The Opposite

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One of my favorite episodes of the sitcom *Seinfeld* is called "The Opposite." In that episode, which aired in 1994, Jerry Seinfeld persuades his friend George Costanza that George's natural instincts frequently lead him astray. George decides to take Jerry's advice and "do the opposite of everything he would normally do." By following "the opposite" of what he instinctively thinks he should do, he winds up getting a date, a job with the New York Yankees and is finally able to move out of his parents' home into an apartment.

As I watched a re-run of this popular *Seinfeld* episode, I began to wonder about the "instinctual" approach to risk management in nonprofit organizations. Do our instincts about risk and appropriate risk management lead us to sound decisions and appropriate risk mitigation steps, or do they lead us astray? Is there any value identifying "the opposite" of our gut instincts about risk? Here are some tips for managing risk by ignoring your instincts.

- **Look for Swallows Instead of Black Swans** – During several recent risk assessments for nonprofit organizations, clients have expressed their hope that hiring a third-party consultant would lead to the discovery of "Black Swan" risks – rare and unpredictable events that threaten an organization's ability to survive. These clients have been surprised that engaging a third-party consultant such as the Nonprofit Risk Management Center rarely leads to the identification of "black swans." But an independent set of eyes and ears may enable the identification of more common risks (which I'll call "swallows") whose familiarity caused them to be overlooked. Examples of familiar but often overlooked risks include inadequate governance processes and structure; ignored complaints from consumers, volunteers and employees; and poorly trained volunteers.
- **Resist the Urge to Assume and Challenge Assumptions**– Nonprofit leaders looking for ways to economize may be guilty of cutting corners, skipping steps and assuming that staff and volunteers will "know what to do." In their book, "Surviving and Thriving in Uncertainty: Creating the Risk Intelligent Enterprise," authors Frederick Funston and Stephen Wagner invite leaders to try a tool they refer to as "Thesis-Antithesis-Synthesis." Here is the authors' explanation of the tool:

> "TAS is useful for challenging assumptions, revealing flaws in conventional risk management approaches, and fostering evolution in ideas. Essentially, TAS calls for the statement of a thesis—an intellectual or (apparently) factual proposition or assumption, such as "Man cannot reach the moon"—and the statement of its opposite, the antithesis—"Man can reach the moon." The third step is to develop a statement that reconciles the two propositions, the

synthesis—“Man can build a vehicle to take him to the moon.”

- **Seek Wisdom from the Crowd Instead of from the “Experts”** – In many nonprofits the development of risk management policies begins with a meeting of experienced, senior leaders. Instead of starting with the “enforcers” why not begin your brainstorming process with a team of people who will be required to follow your new policies?
- **Turn the Question of Risk Around** – Instead of bringing everyone down by inviting the board to reflect on “the risks we should try to *avoid* in 2012,” energize your board by inviting it to consider “the big risks we should take to advance our mission in 2012.”

While I can’t promise you’ll make a love connection, land your dream job, or finally move out of Mom and Dad’s basement, allowing yourself to contemplate “the opposite” when it comes to risk and reward can be a freeing experience. And it might inspire you to take your nonprofit’s risk management program in an entirely new direction.

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