

Fifth Edition

No Surprises

Harmonizing Risk and Reward in Volunteer Management

by **Melanie Lockwood Herman**

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...find the answer here

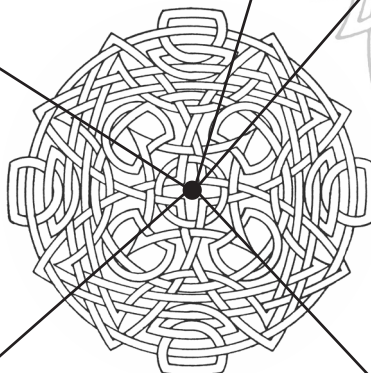


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Introduction

Life is often full of surprises—good and bad. If you manage volunteer resources, or serve as a volunteer for a nonprofit, chances are you have had your share. You know that the unpredictable and the unforeseen can be, at best, a distraction that can divert time, energy and vital resources away from your mission. At worse, a bad surprise could be devastating to your nonprofit.

The essential principles of risk management are simple and straightforward. Risk is the potential for outcomes that are different from what you expect. Risk management is the ongoing process of analyzing deviations from expectations and finding ways to minimize the likelihood of bad surprises, reducing the cost or negative consequences of losses, and increasing the chance of better-than-hoped-for outcomes.

Effective risk management programs in volunteer organizations are never obsessive about eliminating risk. Taking risk is necessary to mission fulfillment. Many volunteer programs would be well served to take more, not less, risk. A practical approach to risk management helps a nonprofit avoid risks that bring no benefit to the organization, and prepare for risks that materialize. Risk management isn't something that leaders of volunteer programs do once and forget about. Nor is it a plan in an attractive binder suitable for display on an office bookshelf. Rather risk management is an approach to problem identification and solving.

Although avoiding legal liability and purchasing adequate insurance are important strategies, the best way to avoid being sued or needing to file an insurance claim is to prevent harm (“bad surprises”) from occurring in the first place. It is both important and possible to do so without eliminating risk-taking from the mission of an organization.

To help you increase your comfort with productive risk taking and your responsibility for managing risk, this book provides both general and specific guidance. Although this book is filled with useful information and ideas, it's a quick start, not a complete risk management guide. To manage your risks effectively, you will need to refer to other materials and experts. The "Resources" section of this book can point you in the right direction.

Because the universe of risks is virtually infinite, getting started with risk management can seem overwhelming. You may even feel that you are diverting precious time away from your "real" work to engage in speculation about what may never occur. One of the ironies of effective risk management is that it's impossible to document the losses you avoided due to precautionary efforts. Have you considered how a serious mishap could affect your volunteers and impair the mission of your organization? While it is true that you can purchase insurance to replace property and equipment, no amount of money can completely compensate a person who is injured nor can it restore the commitment of a demoralized volunteer team or repair serious damage to your organization's reputation.

It's About Mission

If you want to understand what risk management is all about, start by reviewing your organization's mission statement. Most nonprofits strive to make a difference in a very positive way, by helping people, removing barriers, improving the environment, extending a hand to those in need and making the world a better place. Whatever your mission, it certainly doesn't involve causing injury or harm to those whom you are dedicated to serving. Likewise, other legal mishaps or missteps may not cause direct harm but can divert resources away from service delivery. Like the physician's Hippocratic

Oath, the risk manager's cry is "First, do no harm." The safety of your volunteers, service recipients and staff should always be your first priority. Effective risk management is integral to your focus on your mission.

Your volunteers provide a few more reasons to embrace risk management. Do current volunteers worry about injuries? Are potential board members reluctant to serve on your board due to fear of personal liability? Fortunately volunteers are rarely injured and even less often sued, but these unfortunate events do happen. And as a nonprofit grows in size, number of volunteers and complexity of programs, the more likely it is that an incident, accident or claim will occur. Risk management gives you the tools to protect your volunteers and gives them the ability to approach their direct service or leadership roles with confidence.

An important goal of risk management is to improve performance by acknowledging and managing risks. It puts you, not the risk, in charge. Contrary to common belief, risk management isn't just about buying insurance...that is risk financing. And it isn't just about avoiding lawsuits. It is about protecting and conserving your organization's resources and providing goods and services sensibly. Risk management frees your organization to pursue its mission by allowing your organization to take more—not less—risk. The difference is that your approach to risk can be structured and calculated rather than haphazard.

As you read this book, keep your mission statement and your volunteers in mind. Consider your volunteers and the community or clients you serve when deciding which precautions to take. Always think about how new risk management strategies will be perceived and received by your volunteers before finalizing your policies, training programs, procedures and communication strategies.

Nonprofits face special risk management challenges. Many large corporations and government agencies have the resources to hire their own full-time professional risk managers. A handful of nonprofits have their own risk managers, too. But for the majority of the nation's 1.8 million nonprofits, the role of risk manager is carried out by an individual who has many other responsibilities. In other cases, risk management is a shared responsibility. Whether or not you add risk management to a single staff member's job description in your nonprofit, get everyone—the paid and volunteer staff, even your service recipients and board members—thinking like risk managers. Give your nonprofit a risk management culture and make "Safety First" your motto.

If you have questions as you are going through this book, or as you develop risk management strategies for your volunteer program, please contact the Nonprofit Risk Management Center by e-mail (info@nonprofitrisk.org) on the Web (www.nonprofitrisk.org under ADVICE) or by phone: (202) 785-3891. We are here to help.