

# Systematic mitigation of model sensitivity in the initiation phase of energy projects

Đaković, M.<sup>a</sup>, Lalić, B.<sup>a</sup>, Delić, M.<sup>a</sup>, Tasić, N.<sup>a</sup>, Ćirić, D.<sup>a</sup>

<sup>a</sup>University of Novi Sad, Faculty of Technical Sciences, Novi Sad, Serbia

## ABSTRACT

Early project risk identification and assessment is a complex issue based on decision-making methods that are methodically suitable for successful project delivery. Nevertheless, although there are several risk management assessment tools, in practice, this issue is still not taken seriously enough in the project initiation phase. Literature research reveals a need for an applicable systematic risk model approach, systematic sensitivity of mitigation action plans, considering the need for early systematic project risk awareness. This paper not only explains the evidence that a risk systematic model tool is essential in the project initiation phase but also narrows the gaps through the systematic sensitivity approach with the accent on the integrated risk systematic model. The sensitivity approach is taken in the project early preparation phase, where evaluation, the establishment of limits to which risks are controllable, is based on the stage-gate model. The stage-gate model evaluates which risks are specific to a certain analysis in the early project definition phase, leads to the conclusion that excluding any mitigation elements or probability of risk occurrence reflects on the outcomes, and presents an unrealistic picture of the given project targets. This research represents a reliable risk tool with improvements in resolving systematic risk system faults, 'stakeholders' subjective decision gaps, constricting project contingency, and shortening project schedule deviation. The research is based on two complex industry (case studies) projects within the energy industry.

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### \*Corresponding author:

[danijela.ciric@uns.ac.rs](mailto:danijela.ciric@uns.ac.rs)  
(Ćirić, D.)

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