

Reimagine Your Risk Roundtable



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During NRMC <u>consulting engagements</u> and conversations with our <u>Affiliate Members</u>, our team often hears about the work and deliberations of risk teams.

During the *Virtual Risk Summit*, I was delighted to join my colleague Ann Terlizzi, Director of Risk Management at Lutheran Social Service of Minnesota, for a fast-paced session we titled "Revival of the Risk Roundtable." During that workshop, Ann and I explored ways to bolster risk teams and get them out of the ruts and rabbit holes they stumble into.

What Could Possibly Go Wrong?

Ann shared some of the troubling traps she has encountered during her career as a risk champion, including:

- Perceptions of what constitutes a 'risk' can differ even among team members
- Some teams or team members are reluctant to embrace responsibility
- Overcommitted, key actors may be absent
- Members of risk teams sometimes have a hard time seeing how specific risks affect them
- From time to time, risk teams get bogged down in the 'blame game.'

I added a few traps and trouble spots from my work advising earnest risk teams in diverse organizations, such as:

- Perceptions about the purpose of risk management often differ
- Acknowledging risks related to strategies and big-picture organizational goals makes roundtable members feel vulnerable
- Competition for status and resources within an organization may lead functional leaders to adopt overly optimistic forecasts
- There are often uneven contributions from team members, and, throughout the cycle, participation and enthusiasm waxes and wanes
- Team members may disagree about an appropriate scope of work
- Some teams obsessively focus on identifying risks OR scoring risks

Freeing the Risk Team from Troubling Traps

After unveiling the traps and troubles we've seen risk teams face, Ann and I shared ideas on how to extricate a

team from trouble, reimagine the work of risk teams, and provide the structure and supports risk teams need to succeed. Our road-tested strategies include:

- Make sure invitees to risk roundtables receive a detailed agenda with a clearly stated meeting goal well in advance of the gathering
- Acknowledge that all roundtable members bring biases to the conversation; create an environment of safety so biases can be shared and understood
- If you're the roundtable and risk leader, approach your role as a coach, not a boss. Invite team members to think broadly about the issues on the table; invite exploration by asking, "How could we accomplish that?" "What needs to change to make that happen?"
- Recognize that knotty risk challenges cannot be solved in a one- or two-hour meeting! Approach risk resolution as an arc of conversations that begins with exploring and understanding the issue in context, then imagines an array of solutions and strategies followed by identifying the options' pros, cons, and implications, and ends with a preferred solution. Before settling on that preferred strategy or approach, it's important to consider who will be involved and impacted, how individuals and teams will react, and what can be done to create a smooth runway for implementation.
- Stop asking your risk team to make wild guesses about the "likelihood" of concerning risks. Focus on possibilities, not probabilities.

Your Risk Roundtable is a Professional Development Opportunity

During the final segment of our workshop, Ann and I shared tips for rethinking the composition of a risk roundtable. Ann shared her experience of inviting leaders whose busy schedules made it impossible for them to attend risk meetings consistently; this year, she will invite colleagues who have the time needed for important risk conversations. She shared her excitement about positioning the risk team as a professional development opportunity for emerging leaders. Participating on the risk team will give these emerging leaders invaluable experience in critical thinking and problem-solving.

I encouraged workshop attendees to invite the worriers and "<u>Cassandras</u>" in their organizations to sit at the risk roundtable. I also urged participants to cultivate and model <u>psychological safety</u> and make risk conversations a safe, productive place to share concerns.

As many nonprofit risk leaders are preparing to close out another year of risk lessons and mission work, look back and reflect on the traps discussed above and the potential course corrections. Ask: what roadblocks prevented your team from being inspired by your organization's risks? And, in what ways could you reimagine your risk practice to embrace truly diverse points of view and perspectives?

Melanie Herman is Executive Director at the Nonprofit Risk Management Center. She welcomes your questions about reimagining your risk roundtable and your stories about freeing your team from troubling traps at 703.777.3504 or Melanie@nonprofitrisk.org.