6 Tips for Making Risk Management Stick

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Is your road to a great risk management program paved with only the best of intentions? Even skilled and experienced nonprofit leaders sometimes find their risk management efforts falling victim to internal and external booby traps. Consider the following tips to avoid common planning pitfalls:

1. **Communicate freely and visibly**. An essential part of any risk management framework is communication but, unfortunately, "communicate" is too often an afterthought. When you wait until your risk management strategies have been fully outlined to communicate them to stakeholders, you are setting a potentially disastrous trap for your program. When people feel uninformed or "out of the loop," they generally resist new ideas, programs and policies, however great they may be.
2. **Shift your focus**. Instead putting most of your energy into "preventing losses," shift your focus to spend as much if not greater effort on the efficacy of response strategies and your nonprofit's "bounce back" ability after a major loss or crisis. Over time, every nonprofit will face their share of losses and even crisis events. To quote former Center board member Felix Kloman, "Resilience... is the essence of effective risk management."
3. **Start small and experiment**. Consider testing new risk management activities, policies or processes on a small group instead of unleashing an unproven approach on your entire workforce or clientele all at once. Better yet, involve hard-to-please constituents in the design of any new risk management activity. Those involved in early versions of your approach will likely be your most effective ambassadors once the plan is rolled out.
4. **Keep it simple**. When you aim for simplicity in your risk management policies you do yourself and those who must comply with those policies an invaluable favor. As you review draft policies, identify words, phrases and sections that are unnecessary and therefore can be deleted, rather than asking, "what's missing?" or "what else could we include?"
5. **Embrace redundancy**. A risk management program aimed at protecting a nonprofit's mission, financial assets and vulnerable program participants should include overlapping strategies to avoid any single point of failure. Like a car with anti-lock brakes, a camera on the rear bumper, always-on headlights, and side-impact airbags, a "safe" program has built-in redundancies. Never rely on a single policy, staff person or piece of equipment to keep your mission, people and facilities safe.
6. **Strive for feedback, not perfection**. The delay in rolling out many risk management strategies is often due to the desire to create the "perfect" solution that will be widely embraced. Instead of over-thinking your approach, build easy-to-access feedback mechanisms into your programs which encourage others to make suggestions... or to submit complaints.

Following these six tips will help you make your risk management policies "stick" and also help you avoid

common pitfalls inherent in the design, launch and implementation of a risk management program.

Melanie Lockwood Herman is Executive Director of the Nonprofit Risk Management Center. She welcomes your ideas about any risk management topic, feedback on this article and questions about the Center's resources at Melanie@nonprofitrisk.org or 703.777.3504. The Center provides risk management tools and resources at www.https://nonprofitrisk.org/ and offers consulting assistance to organizations unwilling to leave their missions to chance.