

# Risk Management 101

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What if the Hokey Pokey  
really is what it's all about?

## Workshop Overview

This fast-paced workshop will provide a thorough, jargon-free introduction to managing risk in a nonprofit organization. You'll learn the key differences between managing risk and financing risk, and you'll walk away with valuable insights and information on tools, strategies and approaches you can use upon returning home. The most important lesson of the session will be how to engage others in the process, something you'll want to master without delay to ensure your sanity and your nonprofit's long-term survival and success.

## Agenda

- What is Risk Management?
- Terms for Everyone
- A Process to take Home
- Assessing Risks & Selecting Strategies
- Developing a Plan
- Gaining Commitment

## Objectives

- Understand the definition of Risk Management
- Be familiar with terms and strategies
- Be exposed to the Risk Management process
- Understand a Risk Management Plan
- Understand some keys to success
- Know where to go for help

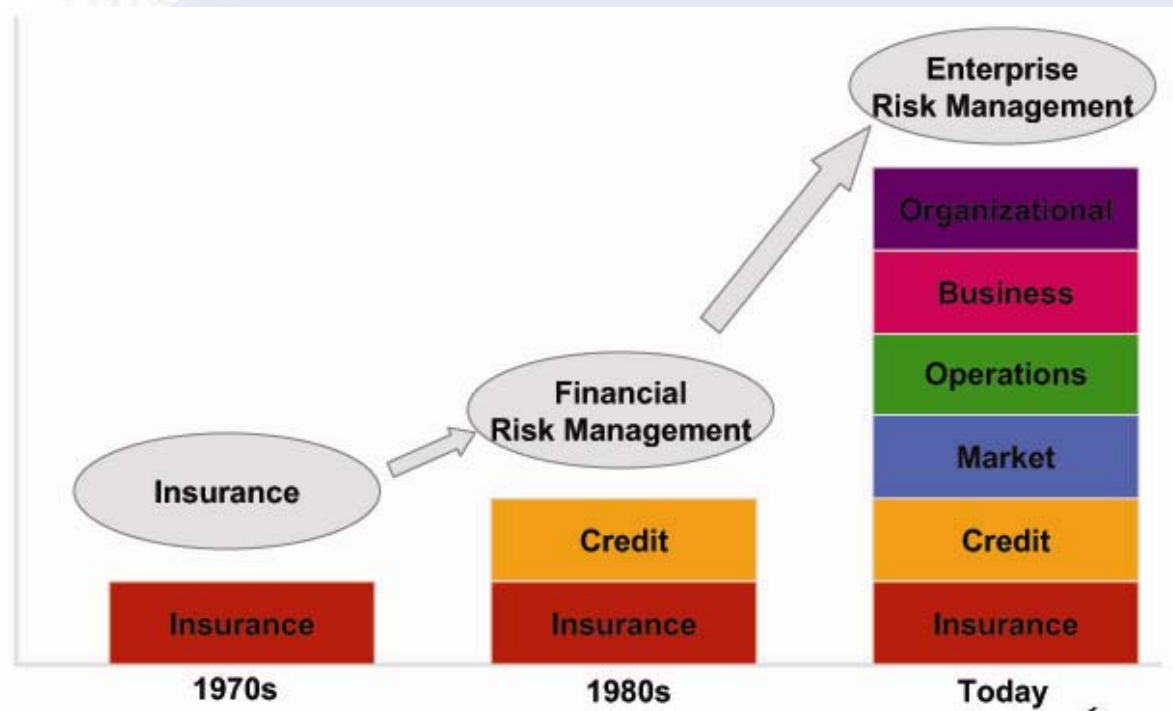
## **What is Risk Management?** - *Traditional*

Risk Management is the process of identifying, assessing and controlling losses for an organization.

