

Lucky Me



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It's a big day for my favorite color as well as the day when Americans with even remote connections to the Emerald Isle celebrate all things Irish. School children will enjoy shamrock-shaped cookies and learn about leprechauns. Restaurants from one coast to the other will dust off recipes for corned beef and cabbage and we'll all be Irish for a day. The most coveted quality associated with the Irish is luck. We need it, we want it, and from time to time, we all feel lucky.

Yet relying on good luck is in many ways the *antithesis* of risk management. If you're feeling lucky there is little need for a contingency plan. If luck is "on your side" why worry about what could go wrong?

I'm feeling especially lucky this St. Patrick's Day because as spring approaches I've finally concluded that I do not have "the messiest house in America." During the bleak mid-winter of 2010 I have watched countless episodes of the program "Clean House," observing a team of comedic clean-up, fix-up and design experts on their hunt for America's messiest family and most cluttered home. Although I have been known to stack and restack a few piles of clutter in lieu of *actual* cleaning, my home clearly isn't cluttered enough to be featured on the show.

My recent fascination with a television program about clutter has led to reflection on the annual ritual called "spring cleaning." Since I've never actually experienced the ritual, I consulted a Web resource for help. The website www.goodhousekeeping.com offers thirteen simple tips for spring cleaning, beginning with "Shake it Out." This tip reminds readers to take area rugs outside for a good shaking. Another tip on the list of 13 is "Free up the Fridge." This refers to tossing out items that are unnecessary and making room for food that is actually fit for consumption. A third tip is "Clean the Corners." This refers to the importance of thoroughly cleaning each room from "corner to corner."

Reading about spring cleaning led me back to the topics of risk management and organizational effectiveness.

- **Shake it Out** – The suggestion to take rugs outside for a good shake reminds me of the need to "shake out" dusty policies. Every organization has at least one (and many have more!) unused or ill-fitting policy that is gathering dust on an office shelf, growing yellowed in a three-ring binder, or taking up space on a network drive. Policies that no longer meet the needs of a nonprofit can wind up creating problems in the short and long-term. At your next staff meeting ask those present to help you identify at least one policy that (1) is not being followed; (2) is widely misunderstood; or (3) is ill-suited for the organization given its evolving needs, current circumstances or recent changes. Create an ad-hoc task force (consisting

possibly of the staff members who nominate a policy) to take a close look at policies that may be candidates for reworking or disposal and invite the task force to deliberate and return with recommendations. The Center's brand-new tool, www.MyRiskManagementPolicies.org may be helpful in your efforts. It's affordable at \$179 and easy (dare I say fun?) to use.

- **Free up the Fridge** – This tip reminds me of the tendency of many nonprofit leaders to hang on to documents, files, outdated storage media, broken pieces of equipment, and other items that have no intended future use. Take a look around the headquarters of your nonprofit and consider whether its appearance inspires stakeholder confidence or creates the impression that your nonprofit's staff may be hoarders. And dust off the documents retention/destruction policy you created after the new IRS Form 990 was released and consider whether you've taken steps to implement the policy. Instead of being self critical for adopting the policy in name only, schedule time during the next few weeks to destroy or discard anything that should be destroyed or discarded per the policy. And it's time to let go of equipment that is broken, out of date, or is unlikely to ever be needed or used again.
- **Clean the Corners** – Nonprofit organizations have many "corners" of operations and activity. Some of these corners are poorly lit, subject to only infrequent visits to identify the risks they inspire and determine the adequacy of existing risk management approaches. The custom of spring cleaning reminds us of the need to look closely at the corners of an organization when adopting a strategic or "enterprise" approach to risk management. My colleague Diana Del Bel Belluz writes, "The traditional approach to risk management is to assign accountability for individual risks to separate operational units or functional silos. The traditional approach of managing risks in isolation from each other works well when risks are truly compartmentalized. However, many if not most significant risks facing complex nonprofit organizations do not respect organizational boundaries. Imposing a narrow operational context on the management of risk can obscure the full magnitude of risk exposures and blind the organization to the strategic implications of its risk management choices."

In the spirit of the holiday:

May your blessings outnumber
The shamrocks that grow,
And may trouble avoid you
Wherever you go.

And if you're unwilling to leave the mission of your nonprofit to chance, may you find inspiration and motivation for your risk management efforts at www.https://nonprofitrisk.org/ or wherever your travels take you.

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