

You're Focused on the Wrong Thing Right Now



By Melanie Lockwood Herman

Executive Director

Resource Type: Risk eNews

Topic: Risk Assessment

Do you frequently struggle to focus on one topic, task, or conversation?

Do you sometimes 'zone out' during meetings or conversations by checking email?

Do you wonder whether colleagues can tell you're multitasking when you should be paying attention?

Have you experienced serious consequences of your failure to focus? (missed appointments, deadlines, broken commitments?)

Do colleagues frequently respond that they are too busy to meet in the next couple of days? Do you respond in similar fashion to meeting invites?

All of these human tendencies inhibit our ability to assess and manage risk. In their book *See Sooner, Act Faster: How Vigilant Leaders Thrive in an Era of Digital Turbulence*, George S. Day and Paul J. H. Schoemaker describe vigilance as a productive frame for organizations operating in dynamic, rapidly changing environments. They write that "Traditional methods of strategic planning, risk analysis, and decision modeling are now less effective because there is just too much uncertainty on the periphery and too little stability at the core."

The book emphasizes the importance of sensing signals and acting on "early warning signs of trouble or opportunity." Day and Schoemaker remind readers that sign spotting is especially challenging in a world where "attention is one of the scarcest resources in any organization..." and is "quickly depleted in a digital environment spewing out huge amounts of background noise." Ironically, instead of working to quiet distractions and give ourselves some space to sense and focus on important signals, many nonprofit leaders obsess over amassing larger collections of data and potential distractions.

Focus on Top Risks, Not All Risks

This week my team drafted a narrative to describe an international client's Risk Landscape. We use that term to refer to the external factors that influence the types of risk an organization faces and the types of risk the organization will embrace. We try to find the signals in the noise by focusing on a handful of external issues in a client's operating sphere.

To focus proper attention on risk themes, concerns and opportunities that matter:

- **Start with a short list.** Review a recent list of ‘risks’ that threaten or potentially bolster your top priorities; choose the 3 most concerning or potentially impactful ‘what if’ events. Ask: what do we know about these risks? What should we know? What can we do to better understand these risks? Use our [Risk Bow Tie worksheet](#) if you need help unpacking your top risks.
- **Survey externalities.** Make a list of external factors, trends, and circumstances that affect the risks you face and the risks that might be good bets for your mission; narrow down the list to the 5 most important, relevant trends from the list. Discuss how you are monitoring those trends and how often the risk team will reconvene to revisit—and possibly re-sort—the list.
- **Turn surprises into learning.** Brainstorm the 3 biggest surprises your nonprofit has experienced during the past 2 years. For each surprising event, jot down the most compelling lessons learned from managing through the surprise. If it helps, use our [Lessons Learned worksheet](#).

As the NRMC team coaches client teams to make their risk functions more relevant with risk exercises, we witness the “a-ha moments” that happen when risk management becomes baked-in (versus bolted on). That often happens when senior leaders loosen the reins of bureaucracy. Day and Schoemaker write about the negative impact of strict hierarchy on developing vigilance. They explain that rigid hierarchies limit the sharing of information across functions and teams, spur slow decision-making, inspire risk aversion, and weaken accountability.

To manage the risks associated with an overly bureaucratic structure:

- Identify how your nonprofit’s current structure discourages informal *collaboration and teaming* among staff from different functions and departments
- Identify two barriers to timely decision-making and *one practical step to streamline future decisions*
- Brainstorm an *example of how risk aversion led to a missed opportunity*
- Reflect on a possible early-warning system for risk-aversion and what you will do to counter it. For example, when a respected person on the team expresses serious doubt about a new approach or initiative, ask: what if this wound up being a hugely impactful success? How would that success impact our mission? What did we do to increase the odds of success?

It may seem counterintuitive, but when you relinquish the fear that fosters a brittle bureaucracy, and let the trivial barrage of challenges fade to put the most impactful risks in the spotlight, you’re doing more than finding focus. You’re helping your team build a muscle they will use for the long term. Microsoft CEO Satya Nadella reminds us that “We will grow as a company if everyone, individually, grows in their roles and in their lives.” Those words of wisdom are relevant and timely for nonprofit risk teams. As team members grow and increase their skill at focusing on what truly matters, your clients and community will reap the benefits of that growth. Your colleagues and clients will appreciate that you’re more focused on what they have to say. And together, you might find new ways to tackle problems you’ve been zoning out on alone.

Melanie Lockwood Herman is Executive Director of the Nonprofit Risk Management Center. She welcomes your questions and reflections on fruitful focus at Melanie@nonprofitrisk.org or 703-777-3504.