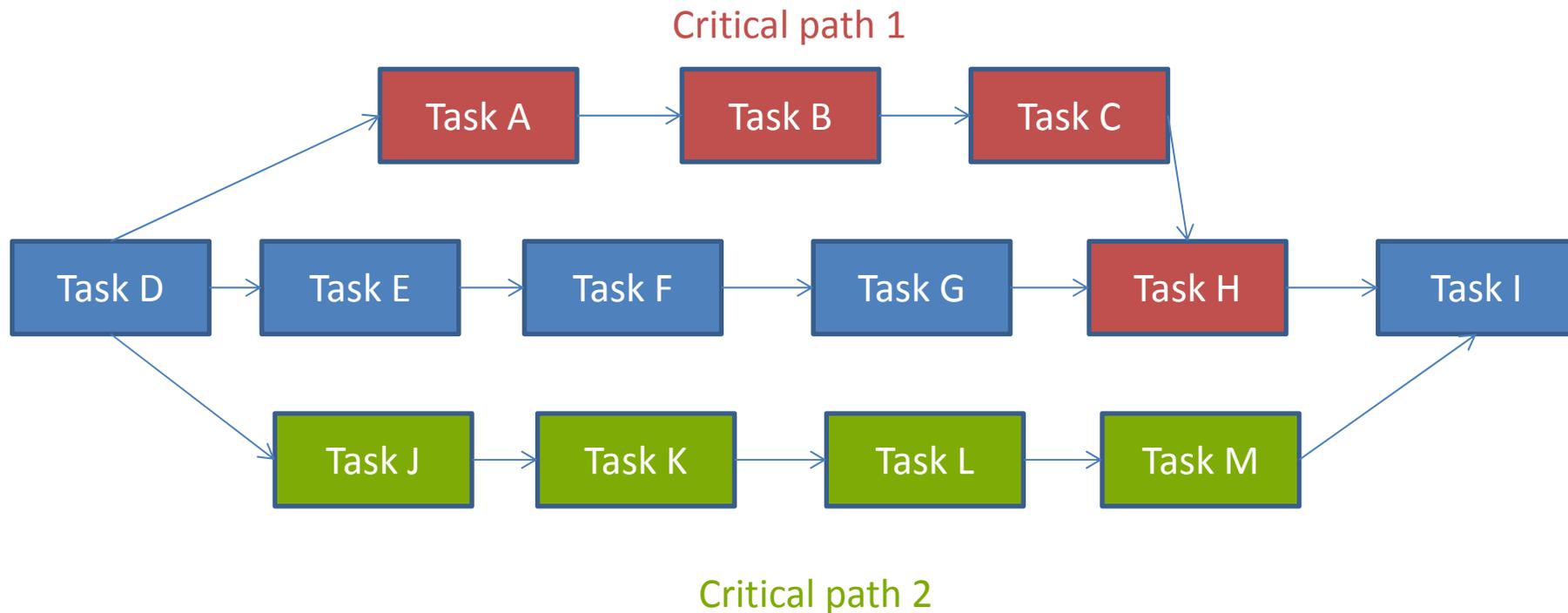
Critical path 2

A critical path determines the duration of the project. If there is

more than one critical path in the project, the risk of a higher duration increases.

