

Keep it Real: Choose Rational Risk Resolutions



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It's that wonderful time of year when nonprofit leaders (and everyone else!) get busy making lists of the things we aspire to do, resolve to do, and sometimes actually accomplish. The act of sharing goals and resolutions with a friend or colleague may increase our motivation to be resolute and accountable. Risk resolutions are like resolutions about eating less, moving more, or learning a new skill: as January fades, momentum diminishes, and the resolution often becomes an increasingly depressing, overwhelming, and unlikely target. We lose focus and eventually give up.

As you settle into your new year of risk leadership, I want to encourage you to opt for rational and realistic risk resolutions. Choose attainable goals that will take you to better (not best!) risk practices. Below I've described my favorite resolutions. If you wind up pursuing and achieving any of these, I'd love to hear from you. Better yet, share your alternative resolutions to bolster your accountability!

- **Recruit a contrarian to your risk team.** It's wonderful when members of a team gel and genuinely enjoy working together to solve perennial or novel risk challenges. But it's even more powerful when the group includes a Cassandra or a contrarian. Learn how to "Channel Cassandra" in [this article](#) from NRMC.
- **Knock out a risk assessment.** If you work at a small or mid-sized nonprofit (\$5 Million or less in revenues), gather a small team to lead a time-bound project to identify your top risks and most promising risk management strategies. If you're not sure where to start, consider using our affordable web application, [My Risk Assessment](#), as a starting point. If you're swamped and working at a larger agency, consider retaining a contractor to facilitate an [independent risk assessment](#). A Risk Assessment is like a financial check-up; it reveals your strengths and challenges and is a decisive first step to creating a roadmap to risk-aware thinking and productive collaboration around top risks.
- **Swap out your dated risk register for a Risk Action Plan.** Last year we were delighted to hear from a long-time client who revealed that her team had an epiphany: their risk register offered little to no value yet required constant care and feeding. She joyfully told me that her team is putting that tired, trivia-filled tool aside in favor of a straightforward Risk Action Plan. If you're not sure where to start, check out our [Risk Action Planning Worksheet](#); use it as is or adapt it to better suit your needs.
- **Brief your board.** Did you know that board interest in risk oversight is increasing across the nonprofit sector? During the past two years, two out of every three NRMC consulting engagements grew out of a conversation between the nonprofit's board and staff. As fiduciaries and mission stewards, boards want assurance that management monitors the risk landscape and spends time thinking through the organization's most troubling—and potentially bountiful—"what if" future actions, events, or decisions. Their interest extends from 'what if' we attracted the attention of a billionaire philanthropist to 'what if'

we had to operate without access to any network resources for hours, days, or more. Savvy board members expect the unexpected to ring the doorbells of the nonprofits whose missions they support.

- **Share what you're learning.** When you keep insights and inspiration to yourself, you forgo the possibility of compounding valuable lessons. After attending a risk-themed webinar or conference, send your team members or colleagues a summary of your 'ah ha' moments. We've made it easy to do that each time you find value in an issue of the RISK eNews; join other readers who regularly forward this publication or encourage colleagues to subscribe [here](#). Great information should be a gift that keeps on giving.
- **Sign up for a risk learning experience.** Each year we're excited to design and deliver a series of webinars for our members and add to the programs in the webinar vault.
- **Create a card catalog.** Do you remember flipping through the cards in a narrow draw at your local library, looking for a book on a specific topic? At NRMCM, we're obsessive list makers, and we often share our lists in this publication: our favorite risk reads, most popular articles, and takeaways from educational events. I imagine *your* collection of helpful risk resources is more robust than you might presume. This week, devote an hour to compile your favorite reads. Be sure to include hyperlinks to their location on the World Wide Web, your internal server, or cloud storage location.
- **Choose one thing.** Many risk programs and plans suffer from an overabundance of ambition. Yet when the sheer volume of initiatives begins to outweigh the benefits they produce, risk leaders are left feeling a sense of dread. In his book *Essentialism*, Greg McKeown writes, "The way of the Essentialist isn't about setting New Year's resolutions to say 'no' more, or about pruning your in-box, or about mastering some new strategy in time management. It is about constantly pausing to ask, 'Am I investing in the right activities?'" If you've ever felt—even for a moment—that your risk function is like a hamster on a wheel, know that it's possible to get off the wheel and put it away forever. How? Begin by choosing your team's singular risk priority for this year. Review our suggestions in [our article](#), "Choose Essential."
- **Resolve to relish uncertainty.** Each year our team comes together to ponder the dynamic risk landscapes of the nonprofits we are supporting. We brainstorm about trends and subtle changes in the risk landscape and opportunities to evolve risk functions without ushering in burdensome new policies and protocols. The one development I'm certain about is that nonprofit teams across the world can expect continuing uncertainty. Events will unfold that you didn't forecast, team members who were fully committed to your mission on day one will move on to greener professional pastures or retirement, and systems or strategies you were fully invested in will break down. Instead of dreading uncertainty, I encourage you to relish it. Reflect on how each unexpected curve or off-ramp in your journey could lead your mission to something better, lead you to success sooner, or lead you to a mission-changing discovery previously unknown.

Melanie Herman is Executive Director of the Nonprofit Risk Management Center. She welcomes your questions about realistic risk resolutions and would love to hear your aspirations for renewing your risk practice in the coming year at 703.777.3504 or Melanie@nonprofitrisk.org.