

It Shouldn't Be So Complicated



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I can't help but smile when a friend or colleague recommends a favorite book. And although I'm not afraid to tackle a book that I know little about, I'm much happier opening the cover of a book that comes with a personal recommendation. During a recent trip to Orlando, a client recommended the book "Simple: Conquering the Crisis of Complexity," by Alan Siegel and Irene Etzkorn.

My client warned me that the book contained a few unflattering examples from the worlds of insurance and the legal profession. For someone who gets paid to read insurance policy language and interpret wordy contracts, I can't say I was surprised! And it didn't take me long to notice that the entire book contained fewer words than a typical nonprofit D&O policy.

To create a backdrop for the argument that simple generally trumps complicated, the authors share stories about the consequences of complexity. Citing a study by the National Association of Insurance Commissioners, the authors explain that "one-third to one-half of insurance policyholders were misinformed about what perils are covered and how much they might receive if they made a claim." I have a hunch that percentage might be even greater for buyers of commercial coverage. To describe insurance policy language as complicated is an understatement.

Siegel and Etzkorn describe simplicity as something that inspires confidence. Given our view—borrowed from founding board member, Felix Kloman—that the fundamental purpose of risk management is to *inspire confidence*, simplicity and the discipline of risk management deserve to be paired up. The authors explain: "When you reach a point where you have achieved **transparency** (laying bare the underlying truth whatever it reveals), clarity (expressing meaning clearly and simply), and **usability** (making something fit for its purpose), you have achieved simplicity." What a wonderful model for risk management policy and practice!

Some of the "simple" tips and insights in the book include:

- **Be fearless when seeking feedback** - ING Direct decided to solicit customer feedback on their website and post the results. The "live" poll is viewed by management as an early warning system.
- **News of poor customer service spreads quickly** - Research by the Customer Care Alliance revealed that an unhappy or "enraged" customer typically tells at least 18 other people—friends and family—about their bad experience with a service provider.
- **Empathy = value** - Empathy is key to designing services that truly work for the people and communities we serve. If your nonprofit is in the service business, remember that if you can't get inside the heads of your clients, consumers and service recipients, your agency may be viewed as bureaucratic or uncaring.
- **Protect and simplify** - The call to "simplify" doesn't mean giving up legal protections. The authors take a well-deserved jab at my profession when they write, "Whatever protections, rights, or remedies a corporation wants to assert can still be put in writing—just put them in terms understandable to the

consumer. That can actually end up putting you on safer legal ground, because it provides plain evidence that you were never trying to hide anything or hoodwink anyone.” Well said!

A Cheerful Goodbye

This week our intrepid Project Manager, Erin Gloeckner, leaves the Center to pursue a graduate degree in public health at Virginia Tech. During the past 15 months Erin has provided invaluable leadership and support in every facet of our work. As the author of countless RISK eNews columns, newsletter articles and consulting reports, and as the designer of some pretty cool Prezi presentations, Erin’s contributions are too numerous to count. She is fearless, intuitive, organized, humble, and one of the most talented writers I’ve ever worked with. And if that weren’t enough, her warmth, candor, sense of humor and genuine excitement about the missions of our clients, made her a joy to work with each and every day. I’ve concluded that Erin isn’t “replaceable,” she’s one of a kind. The staff and board of the Center wish Erin great success in her next adventure! Our secret hope is that she’s become hooked on nonprofit risk management and will decide to return to us after she conquers graduate school.

Melanie Lockwood Herman is Executive Director of the Nonprofit Risk Management Center. She welcomes your ideas about any risk management topic, suggestions for best-in-class risk management, 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/](https://nonprofitrisk.org/) and offers [consulting assistance](#) to organizations unwilling to leave their missions to chance.