

Don't Be Superstitious about Risk



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Resource Type: Risk eNews

Topic: General

I'm a compulsive calendar checker. I no longer have a black, spiral bound desk calendar, but I consult my electronic calendar at least a dozen times throughout the workday. With the *Ides of March* approaching, I was reminded of the role that superstition plays in risk management. For example, during a recent workshop a member of the audience asked me how to respond to the fear expressed by a board member that simply talking about risk could increase the likelihood of something terrible happening.

Here are a few recommendations for dispensing with superstition, at least when it comes to risk management in a nonprofit:

- **Stop Worrying and Start Talking** — Effective risk management begins with candid conversations between leaders who truly care about the mission and programs of a nonprofit. Fears and concern about “what if” and “what might” cannot be quieted until those concerns are discussed openly, with respect for opinions across the spectrum. Trust me, avoiding conversations about difficult subjects won't make troubling exposures go away.
- **Stop Searching for an All-in-One Risk Tool** — From time to time I'm asked to recommend a “risk register,” or other “tool” that will ensure the leaders of a nonprofit that its risks are fully covered. There is no program, application, spreadsheet or insurance policy that will take care of risk in a nonprofit. The hard truth? Deciding how to cope in a world of inevitable uncertainty is hard work. Conserve energy for that hard work and stop looking for a tool that doesn't exist.
- **Risk is Complex, Getting Started Shouldn't Be** — Superstition, unrealistic expectations and the perception that risk is a bad thing, may cause some leaders to delay the work required to improve risk management. And some may wrongly believe that because risks are complicated, great risk management should be as well. The opposite is true. When asked to recommend an approach for strengthening risk management, I always suggest starting with the basics: who, what, when and how. Who would bring a different perspective on our exposures to a conversation about risk? What are we really trying to accomplish with our risk management program? When would be an appropriate time to schedule a discussion about strategy-level and governance risks with the full board? How might we add risk management and risk oversight responsibility to existing teams and committees?

If you're ready to banish superstitions about risk, but need inspiration or help getting started, I invite you to join me at one of our [in-person training programs](#). Or join our [Affiliate Member Program](#) to enjoy access to [Risk Help](#) from Center staff throughout the year.

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