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## The Evolution of Risk Management



Risk and Insurance Management Society

## What is Risk Management? - *Enterprise*

- Enterprise risk management (ERM) is the process of planning, organizing, leading, and controlling the activities of an organization in order to minimize the effects of risk on an organization's mission.
- In ERM the process includes not just risks associated with accidental losses, but also financial, strategic, operational, and other risks.
- ERM integrates concepts of strategic planning, operations management, and internal control in an organization's risk management plan.

## Terms

- **Eliminate** - can we say no?
- **Reduce** - how can we change it?
- **Transfer** - can we give it to someone else?
- **Retain** – are we ready to totally accept it?



## **Eliminate - can we say no?**

- **Mission**
- **Potential Loss**
  - **Severity**
  - **Frequency**
- **Trends**
- **Options**



## Reduce - how can we change it?

- **Mission**
- **Objectives**
- **Alternatives**
- **Prevention**
- **Reduction**



## Transfer - can we give it to someone else?

- **Contracts**
- **Hold Harmless**
- **Waivers**
- **Insurances**



## **Retain – are we ready to totally accept it?**

- **Mission**
- **Policies & Procedures**
- **Standards, guidelines, rules**
- **Insurances**
- **Finance**

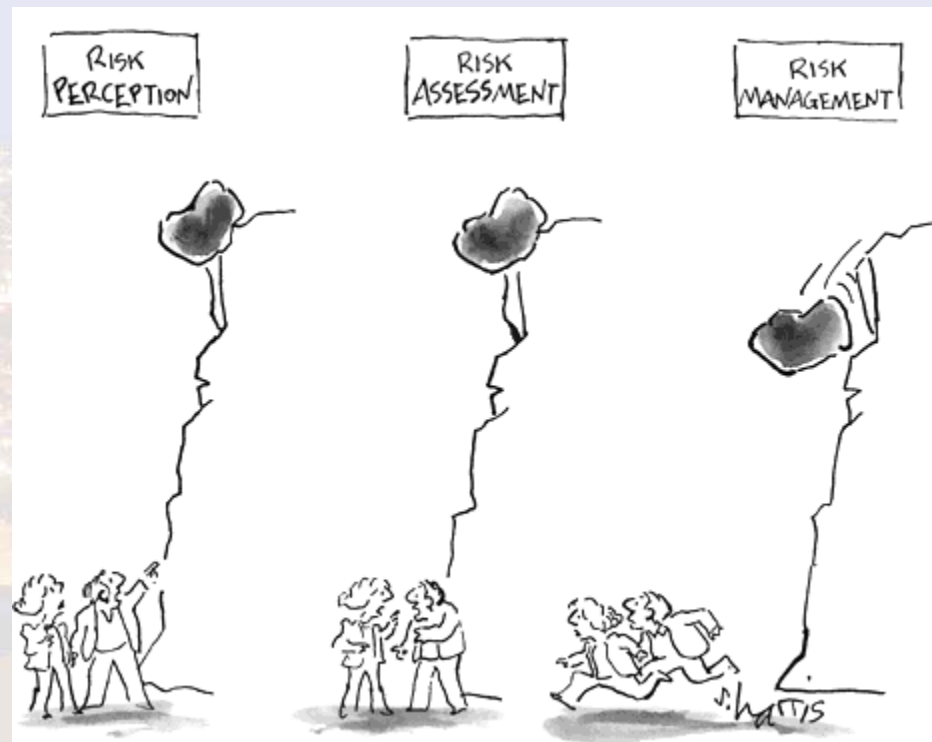


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## Process

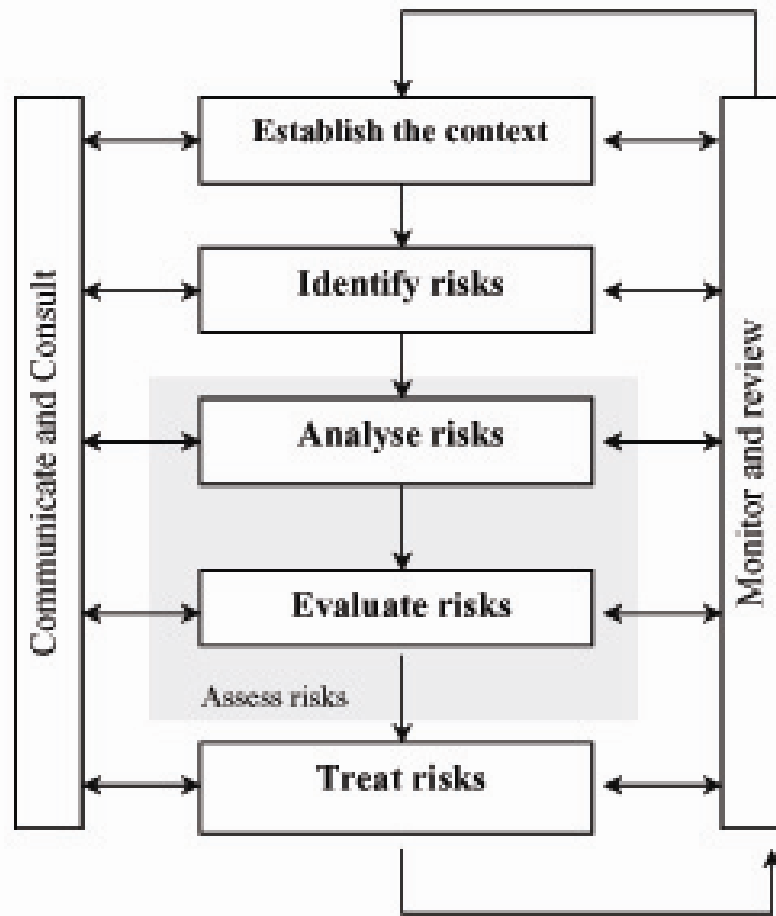
- Identification
- Assessment
- Strategies
- Plan
- Monitor



