

Considering Schedule Contingency

The most important factors in determining a project's schedule are a detailed Work Breakdown Structure, and effective estimates. However, every project time line is subject to a variety of risk factors. To account for complexity and unanticipated events, project managers should build contingency time, or "padding," into their schedule. The Contingency Matrix below provides a quick way to analyze your project's risk factors, and determine how much padding to add to your schedule.

ITS Project					
Risk Factor	Low (0)	Medium (1)	High (2)	Very High (3/4)	Your Project's Score
Total Team Size	<5	5 – 9	10 – 14	>15	
Workgroups Involved	1 – 2	3 – 4	5 – 6	>7	
Dependencies: workgroup, deliverables or external factors	Very few dependencies	Minor dependencies	Moderate dependencies, may have external dependency	Complex dependencies, may be out of project control	
Technology/Technique /Process	Expert	Familiar	New to UCSC	Breakthrough	
Complexity	The solution is well defined and no problems are expected	The solution has identified problems	Multiple approaches to the project goal	The solution is only vaguely defined	
Political Profile/Impact	Unit/Dept	Director Area	VC/Dean Area	Enterprise-wide	
Deployment Impact	Unit/Dept	Director Area	VC/Dean Area	Enterprise-wide	
Risk Scoring	[0-5] Add 20% contingency (standard) [6-11] Add 30% contingency [12-17] Add 40% contingency [18-23] Add 50% contingency ** [24-28] Add 60% contingency or more **			TOTAL	

** Notes for High Risk Projects

If your project scored more than 17 points in the Contingency Matrix, it is considered "High Risk." For High Risk projects, we strongly recommend incorporating the following activities into the project planning phase:

- Invest time in a work breakdown structure and project plan with as much detail as possible. This will make your pre-contingency estimates as close as possible, and will uncover additional risks.
- Consider alternate approaches to the project that may reduce the risk. For example, phasing the work to control scope in any given section, or cutting complex deliverables out of scope.
- In your charter's Risk Management Plan, take extra time to describe risks and dependencies, and articulate mitigation plans. Which areas from the Contingency Matrix are most likely to cause problems, and how will you respond when problems arise?
- Invest additional time in documenting requests for resources, including language about the risks of project delay. Ask project sponsors and resource managers to pay careful attention when they commit their staff to the project, to head off future conflict.