



Risk Management Advice: Smarts from the Streets

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This week's RISK eNEWS features street smart words of wisdom from risk management leaders who serve in nonprofits, or who serve clients across the nonprofit sector. Find inspiration in this sage risk management advice from your peers, who take bold risks every day!

NRMC: Are you a risk taker, or risk averse? Why?

Mike Gurtler, Safe-Wise Consulting: I'd call myself a risk taker. I do not mean I go blindly forward; that's risk crazy. If something is integral to the mission of the organization and we can put sound strategies in place to manage the risks, then I'd say let's move forward. As a risk manager, I do not see my job as saying "No" all the time, but rather how can I say "Yes" while being responsible to the organization.

Gae De Angelo, Girl Scouts of Greater Atlanta: I am definitely a risk taker, when I have most or all of the facts. When risk averse, it is generally due to factors that don't add up or have been proven incorrect. I want to feel confident that I have the information from a reliable source.

NRMC: When it comes to the "what ifs," what are teams most unprepared to handle?

Diana Del Bel Belluz, Risk Wise Inc.: Teams are usually keen to discuss external factors that interfere with risk management—such as actions by regulators, customers/clients and other stakeholders. But the same teams sometimes avoid discussing weakness in the team's own performance. This can be a sign of a *fixed mindset*—the view that our capabilities are fixed and any gap in them is a failing that can't be bridged. Social norms also make it feel rude to point out a weakness in others or to face up to our own shortcomings. Thankfully, cultivating a *growth mindset* can help teams to view those same gaps in capabilities as opportunities for improvement rather than weaknesses. This permits the team to talk about how to tear down barriers to better risk management performance. For more on the power of a growth mindset, see the work of Carol Dweck.

NRMC: What's the best thing you've read during the past year?

Barrett Leahy, Great American Insurance Group (GAIG): Last Spring I went through a little streak of bad luck managing risk at work. I had the big items under control, but kept getting surprised by little things bubbling up. At the time, I was reading *Managing the Unexpected* by Weick & Sutcliffe. They wrote that managers have a tendency to respond to weak signals with a weak response. A lack of mindfulness causes us to miss the significance of the accumulating weak signals. I realized that I hadn't been struck by bad luck at all. I was guilty of brushing aside and explaining away these weak signals of problems. The book helped me to become more mindful and respond more vigorously to the tiny signs of potential problems. I needed that lesson in order to grow into a stronger risk manager.

Diana Del Bel Belluz, Risk Wise Inc.: I'm currently reading *Tribe of Mentors* by Timothy Ferriss and finding it quite inspiring. The book features wisdom from leaders in a wide range of fields. I keep finding great quotes that

are relevant for risk management. Two of my favorites are:

- “All courses of action are risky, so prudence is not in avoiding danger (it’s impossible), but calculating risk and acting decisively. Make mistakes of ambition and not mistakes of sloth. Develop the strength to do bold things, not the strength to suffer.” – Niccolò Machiavelli
- “Mastery is a journey, not a destination. True masters never believe they have attained mastery. There is always more to be learned and greater skill to be developed.” – Terry Laughlin.

That second quote by Laughlin encapsulates the spirit of the growth mindset, which I mentioned in response to the previous question.

Mike Gurtler, Safe-Wise Consulting: *Fred 2.0*, by Mark Sanborn; *Fred 2.0* is the follow up to the best selling *Fred Factor*. The book caught my eye at an airport bookstore; I needed a “plan B” since my tablet had run out of power. One of the themes is “Add the extra to ordinary to become extraordinary!” Both books suggest that finding your passion in a position makes all the difference. I didn’t feel like it was ground breaking information but it was inspirational, offered good real-life examples and certainly reminded me of giving that little extra to excel. Under promise and over deliver. Look for attitude and train for aptitude.

NRMC: At NRMC we often use the term “risk aware.” What does that mean to you?

Katie Turner, GAIG: Knowing that you have done everything you can to protect your assets, because things happen that are sometimes outside of our control. An important part of this preparation is over-preparing and anticipating surprises that could occur in the future. In my career as a claims adjuster and an underwriter, it’s been very difficult to see clients suffer financial hardship... simply because they didn’t elect for extra coverage, or they didn’t know that spending a few dollars more up-front would have saved them thousands in the end. Go ahead and spend that little extra up front—or do that extra preparation up front—in order to protect and sustain your mission in the long run.

Gae De Angelo, Girl Scouts of Greater Atlanta: For me, being risk aware means understanding that everything we do has an element of risk, but not letting that risk paralyze the mission. We are never going to be able to envision all the “what ifs,” but we can and should be prepared for the obvious or known risks. This includes helping people understand that they must remain calm and deal with whatever comes up, and discussing and dissecting it later for review and improvement if needed.

