

## **Playing to Win**



## By Melanie Lockwood Herman

**Executive Director** 

Resource Type: Risk eNews

Topic: General

As a teenager I was open to just about any job that would enable me to keep the gas tank full in my Fiat 850 Spider convertible. Of course I also needed cash to fund the cost of replacement parts, which I always bought from a nearby junkyard. Half the fun was coaxing the part I needed off a Fiat that had seen better days. Equally fun was convincing the junkyard clerk that the part was worth \$10, at most.

One summer I seized the opportunity to make real money by working on the night shift assembly line at Parker Brothers, the game manufacturer founded in 1883 by George S. Parker. Parker was a pioneer in the game biz who preached that games needn't always teach morality. Parker believed that it's perfectly fine to play games for fun. There's just a bit of irony in the fact that 32 years ago I worked for the company that invented the game "Risk." That particular game was then, and still is, one of my favorites.

Given the serious business of risk management, is there any room for play? As it turns out, games, role-playing and scenario planning are essential components of risk practice. In the article titled "War games," in the March 15th edition of *The Economist*, I learned that military and intelligence industry leaders meet regularly to play the board game *Persian Incursion*. According to the sources cited in the article, strategy board games are useful because they "foster critical but creative thinking needed to win (or avoid) a complex battle or campaign." In particular, Persian Incursion "forces players to grapple with myriad cascading events, revealing causal chains they might not imagine."

Risk—an action or event that could positively or negatively impact your ability to achieve key objectives—is neither two dimensional nor linear. Risk events don't occur in exactly the way you envisioned, and they don't materialize in isolation.

## **Game-Winning Risk Smarts**

If you appreciate the fun and learning in games and play, consider the following risk tips.

• Keep the ultimate and the interim goals of risk management close at hand. Although the endgame is to win, you probably need to set and achieve interim goals to prevail. The same is true in risk management. Some of our consulting clients seem surprised when we ask: "What are you trying to accomplish with risk management?" The possible answers vary a great deal: minimizing catastrophic losses, freeing up resources for risk-taking, engaging the entire staff team in safety programs and activities, minimizing the frequency of crisis events, demonstrating sound risk practice to underwriters in order to achieve premium stability, and more. What is your overall, long-term goal? What are some of the goals you want to achieve in the short-term?

- Know when to hold 'em and know when to fold 'em. Some new risk practices take time to work. Seasoned risk champions are both antsy for results, and patient when it takes time to see results. But while patience is important, so is the ability to know when it's time to stop doing something. We often learn about hold-over policies that no longer suit the culture or circumstances of a nonprofit. Or programs that can't be delivered safely that no one has the courage to kill. Managing risk in the complex world of a nonprofit requires knowing when to hold on and let a new approach mature, and when to end a practice or program and devise something entirely new.
- Be a humble winner and a gracious loser. When I was a kid I had to work pretty hard to persuade a sibling to play "Risk" or "Monopoly" with me. My younger sister once seized the opportunity to tell me why: "Although you generally win, you're awful when you lose." Ouch. But she was right. It took me a long time to realize that being a gracious loser (or admitting to being mistaken!) is key to inspiring others to play the next time. It's OK to fail and make mistakes. But when you do, make sure your actions speak louder than words and show those around you that tripping up or miscalculating are opportunities to learn and grow.

Melanie Lockwood Herman is Executive Director at the Nonprofit Risk Management Center. She welcomes comments and guestions at Melanie@nonprofitrisk.org or 703.777.3504.