

All Aboard

Building Internal Support for Risk Management

Melanie Lockwood Herman, *Executive Director*
Nonprofit Risk Management Center

703.777.3504 | Melanie@nonprofitrisk.org

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The Nonprofit Risk Management Center inspires effective risk management and Risk Champions.

We help nonprofit teams take bold, mission-advancing risks.

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Webinar Overview



What is Risk Management?



Common Reasons for Pushback!



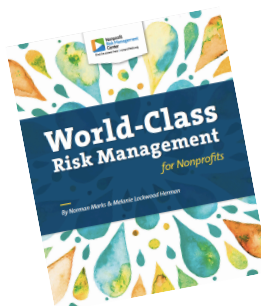
How to Build and Sustain Support



4 Final Tips and Takeaways

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Resources! www.nonprofitrisk.org



Put on Your Thinking Map: Create a Contingency Map in 5 Steps

By Melissa Lockwood Herman

A short plane ride to Columbus on Saturday offered the ideal opportunity to catch up on overdue reading from some of my favorite weekly e-newsletters. One piece from the team at McKinsey caught my eye by combining two favorite topics in a single headline: "Six business 101 short contingency planning." The authors of the piece explain that a contingent road map helps leaders create a pathway to update strategy over time by capturing "all the changes that may occur in uncertain markets and when they might occur. Most important, they prescribe specific changes your company must make to its strategy under different scenarios."

Many nonprofit leaders tell me that contingency planning is a back burner issue in their organizations. Why? A common reason is that thoughtful contingency plans take a lot of time to draft. Add peer review and executive team approval... and a short-term project has become a behemoth burden. But the terrible truth about wise strategic priorities in our sector is that sometimes we choose the wrong strategy. And sometimes the world around us changes in ways that none of us



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What is Risk Management?

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What is Risk Management?

- A discipline for dealing with uncertainty
- In a nonprofit, risk management activities often include:
 - Candid conversations about risks (the 'what ifs' of organizational life)
 - Development of policies and procedures to reduce the chance or extent of harm or loss from operations
 - Training on how to do various jobs safely
 - Information on what to do in an emergency or crisis
 - Consideration of insurance products to finance risk
 - Development of business continuity and other contingency plans
 - Development of crisis management and crisis communications strategies
 - Briefings to the board on how we're managing risks
 - What else?

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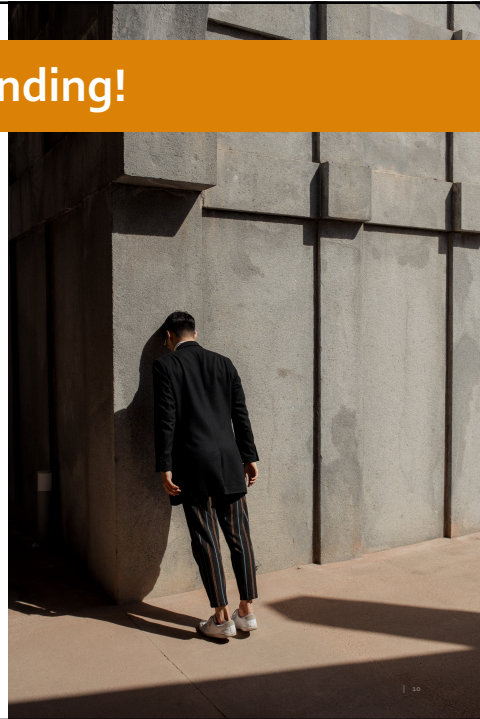


Common Reasons for Pushback

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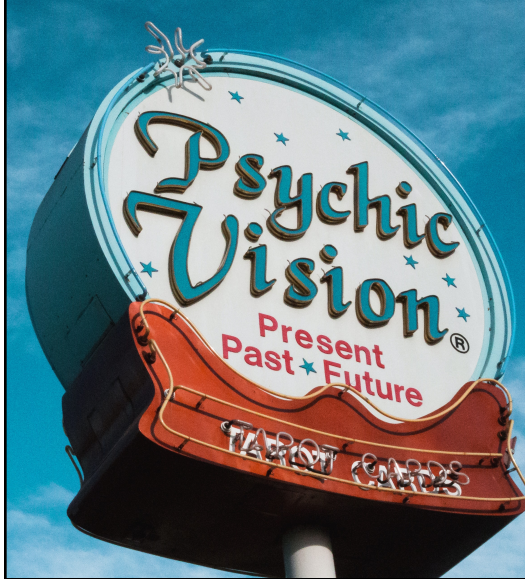
1. Lack of understanding!

- What makes a policy dreadful?
What makes training tedious?
- Are any of your policies 'convoluted'?



