

Embrace Radical Thinking to Wrestle Risk



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During a staff meeting this week I was reminded of the difficulty of seeing beyond the barrier of past experience. When a member of our team suggested a radical approach to addressing a challenge on our horizon, I immediately offered an example of a prior failed attempt at something somewhat similar. The staff member reminded me not to shy away from an experiment simply because of that singular experience. She was right. Too often risk teams are boxed in by experience. “We’ve done that before and it didn’t work,” or “We gave volunteers latitude and look what happened!”

In the 2014 film, “Divergent,” heroine Beatrice Prior is labeled a divergent—someone who doesn’t fit neatly into her society’s five virtue-based factions. In the end, her divergent thinking winds up being an asset, as she fights against the sinister plot brewing in her dysfunctional world.

The article “To Innovate Better, Find Divergent Thinkers,” featured in the June 2015 edition of the Harvard Business Review, suggests that recruiting divergent thinkers is key to generating game-changing ideas and innovative solutions. In the paragraphs below we offer tips for using divergent thinking in your risk management program.

Divergent Thinking Tips

- **Don’t Fear Far-Flung Expertise.** The article cites a study showing that the “greater the conceptual distance from the problem, the more novel the solutions.” Many public entity leadership teams fall victim to continually assigning only “conceptually intimate” team members to solve a problem. For example, a client of the Center recently described the frustrating process of trying to engage the finance committee in developing a radically new approach to a long-standing financial challenge. I recommended that a handful of trusted outsiders, including leaders without obvious financial management credentials, be brought in. By inviting distant colleagues to join the conversation, the team brought fresh, innovative perspectives and solutions to the table. The disparately experienced team created an environment in which creative, unrestrained ideas could flourish.
- **Embrace the Fuzzy Front End.** According to Bart Barthelemy, director of the IDEA Lab at the Wright Brothers Institute, not knowing all of the details and history of the problem is an asset in designing truly innovative solutions. Barthelemy believes that information gaps fuel creative problem solving by enabling teams to explore the “fuzzy front end” of a problem. Getting mired in details and the backstory of a problem may dampen creativity and counter the process to identifying off-the map solutions!

- **Counter the Cynics.** Thomas Novacek, head of R&D for the Schindler Group's escalator division, cites "refuting the naysayers" as key to bringing innovative ideas to life. Novacek points out that some people resist innovative ideas simply because they don't understand them or can't envision the steps to implementation. To counter cynics, Novacek regularly enlists the help of experts from distant industries. With the help of outsiders—who aren't able to say "but this is how we've always done it!"—Novacek's team has been able to both identify innovative strategies and alleviate the fears of cynics.

Most discussions about problems facing a public entity are artificially constrained by the tendency to bury participants with a backstory before venturing into potential solutions. And only team members who are close to the subject at hand are brought in to share their ideas. To develop pioneering approaches to managing the toughest risks your entity faces, engage experts and radical thinkers from other disciplines and invite your team to consider even unconventional ideas.

Melanie Herman is Executive Director of the Nonprofit Risk Management Center and welcomes your comments and questions about risk (but not aging!) at 703.777.3504 and Melanie@nonprofitrisk.org.