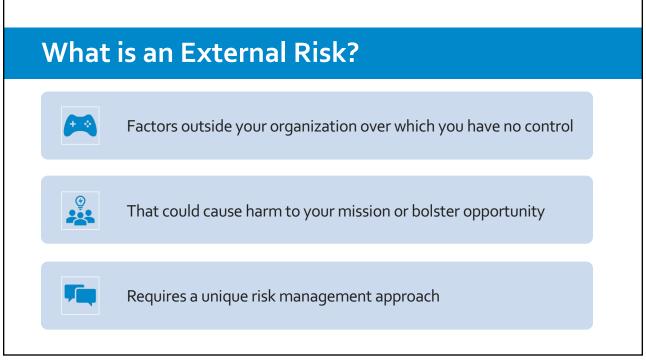
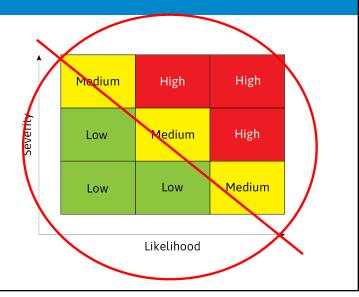


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## **How to view External Risk**

- How will this external risk effect our organization's objectives?
- What mission-critical processes must continue?
- How will we resume our normal business functions?



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# **Risk Management is:**

- Periodic
- Continuous
- Not about listing all potential risks

"Risk management is about understanding what might happen (uncertainty), assessing how it could affect the achievement of our objectives, and acting accordingly." – World-Class Risk Management for Nonprofits

# What makes External Risks SO hard to manage?

- It's virtually impossible to predict the LIKELIHOOD or SEVERITY of an external risk...
- Your best course is to PREPARE to act; but your actions won't be necessary if the risk never materializes...
- You have NO control over these risks

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Why is Managing External Risks Important?

Q

#### **Adapt**

- How will we continue with our critical business functions?
- What can we do now, so we aren't caught off guard later?
- Is there something we are already doing that we can adjust if this risk occurs?



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# **Managing External Risks**

- Understand external risks
- Prepare develop back-up plans
- What is the worst that could happen?
- What is the best that could happen?

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# **Business Continuity Planning**

- What is the purpose of the plan?
- What is the scope of the plan?
- What procedures do we follow to ensure the continuation of mission critical functions?
- How should we communicate?
- How will we train?
- How will the plan be maintained?

#### Positive Power of Negative Thinking

- Be on lookout for potential risks
- Consider what you would do if that risk occurs <u>before</u> the situation arises



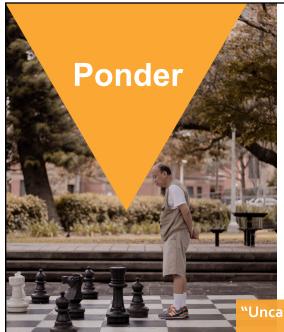
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# **Tips for Building Resiliency**

- Look for warning signs
- What can you do to prepare?
- Use our three-step approach to build resilience: Ponder, Plan, Practice

"Seek to understand your context better. Things that are out of place in a context bear closer inspection."

-Karl Weick and Kathleen Sutcliffe



## **Identify and Assess**

- What are the likely repercussions of an external risk event?
- What are our critical business functions?
- What opportunities exist for growing organizational capacity?
- Don't try to make one single exhaustive list!!

"Uncanny situations; reasons to ponder for action!"

—Ernest Agyemang Yeboah

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### **Build a Flexible Framework!**

- Flexibility is your friend
- Communicate
- Identify key roles and responsibilities

**Prepare** 



## **Maintain Essential Records**

- Know where the plan is stored!
- Know where organizational documents are.
- Ensure redundant backups.

**Prepare** 



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# Practice Test resilience of your plan Identifies gaps without high-stakes Builds "muscle memory" "Practice is the hardest part of learning, and training is the essence of transformation.." Ann Voskamp

# Navigating in the Wake of an External Risk Event

#### What can you do?

- Prioritize communications
- Add measures to help safeguard stakeholders
- Learn



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# **Ever Changing Environment**

#### **Past Events**

- **2001 9/11**
- 2005 Hurricane Katrina
- 2008 Housing Crisis
- 2011 Magnitude 9 earthquake in Japan
- 2012 Sandy Hook shooting
- 2018 Data Protection Act

2020: COVID-19