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## Process



## Identification

- Common Sense
- Resources
- External Data
- Internal Data



## Assessment

- Analysis
  - Frequency
  - Severity
- Evaluation
- Mission
- Values





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## Strategies

- Eliminate
- Reduce
- Transfer
- Retain



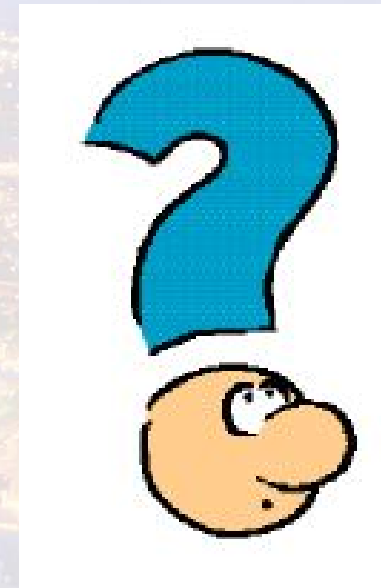
## Group Discussions

- Identification
- Assessment
- Strategies
- Plan
- Monitor



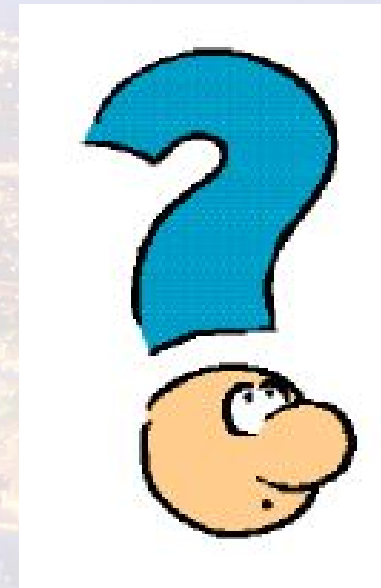
## Scenario – Youth Groups

- Identification
- Assessment
- Strategies
- Plan
- Monitor



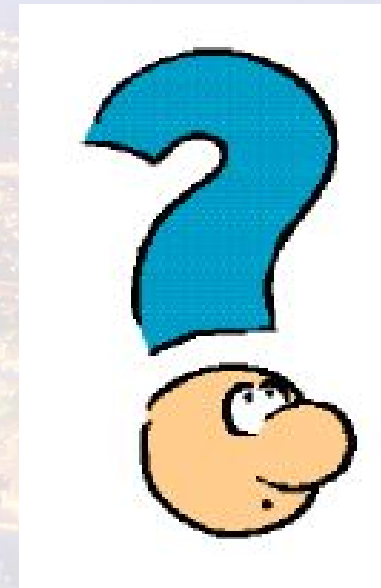
