

Eliminate Excess to Nourish Your Risk Management Function



By Melanie Lockwood Herman

Executive Director

Resource Type: Risk eNews

Topic: Enterprise Risk Management

In his book, *From Strength to Strength*, Arthur Brooks writes that “As we grow older in the West, we generally think we should have a lot to show for our lives—a lot of trophies. According to more Eastern thinking, this is backward. As we age, we shouldn’t accumulate more to represent ourselves but rather strip things away to find our true selves—and thus, to find our second curve.”

The NRMC team always feels privileged when we’re invited behind the scenes of a nonprofit’s risk management resources and activity. Increasingly, we find ourselves in the company of dedicated risk champions who invite us to join them to reflect on recent work and progress. Each time, we are impressed and delighted to see how these leaders take risk concepts and stylize them to meet the unique needs of their missions and organizations.

In many cases, however, risk leaders hesitate to part with or change elements whose construction was time-consuming and arduous. At NRMC we love and have adapted the approach described by Arthur Brooks in *From Strength to Strength*. As our organizations mature, we must strip away the things that distract and overwhelm. We also believe any organization hoping to achieve the next stage of risk management maturity should begin by taking an honest inventory of its accumulation of “risk stuff.”

What’s in Your Risk Program Potting Shed?

Some of the weighty elements we find in nonprofit risk programs include:

- Overly complex diagrams and narratives that claim to explain how the risk function works, but fail
- Multi-page narratives (charters) describing board risk committees
- Overloaded annual calendars of risk activity
- Guilt and remorse about planned risk activities that never happened
- Rosy risk reports intended to persuade the Board that “we have everything under control”

Grab Your Pruning Shears

During my commute to NRMC, I pass a home where the front door is flanked by two healthy, mature and resilient crepe myrtle trees. Each winter, the homeowners top the trees for the season. As warm weather returns, these bushes spring back to life with new branches, leaves, and eventually, beautiful flowers. To prune or not to prune one’s crepe myrtle was described as a “conundrum” in a [post on the topic](#). In that post, a city arborist cautions that “Any decision should take into account the health and location of the tree, and whether letting it grow will cause problems down the road.” This is wonderful advice for gardeners and risk champions alike.

To prune your risk program and fortify it to thrive in seasons of chaos and complexity:

- *Identify the elements of the program that generate vociferous push-back.* Wordy policies? A confusing framework? Worn-out workshops that cover familiar territory without meeting the moment's needs? Examine each item and ask whether it is vital or a branch that needs cutting off or pruning back.
- *Identify the elements of the program that have inspired growing interest and commitments to collaborate around challenging risks.* Office hours? Anonymous suggestion box? Risk-unpacking workshops? Risk presentations using simple terms, such as "risks = possibilities"? Examine these core elements up close and ask: how can we leverage the success of this element?
- *Examine the location of your risk function.* One of the most powerful lessons I've learned as an amateur arborist is that where you plant the bush truly matters. One dwarf Japanese Maple suffered terribly before its eventual death. Another, planted in a shadier, less windy spot, just feet away, is thriving. With respect to risk, ask: would the function thrive differently if it was offered protection by someone other than me?

A colleague once told me about how she helps her fashionista mother "edit" her outfits before leaving the house. "Mom often has one too many patterns, necklaces, or other wearables when she appears dressed for the day," she said. "I gently encourage her to remove a few items in order to turn an OK outfit into one that will turn heads. Less is more."

It's hard to eliminate or remove something you've spent time cultivating or tuck away a favorite piece of jewelry you really wanted to wear. But when we have the discipline to do so, what remains will be more resilient and pleasing. Focusing on fewer pieces that are well constructed or arranged is the tough love many risk functions require.

Melanie Lockwood Herman is Executive Director of the Nonprofit Risk Management Center. In her spare time, she enjoys getting her hands dirty in a garden that consists of resilient perennials and evergreens. Her favorite gardening story involves the survival of a single Leyland Cypress despite the decline of the nine similar trees she planted in close proximity. She views the sole surviving tree as evidence that many factors—including some she may never truly understand—influence outcomes. She welcomes your risk-related questions and gardening tips at Melanie@nonprofitrisk.org or 703-777-3504.