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2. It's uncomfortable

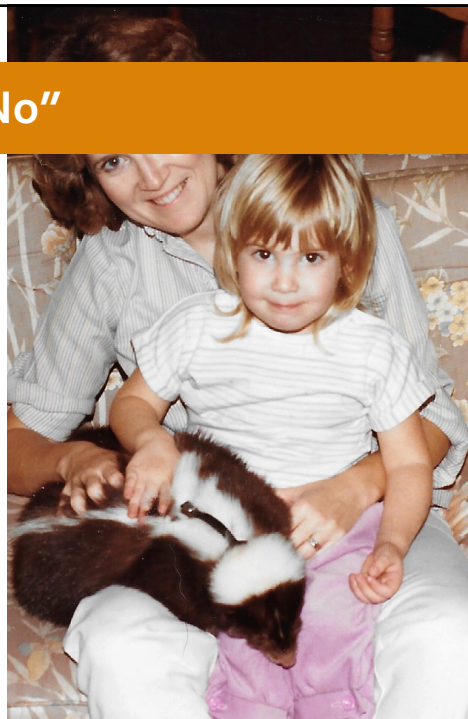


- Talking about the 'what ifs' makes me nervous
- Are members of your team superstitious about risk?

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3. "Department of No"

- "Skunk at picnic"
- Perception that it conflicts with bold goals, mission advancement and innovation
- "...everyone loves a parade... except a risk manager!" – Richard Kwok-Sze Wong



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4. Resources and priorities

- Money, time, competing priorities...
- Do we actually have time for this?
- What does this have to do with bringing in more revenue?



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5. Perceived lack of value

Too much “safety” is a turn-off: managing the tension between being *welcoming* and creating a safe environment

- examples: health care nonprofit, environmental nonprofit



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How to Build and Sustain Support

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1. Lack of Understanding? Write for a general audience!

- Be specific! Choose clear terms and narratives in risk policies and training
 - "Perform testing and exercises to practice the new or revised emergency plans to make sure employees know what to do and to find any missing parts that need to be addressed before another emergency situation occurs."

VERSUS

- "Test our plans!"

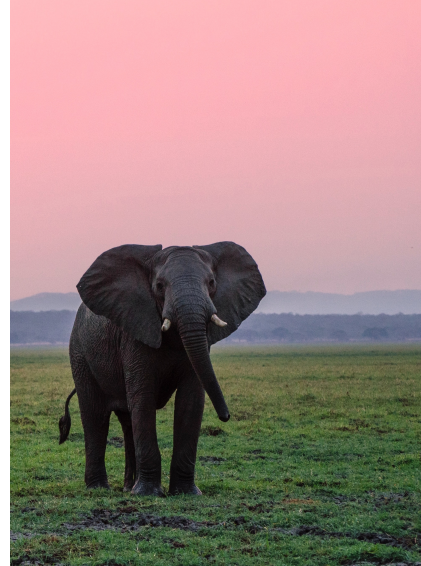
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3. Discomfort? Make it comfortable

Inspire psychological safety in your workplace:

- “...psychological safety makes it possible to give tough feedback and have difficult conversations without the need to tiptoe around the truth. In psychologically safe environments, people believe that if they make a mistake, others will not penalize or think less of them for it. They also believe that others will not resent or humiliate them when they ask for help or information.”
– Amy C. Edmondson

Unmask the elephants!



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3. Too negative? Focus on the positive

- Our mission is important!
- Prevention is generally less expensive than clean-up or the cure
- Working together on risks is a way to flex our cross-functional muscles!

GOOD
VIBES
ONLY

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Risk management helps us take risk!

Risk management can be a GPS system for our mission.

A GPS tells us:

The distance to our destination, how long it will take us to get there, if there are detours and traffic jams (updated throughout your journey), and recommended 'routes'

Risk management can help us:

- Identify possible bumps in the road on the way to delivering programs and services and inspire alternative approaches (back-up plans)

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4. Resource-constraints? Build an affordable approach in-house

"Do it yourself" Risk Management really works!

- Read free resources on risk for inspiration
- Watch webinars in the NRMCM Webinar Vault
- Chat with colleagues about their experiences



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Examples: right-sizing your approach

1. Quick Start:

- Form a small team, lead a brainstorming/write storming exercise, create a one-page action plan with bold goals, metrics, and strategies

2. Measured Start:

- Document what you already have in place; brainstorm gaps: what's missing? How should we go about filling those gaps? What's the decision-making or approval process for new policies or practices?

3. Ease Into Risk Management:

- Reach out to similar organizations to gather information about a variety of approaches to integrating RM practices; ask about lessons learned as well as victories; draft a 'charter' for the risk team to discuss at its first meeting

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5. Find the value!