Risk management benefits

- Future problems are recognized and can be eliminated in due time

- Incentive to deal with project more intensely

- Incentive to deal with project stakeholders more intensely

- Promotion of censorious thinking in project team

- More successful projects

- Risk management as a team building activity

- Continous improvement of project management

Elements of risk management process

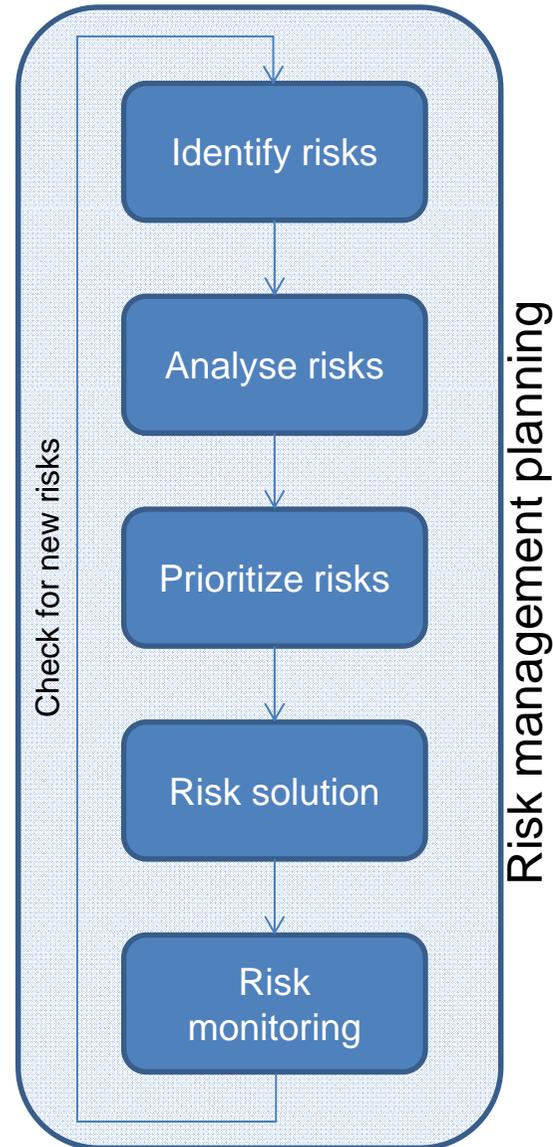|		
Risk management planning	Risk identification	Risk analysis
Risk prioritisation	Risk solution	Risk monitoring and controlling

Risk management process

Risk management planning

- Describes the risk management process in the project

- What has to be communicated?

- What kind of meetings are needed?

- Which tools, documents etc. are used?

- First estimate of overall project risk

- Definition of risk categories

- Definition of key figures (e.g. for risk probability and impact)

- Schedule planning
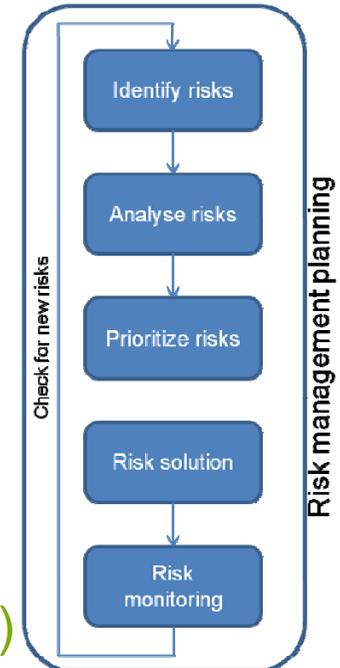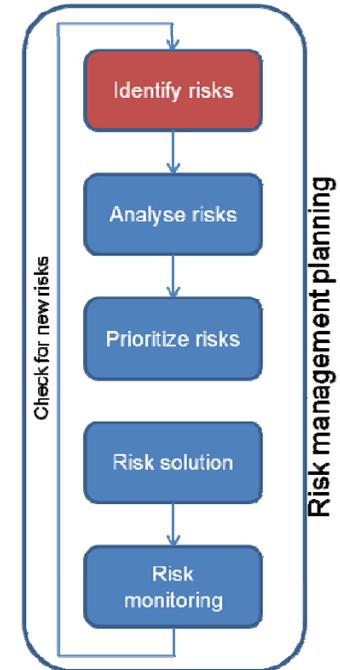
Risk identification (1/2)

- Start risk identification as soon as possible

- Iterative process. Repeat throughout the whole project

- Should be part of every status meeting

- Opens out into risk index

- Risk identification tools and techniques:

  - Brainstorming, expert reviews

  - Checklists

  - Document analysis, analysis of assumptions

  → Important: include all project areas, respect positive and negative risks!
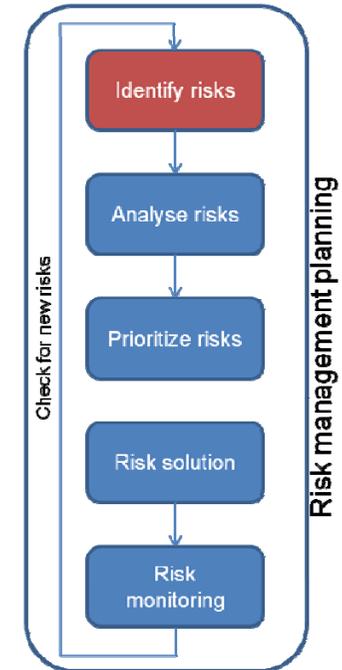
Risk identification (2/2)

