

That Time of Year



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Resource Type: Risk eNews

Topic: General

It's "that time of year." You know what I'm talking about. It's the time of year when it is often hard to find an empty parking spot near the door of the neighborhood fitness center. Church attendance is up and restaurant menus are offering an impressive number of "light and fit" options. It's a great time of year to set aside pessimism and embrace an optimistic outlook, whether you're focused on your personal fitness or the health of your nonprofit.

It is also the time of year to create a list of risk management goals for your nonprofit. On the off chance that you'd like some help, I've created a list of six simple goals to consider and adapt.

1. **Take the time to explain "why" as well as "what."** A common mistake in the roll-out of new safety policies is putting the emphasis on "what" and neglecting "why." Keep in mind that misunderstood policies are unlikely to be followed closely. Explaining the rationale for new or revised policies is an inexpensive way to increase the likelihood of consistent application.
2. **Examine risk from a new perspective.** As you survey the top risks facing your nonprofit, consider whether you're seeing risk from a range of perspectives. Does your list reflect the view from the boardroom? The vantage point of supervisory staff? Ask whether you have missed the risks clearly visible to line-staff, volunteers, personnel working "in the field" or in remote locations, or those whose formal duties include following, but not developing policies.
3. **Simplify.** Unfortunately, in our efforts to make risk management programs and activities more comprehensive, we sometimes add unnecessary complexity. Keep in mind that when you choose a complex policy over a simpler version, you may be adding a dose of downside risk to the mix.
4. **Fight fear.** While it's true that a little fear keeps us on our toes, fear in organizational life too often has a paralyzing and unproductive effect. We fear damage to the organization's reputation, accusations of mistreatment by clients, or loss of a major funding source, but instead of taking action on those fears, we lose sleep. A better approach is to commit to facing your fears with practical strategies designed to increase the agility and resilience of your nonprofit.
5. **Remember to train.** The economic downturn led many nonprofits to forego staff training as an unaffordable luxury. Skimping on training for your key staff and volunteers could have disastrous consequences. Avoid a train wreck down the line by recommitting to providing the hands-on skills and management training that your ambitious mission deserves.
6. **Resolve to get your board "on board."** Throughout 2010 I encountered board and staff leaders who expressed frustration with dysfunctional behavior in the board room. There is no time like the present to resolve to strengthen governance practices. *How* the board governs is directly related to *what* the nonprofit is able to accomplish. Great governance creates the energy needed to propel your mission forward, while ineffective governance is akin to an empty fuel tank. When the board is "out of gas," a

nonprofit spins its wheels and inspires frustration instead of commitment.

As you formulate your list of risk management goals for 2011, don't hesitate to reach out to the team at the Nonprofit Risk Management Center for assistance. We can help in a number of ways, from helping you draft or revise [risk management policies](#) to designing [custom training programs](#) (on-site, virtual/webinar, or online). We also offer free technical assistance as well as affordable and easy to use online tools, such as [My Risk Management Policies](#) and [My Financial Management Plan](#).

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