

# An Ounce of Experience is Worth a Pound of Speculation Maybe



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During last week's *Risk Management & Finance Summit for Nonprofits* in Philadelphia, attendees heard a variety of messages about ways to consider and manage risk they encounter in their nonprofit organizations. Various themes were explored in plenary and workshop formats. One of the most powerful themes expressed in different ways from very different thought leaders was the reminder that *experience offers powerful learning opportunities*. As Paul J.H. Shoemaker once said, "Experience is inevitable. Learning is not." Throughout the conference, practitioners from diverse organizations shared the lessons of experience, from managing parent-affiliate risks to alternative risk financing methods, developing policies, and the top legal risks facing nonprofits.

Keynote speaker *Randy Park* reminded us that experience is a key component of our personal filters. Our filters influence the way we see and act on the risks we perceive. Park noted that most of us treat our filters as facts, and fail to realize that our assumptions—rather than external or internal forces—may block us from reaching our goals. Park's comments were a timely reminder that while experience can be beneficial in informing our perspective on risk, it can also cloud our view. For example, experience may lead us to believe that the future will be similar to the past and present. Yet an organization's future may be dramatically different from the past.

Kenny Broad's keynote included footage of his exploration of blue holes in the Bahamas. Still photos showed Broad face first in small-diameter underwater holes with a colleague gripping his ankle. He explained that exploring these small holes is a first step in discovering underground caves. At one point the audience at the plenary grew quiet as it watched a video clip of Broad swimming through several narrow openings in a small underground cave. At the conclusion of the plenary several attendees approached me to discuss their reactions. One attendee said she was inspired to try scuba diving and see the incredible world that exists under the surface of the sea. Another attendee told me that watching the video confirmed his claustrophobia.

While I continue to believe that experience is a powerful learning tool that can inform and shape thoughtful risk management, I've also come to recognize that the ability to imagine events that have never occurred before is equally important. As leaders of nonprofit organizations that exist in a changing and complex world, we must tap into past experience and look for wisdom, insight, and lessons we can apply in calibrating our risk appetite, managing our organizations in a world of risk, and inspiring staff and volunteers to sign on and sign up to help. But we also need to give ourselves permission to engage in blue-sky thinking about the future. And we must not

limit our view of the future to a straight line path from the present. None of us knows how things will “turn out.” To be truly “prepared” and create resilient organizations, we must envision an ever widening range of possibilities.

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