- First counteraction can be planned while conducting risk identification already

- Most urgent risks are addressed first

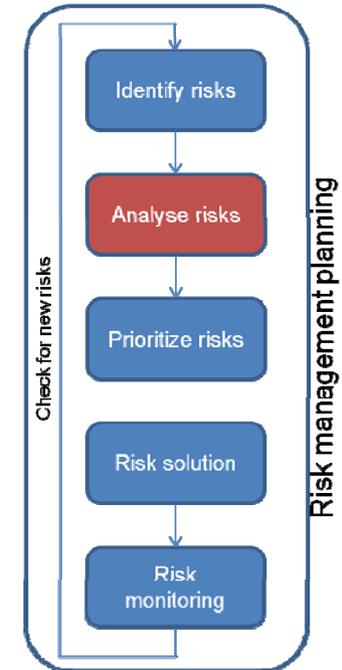- Not later than kickoff the risk index must exist

Check for new risks

Identify risks

Analyse risks

Prioritize risks

Risk solution

Risk monitoring

Risk management planning

Risk analysis

- Qualitative vs. quantitative risk analysis

- Qualitative: classify risk by severity: „low", „middle", „high"

- Quantitative: detailed calculation of probability and impact

- Qualitative analysis is mainly used for risk prioritisation

- Risk analysis and risk prioritisation can be done together

- In order to avoid arbitrariness and subjective influence when defining risk probability it makes sense to use pre-defined rankings like: 0-10%, 11-50 %, 51-80%, 81-100 %.
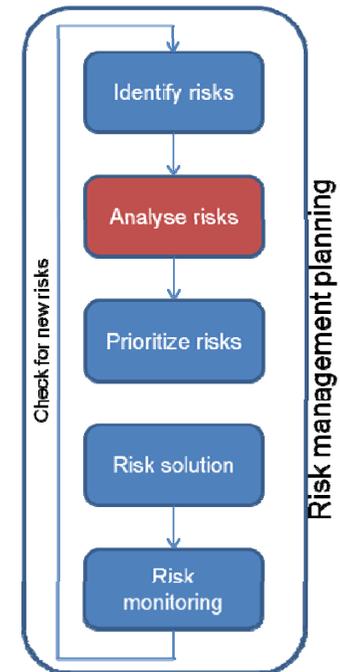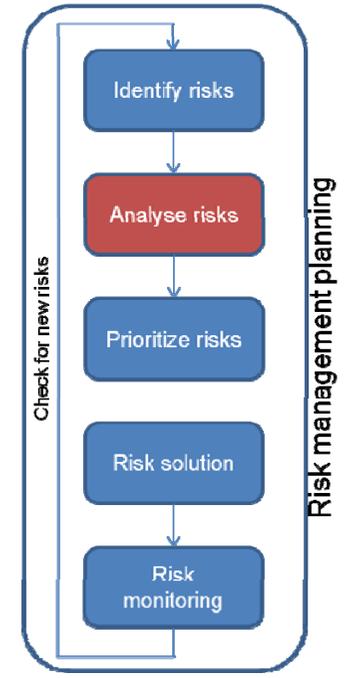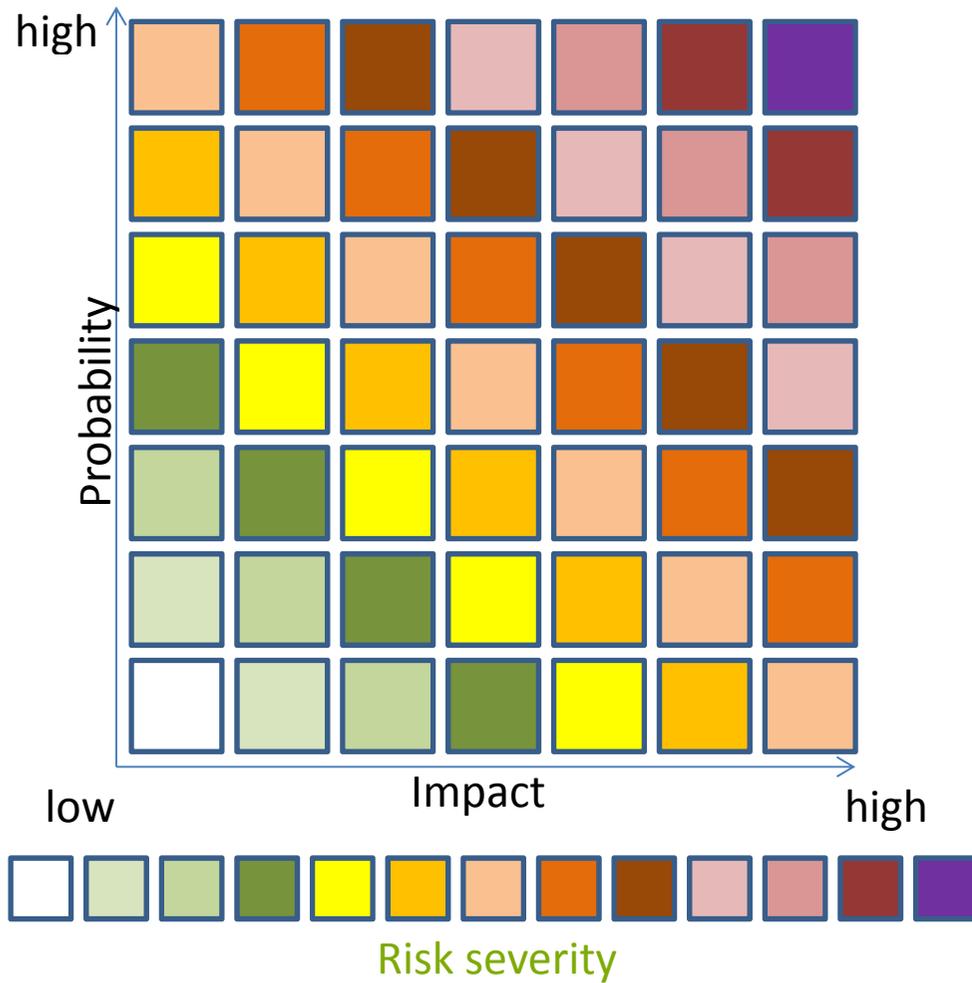
Risk analysis: tools and methods