## Scenario – Volunteer Driver

- Identification
- Assessment
- Strategies
- Plan
- Monitor



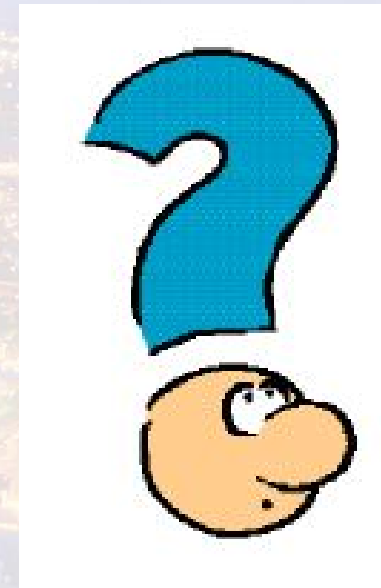
## Scenario – In-Home Counseling

- Identification
- Assessment
- Strategies
- Plan
- Monitor



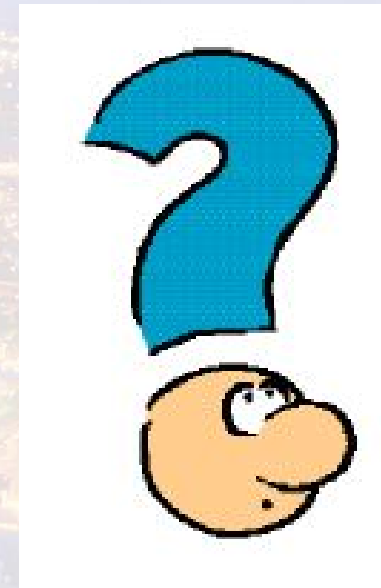
## Scenario – Financial Control

- Identification
- Assessment
- Strategies
- Plan
- Monitor



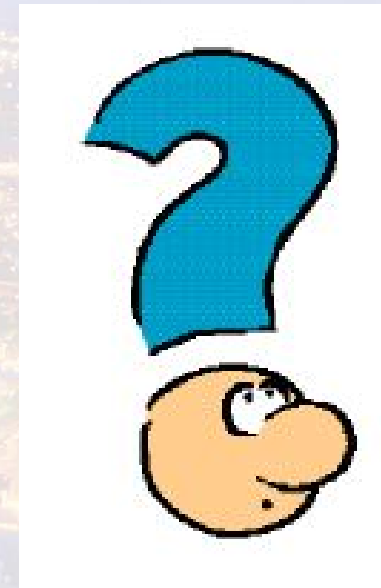
## Scenario – Facility Rentals

- Identification
- Assessment
- Strategies
- Plan
- Monitor



## Scenario – Hurricane Warning

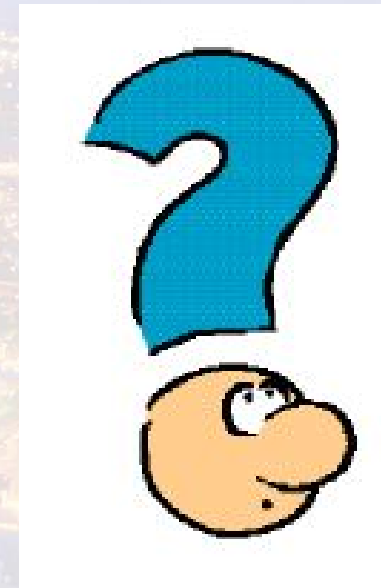
- Identification
- Assessment
- Strategies
- Plan
- Monitor