- How could stronger risk management help us thrive and grow?
- What risk management steps and strategies can protect us from the inevitable twists and turns ahead?

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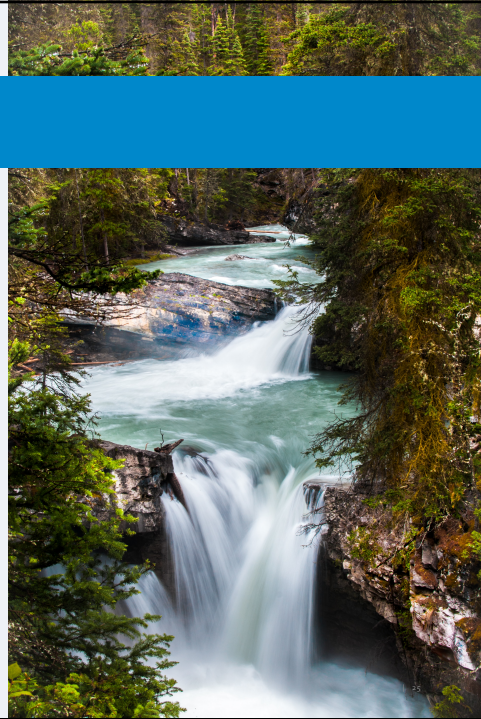
7. Create a continuous feedback loop

- TIME: What can I do to make the training, policy, or process *less time-consuming* or burdensome?
- NEGATIVE: How can I better explain the **WHY**?
- DISCONNECT: How can I loop people in who have self-selected out?
- PSYCHOLOGICAL SAFETY: What's the reason behind the reluctance to share concerns? How can I make it safe to be candid?

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8. Go upstream...

- Are we truly solving the problem? Getting to the root issue?
- Or are we simply dealing with the consequences (mess)?



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4 Final Tips and Takeaways



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Tailor risk management!



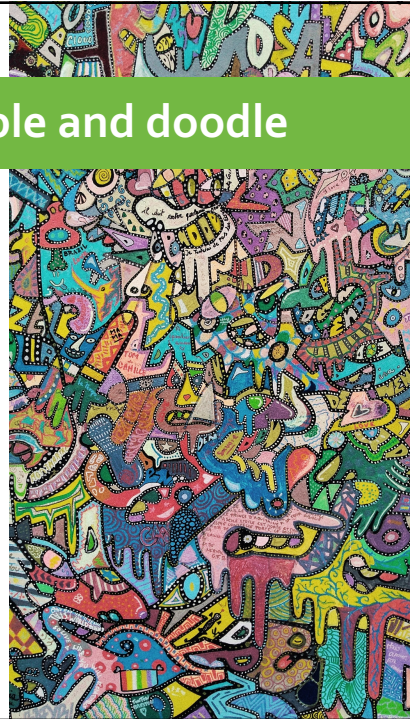
- To suit your mission, culture and risk appetite...

...the amount and type of risk that [the organization] regards as appropriate for it to accept in order to execute its strategy.

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Don't be afraid to dabble and doodle

- "a picture is worth a thousand words"
- Try drawing a 'concept map' (a visualization of concepts that shows correlations)
- Find metaphors and symbolism that sync with your mission!



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Learn as you go!

"Execution-as-learning means operating in a way that allows organizations to learn as they go."

– Amy C. Edmondson, *Teaming*

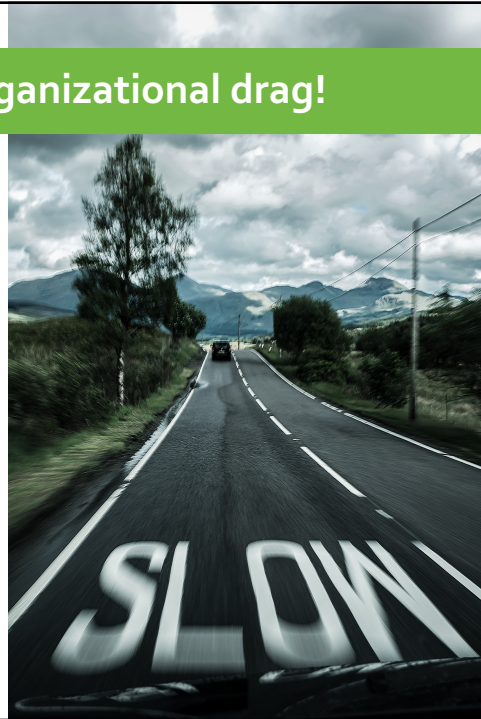


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Monitor the risk of organizational drag!

Organizational Drag:
"a malady that slows down decision making and execution in organizations, making them less effective."

CEB: *Reducing Risk Management's Organizational Drag*



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Thank you!

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