- Risk matrix (qualitative risk analysis)

- PERT (Program Evolution and Review Technique)
  → comparing optimistic and pessimistic estimations
  (quantitative risk analysis)

- Monte Carlo Analysis (automated and iterative
  calculation of different project results shows
  probability distribution)

- Expert reviews

- Interviews

- Workshops

→ The latter four used for quantitative and qualitative
 analysis as well

Risk matrix

high

Probability

Impact

low   high

Risk severity

Check for new risks

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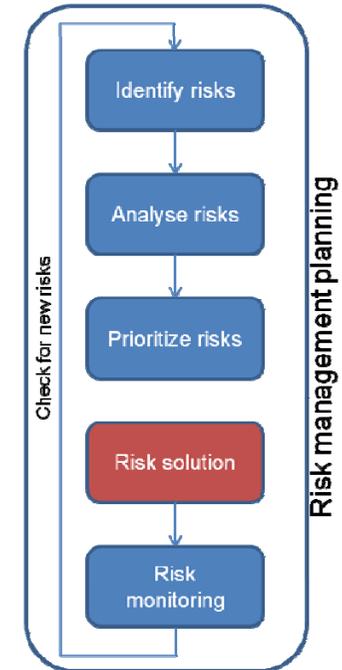
Risk management planning

Risk prioritisation

- After determining risk probability and impact the order of handling risks has to be defined

