People Who Need People: Are you feeling lucky?



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Nonprofit management experts often direct “nonprofits” to take specific steps to improve their governance, internal operations, strategic planning and fundraising activities. But as we well know, the “nonprofit” itself is incapable of “doing” anything—it’s the people behind the desks, on the other end of the phone, and seated around the board table who make things happen in the nonprofit world.

A closer look at the people in our organizations—employees, volunteers, donors, clients, parents of consumers, visitors, members, guests and the like—reveals an interesting kaleidoscope of risk (in addition to reward). The risks associated with the people we depend on to bring a nonprofit’s mission to life range from mundane to life-threatening. While many leaders focus on the most common risks, such as “slips, trips and falls,” versus the most costly risks, a sound approach to risk management requires looking deeper into the landscape of operations in order to spot and address risks that may be disasters in the making.

Examples of risks that may be more subtle than a tripping hazard include:

- **Volunteer dissatisfaction**—What could go wrong in your nonprofit when a small (or worse!) group of dedicated volunteers becomes disenchanted with the organization’s leadership, direction or support? Could trouble be brewing that you don’t know about? Are you responsive to volunteer feedback and complaints, or dangerously dismissive of this group of stakeholders?
- **Donor fatigue**—There’s a fine line between reaching out to donors to request their support and bombarding your contributors with messages that imply desperation (or foolishness). I recently received a solicitation from a local nonprofit that first explained the charity’s dire circumstances and then asked me to send money “so me and Teresa can keep our jobs!” Needless to say I wasn’t inspired to contribute. In fact, I made a mental note to withhold future contributions until I see evidence of better judgment on the part of the nonprofit’s staff.
- **Ineffective board communication**—While everyone wants to be part of a successful enterprise, the board members of your nonprofit have agreed to serve “for better or worse.” And nothing is worse than notice of trouble when it’s too late to act. Every nonprofit CEO should view the board as a partner in mission-fulfillment. But in order to be an effective partner the board must be informed of the organization’s progress and activities, including any indicators that the nonprofit won’t meet its financial or other goals. Communicating “bad news” early and clearly is an essential element of effective leadership.

Melanie Lockwood Herman is Executive Director of the Nonprofit Risk Management Center. She welcomes your

ideas about any risk management topic, feedback on this article and questions about the NRMC's resources at Melanie@nonprofitrisk.org or 703.777.3504. The Center provides risk management tools and resources at www.https://nonprofitrisk.org/ and offers consulting assistance to organizations unwilling to leave their missions to chance.