Joe Gleason, AHT Insurance: I actually prefer the term “situational awareness” since it emphasizes the need to contextualize risk based on the type of work, operating environments or other organization-specific factors.

NRMC: What’s the simplest or least expensive way to inspire a commitment to safety?

Elyse Wright, GAIG: Commitment to safety starts at the top and trickles its way down. If your organization is operating unsafely, a majority of the time it is because the organization’s leadership failed to foster a safety culture. When your employees see you have an eye for a safe work environment, they will adapt to the culture you have set for the business.

Gae De Angelo, Girl Scouts of Greater Atlanta: In the workplace I am often asked if something is acceptable from a safety standpoint. I always encourage people to reflect on the available data and resources, and then chat it out with them, helping them to make the decision. If they are part of the decision making process, they have more buy in. From a more personal perspective, start teaching children when they are young that they can manage their own safety!

Corinne Hinsch, GAIG: Make it relatable. Paint a picture of what *could* happen and what can be done to prevent whatever it is from happening. For example, it’s sometimes surprisingly challenging to inspire an actionable commitment to the prevention of child sexual abuse in a youth-serving organization. Many nonprofit leaders believe that their dedicated, kind, service-oriented stakeholders would never be capable of abusing children or teens. But statistics show that most survivors of child sexual abuse knew or even trusted the perpetrator. Before inspiring a commitment to child safety, you must first break down the dangerous assumption that “it won’t happen here.”

NRMC: How do you inspire or cultivate other risk management leaders in your organization?

Ashley Tatge, GAIG: Educate employees about the risks their organization faces, inspire staff to support ongoing risk management initiatives, and invite suggested changes when something isn't working. All staff should feel comfortable communicating openly with management, and should be encouraged to serve on the risk team. Helping staff become personally invested is key!

NRMC: If you had a risk management superhero alter ego, what would your risky superhero name be?

Mike Gurtler, Safe-Wise Consulting: I am often referred to as "Safety Guy." During workshops I sometimes ask participants, "What's the basic difference between Batman and Superman?" Some people mention that Batman has no super powers; he's an ordinary person that does things extraordinarily well. While he's something of a loner, he appreciates teamwork and relies on Robin and Alfred for support. The lesson from this discussion is that everyone has the ability to be a safety superhero—superpowers or no superpowers.

NRMC: What's been the biggest "ah ha" moment in your risk career?

Joe Gleason, AHT Insurance: Explaining the "why" behind risk and emergency management plans and procedures is essential. Without the "why" people often see these systems as bureaucratic hurdles—not essential management tools or tools that support mission stewardship.

Liz Bautista, GAIG: The biggest "ah ha" moment in my risk career occurred while reading a waiver. After signing up to raise funds for a wonderful nonprofit, I received a waiver, which stated that I would have to assume all liability and indemnify the nonprofit if "anyone claims to have been injured or otherwise suffers loss as a result of my participation." I thought to myself, "Did I read that correctly?" I reached out to the nonprofit's staff and was relieved when they agreed to amend the language. The experience was a great risk reminder that one should never agree to assume liability for events beyond your control and also that "standard" forms are often negotiable!

NRMC: What do you hope is different about the risk management discipline in ten years?

Katie McDonough, GAIG: My hope is that risk management is viewed as a proactive tool, rather than a reactive "must" in the wake of a loss or other adverse event. With the assistance and guidance of an organization such as NRMC, nonprofits will be better equipped to preemptively mitigate threats to their missions.

Joe Gleason, AHT Insurance: In ten years (or less?!), I'm hopeful that risk management will have shaken the "Department of No" perception and be more universally seen as a business enabler rather than a constraining force.

Our last interview questions are for you: the risk-centric reader of this *RISK eNews* issue. Of all the street smart risk management advice shared above, what resonated most with you? What inspired you to rethink your approach to risk management? And how will you start managing risk differently next week in order to apply your newfound perspective?

Enjoy these additional NRMC resources that offer risk leadership and risk management advice:

- [World-Class Risk Management for Nonprofits](#) – NRMC's newest book offers a comprehensive rundown of the risk management discipline... a must-read for any world-class risk leader!
- [My Risk Assessment](#) – NRMC's newest web app allows users to conduct internal risk assessments and review pertinent risk management advice!
- Free articles & infographics:
 - [Risk Management Leaders Must be Unstoppably Optimistic](#)
 - [What Star Trek Taught Me about Risk Leadership](#)
 - [What's In a Word: Risk Management Leaders as Mission Champions](#)
 - Infographics: Five Riveting Reads for Risk Professionals [PART 1](#) and [PART 2](#)

The NRMC team invites your responses to this street smart risk management advice—and your questions about our upcoming Virtual Conference!—at info@nonprofitrisk.org or 703.777.3504.