- Concentrate on a set of most important risks → top-10 list

- Marginal cost for solving an additional risk have to be equal or smaller than marginal loss caused by this additional risk
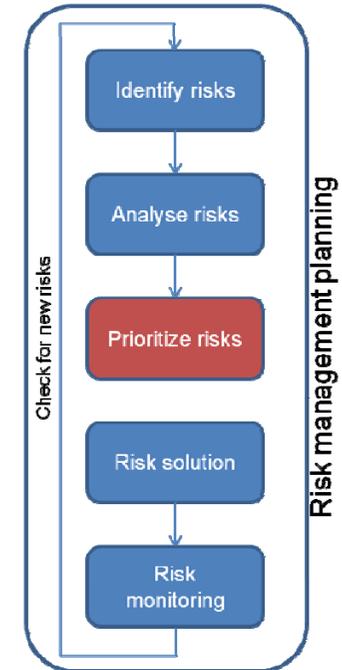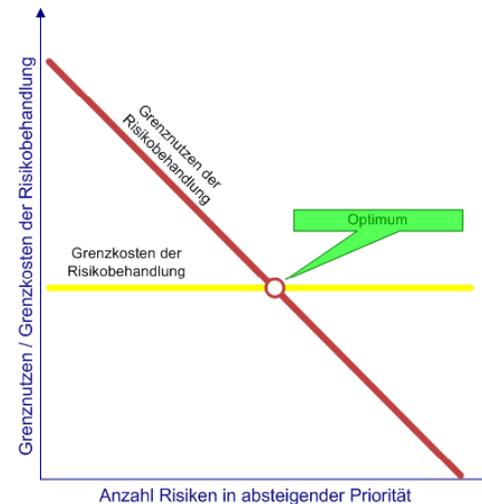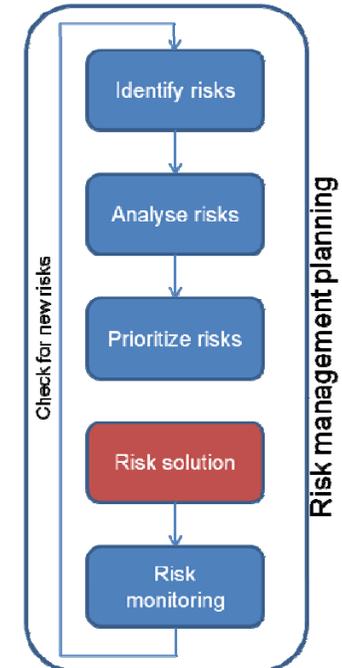
Risk solution

- Define counter measurements for every prioritized risk. Decide between actions concerning risk events and actions concerning risk impact.

- Define responsibilities

- Define those risks that no actions will be taken for (active / passive risk acceptance)

- Update project plan

- Create fallback-plan with actions to be taken if initial actions fail.

Check for new risks

Identify risks

Analyse risks

Prioritize risks

Risk solution

Risk monitoring

Risk management planning

Risk solution - strategies

Risk	Chance	Example
Avoid	**Exploit**	**Remove or add certain tasks from / to project plan**
Mitigate	**Emphasize**	**Influence risk probability and / or risk impact**
Transmit	**Share**	**Involve additional players to handle risk or chance**
Acceptance (active oder passive)		**Active: build reserves for the case of risk occurrence** **Passive: action is defined after risk occurrence first.**

Risk management planning

- Identify risks
- Analyse risks
- Prioritize risks
- Risk solution
- Risk monitoring

Check for new risks

Risk monitoring and controlling

- Check status of risks continously. Risk status should be part of every status meeting.

- Are there any risks that can be removed from risk index because they are no longer relevant or haven't occurred?

- Are there new risks to be analyzed?

- Has there been a change of risk priorities? Is the top-list of risks still up-to-date?

- Have the chosen risk solutions been appropriate?
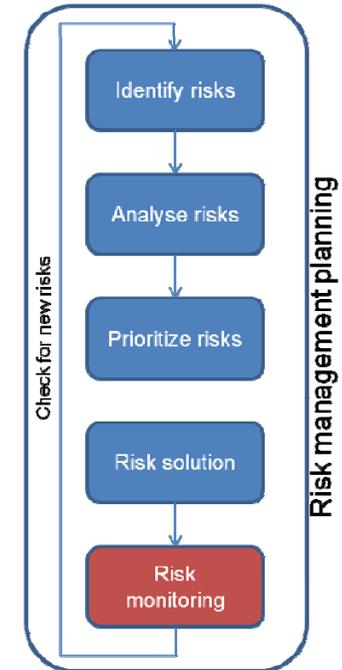
Resumé

- Risk management important in projects – especially when doing SEO

- Risk management needs to be planned

- Risk management is an iterative process

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