

Make Wise Risk Moves, Not Hasty Resolutions, This Year



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In his recent *New York Times* guest essay titled “This Year, Make a Resolution About Something Bigger Than Yourself,” author Roger Rosenblatt urges readers to put aside “self-oriented promises” and choose “airtight commitments” to improve our world. He writes:

“The task of improving the world may seem impossible, but it isn’t. All it takes is the proper sequence of correct discrete decisions. Decisions are just resolutions with teeth.”

Although I admittedly have a few self-improvement resolutions on my to-do list, I love the idea of putting big, bold, concrete decisions front and center. If you’re game to make some risk resolutions with “teeth,” consider these.

6 Wise Risk Moves

- **Decide what to do about the elephant risk in the room.** Across the U.S. and around the world, nonprofit teams will gather in 2024 to brainstorm “top risks.” Many of those lists will not include the elephant: the risk that staff are uncomfortable or reluctant to describe or disclose.
- **Reposition your risk role for maximum impact.** I’m not suggesting that you advocate for a more impressive title, a corner office, or permission to hire a cadre of risk analysts. I am suggesting that you reflect on how the senior risk role at your nonprofit could be more impactful. What could you do this year to help decision-makers across the organization make risk-aware decisions? Cope with inevitable uncertainty? What can you do to make their jobs easier, not harder?
- **Seek out risk conversations that challenge you...** In her book *I Never Thought of It That Way*, Monica Guzman urges her readers to find—not fear—friction. She describes friction as a pathway to INTOIT (I Never Thought of It That Way) moments. She writes that, “I never thought of it that way moments are entirely and exclusively about *you*. What surprises *you*, what challenges *you*, what changes or freshens *your* Each one is a mental reflect and a total surprise. You can’t predict when you’ll have them or what you’ll have them about any more than you could draw the comprehensive map of your mind at any given moment, with all its trillions of shifting features.” Guzman explains that we need to intentionally put ourselves “...in spaces where you can interact with people from outside your silos—spaces where it’s possible to explore the boundary between their perspectives and your own.”
- **Design a risk briefing that inspires discomfort.** You didn’t read that wrong. Too often, risk briefings to oversight teams are peppered with green checkmarks, boxes, and other signs that risks are not at all

concerning. A risk briefing should do the opposite: it should alert a governing or oversight team to the management team's top risk worry.

- **Make a list, a very short list.** Long lists are the common element in risk programs at large and small nonprofits alike. Somehow, someone got the idea that risk management equals a long list of risks. Creating a long list of risks weakens the effectiveness of your risk program. Why? The longer the list, the less time you'll have to do anything about the items on that list. The antidote to what risk expert Jim DeLoach calls "Enterprise List Management" is a short list of possibilities (risks) with a thoughtful list of steps to prepare for them.
- **Invite a new perspective to the table.** Risk teams often consist of the usual suspects, including you. Over time, these teams become less effective as conversations become repetitive and circular. It's the same group worried about the same things. In their book *Risk: A User's Guide*, General Stanley McChrystal and Anna Butrico remind us that "If you don't see and address a problem from multiple perspectives, you'll miss something—and it may be the critical thing." What perspective is missing from your risk conversations? Which member of your nonprofit's work or volunteer force could bring that perspective to your risk roundtable? What are you waiting for?

The new year offers a great opportunity to ease back into reasonable, mission-catapulting goals for the risk functions we lead. Put aside that unrealistic timetable for an internally-led risk assessment, that unnecessary ambition to produce an exhaustive list of risks, and opt instead for six sensible risk goals that will make a real difference.

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.