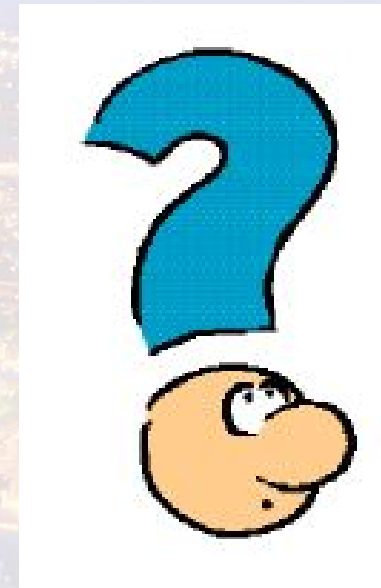
## Scenario – New Risk Manager

- Identification
- Assessment
- Strategies
- Plan
- Monitor



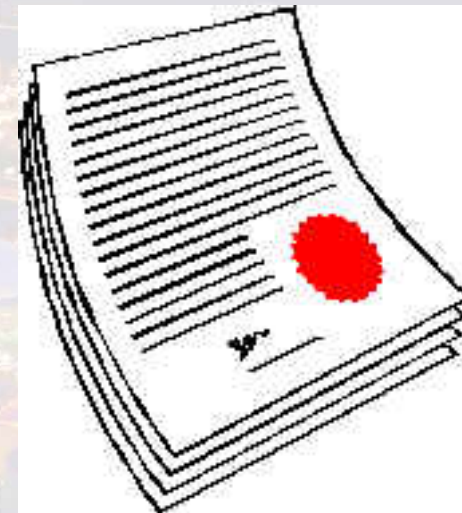
## Scenario – Computers

- Identification
- Assessment
- Strategies
- Plan
- Monitor



## **Risk Management Plan**

- **Outline - Written**
- **Measurable**
- **Dated Goals**
- **Assign Responsibility**
- **Reviewed**



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## Risk Management Plan

The screenshot shows a web browser window displaying the homepage of MyRiskManagementPlan.org. The browser's address bar shows the URL <http://www.myriskmanagementplan.org/>. The website has a green header with the logo for the Nonprofit Risk Management Center and the text "MyRiskManagementPlan.org". Below the header is a navigation menu with links for HOME, ABOUT, SPONSORS, FAQs, FEEDBACK, and HELP. The main content area is divided into three columns. The left column contains a login form with fields for "Email Address:" and "Password:", and buttons for "Login" and "Register". The middle column has a "Welcome" section with a paragraph about the program, a "Develop a custom plan" section, and a "My Risk Management Plan" section. The right column has a "Testimonials" section with two quotes. At the bottom of the page, there are two buttons: "Demo My Risk Management Plan now!" and "Purchase a License for My Risk Management Plan".

**Nonprofit Risk Management Center**  
MyRiskManagementPlan.org

Standard Edition   HOME   ABOUT   SPONSORS   FAQs   FEEDBACK   HELP

Email Address:   
Password:

**Managing risk is now within our reach...**

### About This Program

**My Risk Management Plan** is a web-based software program intended to help nonprofit leaders develop customized risk management plans for their organizations. Generous funding to support the development of this program was provided by the **Public Entity Risk Institute** and the **St. Paul Companies, Inc. Foundation**. The program was developed by the **Nonprofit Risk Management Center** ([www.nonprofitrisk.org](http://www.nonprofitrisk.org)).

