How to be the Worlds Smartest Risk Manager



By Melanie Lockwood Herman

Executive Director

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I've just finished the National Geographic book, "How to Be the World's Smartest Traveler." Who doesn't want to be the world's "smartest" anything?! As a big fan of the expression, "don't believe everything you read," I had no expectation of becoming the world's smartest traveler when I cracked the cover of this book. But I figured that the chance of any truth in the subtitle—"and save time, money and hassle"—made this a wise purchase.

Before I test my new travel smarts at Dulles Airport, I want to take a few minutes to interpret some of the book's great advice for readers who aspire to be the best possible risk champion in their organization.

Be Confident – First, how does one get to be the "world's best" at anything? My suggestion is to learn as much as you can about the subject, and follow the advice on your tube of sunscreen: apply liberally. Try out what you learn every day. If you've dedicated time to understanding your nonprofit's risks, you will have a healthy dose of confidence to face inevitable uncertainty. And you'll also be in the best position to achieve the fundamental purpose of risk management: to inspire and sustain the confidence of stakeholders. Lacking confidence about the "what ifs" in your nonprofit's future? Start over with "learn as much as you can…"

Have Doubt – One of the early lessons in Elliott's book is: "If something looks too good to be true, it probably is too good to be true." Over the years I have had numerous conversations that began with: "We've been in business for a decade/century/millennium and NOTHING has ever gone wrong." If your track record seems too good to be true, it probably is too good to be true. How could this be?!

- You're kidding yourself and have conveniently forgotten missteps and near misses along the way.
- Members of your trusted team have figured out how to cover their tracks or bury anything that could either make you cry or wouldn't look good in the annual report.
- The worst thing that's ever happened is around the corner. You won't be prepared because your sunny outlook will blind you as you round the curve.

Look Both Ways and Be Patient – This simple advice is one of the "SMART" tips in "How to Be the World's Smartest Traveler." The author is referring to the need for caution before crossing the street in a foreign country. But this advice is simply perfect for a risk champion seeking to become "the best." Never look at risk from just one angle. Insist on getting at least two, but preferably several different views of any potential mission-disrupting action or event. And don't rush to judgment about any risk management step: such as stopping a program, implementing a new policy, or trying to pass the cost and consequences of harm on to a

volunteer or participant.

Don't Rely on a Single Expert – Nonprofit leaders love the comfort of consulting a single expert to get the answer they want, or have a second expert confirm the advice they received from the first. How would I know that? Occasionally, I'm confronted by an indignant workshop attendee who tells me that "my lawyer told me the exact opposite of what you just recommended!" Fancy that. Two lawyers with contrasting opinions about "what to do" or "what NOT to do." Elliott recommends consulting more than one credible government source to get reliable safety information about a foreign destination (such as www.travel.state.gov and the similar advisory services of the Canadian, British and Australian governments). Great advice for travelers AND risk managers. But be prepared to receive some conflicting information. Take it all into consideration and make the decision that is best for the short and long-term safety and success of your mission.

Prevent Desynchronosis – In the chapter titled "Stay Healthy and Safe," Elliott offers some practical tips for minimizing the risk of jet lag ("desynchronosis"). The most common symptoms of jet lag—exhaustion, feeling out of sorts, and having a hard time sleeping—are symptoms I often observe in leaders who reach out for help during a crisis. To minimize the chance you'll be at your physical worst when your nonprofit is facing a crisis, set aside time for some basic crisis planning. Who will be on your response team? Will one team suffice, or could very different circumstances (e.g., a crisis from a death or serious injury versus a crisis stemming from allegations of fraud or the misuse of grant funds) warrant different teams? The more decisions you're able to make while your head is clear, the more composed you will be when an awful "worst case" scenario unfolds.

Learn to Reserve "No Can Do" as Your Last Resort – As the risk champion in a nonprofit, you may be perceived as "Dr. No," "Dr. No-Go," or a professional wet blanket. The creative types will count on you to tell them that a new program, service or approach is "too risky," or "our insurer won't allow that." Defy the stereotype by resolving to debunk this pervasive myth about risk professionals. Become the "getting to yes" leader in your nonprofit by quieting your initial impression of a seemingly crazy fundraiser or team-building event. Get the facts, keep your cool, and help your team realize its aspirations to innovate and make a difference.

Take Action – Sleepless nights do little to advance your mission and objectives unless action follows. Pondering the potential effect of uncertainty on a nonprofit's mission and objectives should lead to specific action. What practical steps should be taken today to best prepare for several possible results? And remember that any action in the face of risk is risky too: your new policies, training, updated communications protocol, etc., may lead to the results you intended, or that plus unintended consequences. Whatever happens, resolve to learn from that experience as you adjust and fine tune.

No Guarantees

My favorite advice in "How to Be the World's Smartest Traveler" is about personal safety. Author Christopher Elliot writes that "Security can't be guaranteed—ever." And like his practical travel advice, you can take every one of our recommendations to protect your nonprofit's mission, reputation, financial assets and people, but stuff will still happen. The world of nonprofit service is "filled with wonderful but often frightening uncertainties." And to paraphrase Elliott, if you want absolute safety in your organization, maybe the nonprofit world simply isn't for you.

Melanie Lockwood Herman is Executive Director at the Nonprofit Risk Management Center. Melanie's calendar of upcoming speaking engagements is available online.