**Special Editions are Available**—Special editions of the program have been developed in collaboration with the organizations listed below. These versions are only accessible by affiliates or customers of these organizations. If your nonprofit is a recognized affiliate or customer of one of the organizations listed below, contact the organization for information on accessing your special edition.

- Big Brothers Big Sisters of America (contact: Julie Novak - [julie.novak@bbbs.org](mailto:julie.novak@bbbs.org))
- Girl Scouts of the USA (contact: Kim St. Bernard - [kstbernard@girlscouts.org](mailto:kstbernard@girlscouts.org))
- Charity First - (contact: Marti Romanek - [Marti\\_Romanek@charityfirst.com](mailto:Marti_Romanek@charityfirst.com))
- Riverport Insurance - (contact: Kathryn Benvenuti - [kbenvenuti@riverportinsurance.com](mailto:kbenvenuti@riverportinsurance.com))
- Canadian Special Edition - Insurance & Liability Resource Centre for Nonprofits - (contact: David Hartley - [dhartley@imaginecanada.ca](mailto:dhartley@imaginecanada.ca))

In addition to the above special versions, an Australian edition of **My Risk Management Plan** is available at [www.myriskmanagementplan.org/australia](http://www.myriskmanagementplan.org/australia) or [www.cares.org.au](http://www.cares.org.au).

### Welcome

Welcome to **My Risk Management Plan!** This program is designed to assist you develop a risk management plan for your organization.

**Develop a custom plan**—This program will help you develop a risk management plan that reflects your organization's needs, priorities and culture. Your final plan will consist of only those elements or sections you choose to feature. Throughout the program you will be offered the opportunity to either select from template language or draft or insert your own original language.

**My Risk Management Plan** was developed with the understanding that every nonprofit has some risk management policies or activities already in place. What frustrates many leaders, however, is finding the time to organize existing risk management strategies and future plans into a document that reflects the organization's commitment to protecting assets needed for mission fulfillment. A growing number of national umbrella organizations, insurers and funders are asking nonprofits whether they have a risk management plan. This program is intended to help you demonstrate that your organization is committed to

### Testimonials

"Risk Management is integral to all Girl Scout council operations. We are thrilled that there is finally an online tool that will help our councils develop such a plan." - Kim St. Bernard, Girl Scouts of the USA

"I applaud the Nonprofit Risk Management Center's work to develop an affordable online tool that will help nonprofits develop substantive risk management plans. As an attorney working with religious and nonprofit organizations, I believe this tool is desperately needed to help staff and directors address key areas of risk and liability. The Center is an invaluable resource to secular and religious nonprofits." - David Adams, DWA Risk Management Solutions LLC

"I'm grateful to the Nonprofit Risk Management Center for creating a user-friendly tool that nonprofits across the country—including our affiliates—will be able to use to formulate risk management plans." - Dennis M. Kirschbaum, Hillel: The Foundation for Jewish Campus Life

## Gaining Commitment

- Mission
- Rewards
- Culture of Safety
- Communication – 3Cs
  - Regular
  - Consistent



# Gaining Commitment

- **Definition of Insanity**
  - **Doing same things and expecting different results**
- **Benchmarks**
- **Teamwork**



## Objectives

- Understand the definition of Risk Management
- Be familiar with terms and strategies
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## Resources

- **Nonprofit Risk Management Center** - [www.nonprofitrisk.org](http://www.nonprofitrisk.org)
- **Risk & Insurance Management Society** – [www.rims.org](http://www.rims.org)
- **American Camping Association** - [www.acacamps.org](http://www.acacamps.org)
- **State Sex Offender Registries** - [www.criminalcheck.com](http://www.criminalcheck.com)
- **Centers for Disease Control** - [www.cdc.gov](http://www.cdc.gov)
- **Occupational Safety & Health Admin.** - [www.osha.gov](http://www.osha.gov)
- **Your Broker or Agent**
- **Your State**