

Seven Risk Questions for the Board

Energize your board and assure a strategic future with these questions.

By Melanie Lockwood Herman

Too many board meetings are structured around relatively “safe” agendas. There are routine reports from staff members and board committee chairs. The chair feeds the board answers to questions about mundane operational issues.

In the end, little time remains for open-ended questions about strategy and risk-taking. In truth, many board chairs and CEOs are uncomfortable scheduling time to contemplate questions for which there are no easy answers.

Don't let discomfort dampen your commitment to engage the board in a discussion of the strategic risks facing your organization. The board's role in managing risks is a topic you simply can't afford to put off.

If you're working on your next board agenda, consider the questions below. Invite the board to discuss these questions as a way to engage in a high level conversation about risk-taking and risk management.

- 1. What big risks are worth embracing** to advance our mission?
- 2. What mission-related risks are starting to emerge** on our horizon? What additional information do we require before we act?
- 3. What seeds of opportunity exist** in the risks we fear the most? For example, do we worry that the threat of funding cutbacks could compel us to finally move ahead with a new business model?



- 4. Are we using our collective, progressive lenses** to reflect on our organization's past, appreciate our present, and anticipate our future? Or are we seeing “risk” through a single lens?
- 5. Is the board contributing to a shared understanding** of the organization's top risks?
- 6. During the past year, what important lessons did we learn from our “crowning achievement”** and our biggest disappointment?
- 7. Have we made an appropriate commitment in terms of personnel time and financial resources** to understand the risks we face and make adjustments as needed?

Risk-taking can be fruitful, as it opens a world of unexpected possibilities. Don't waste time talking about only the simple questions and decisions facing your nonprofit. Capitalize on the board's time and talents. Reflect on key strategies; seize the day; and build the resilience your mission-driven nonprofit will need to conquer tomorrow's surprises. 

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The Strategy of Risk

Be sure your board is strategic in the way it confronts and embraces risks. See these resources at www.NonprofitWorld.org/members:

- Opportunity's Knocking—Are You Ready?** (Vol. 16, No. 5)
- The Joys of Risk** (Vol. 28, No. 3)
- Setting the Stage for an Abuse-Free Organization** (Vol. 30, No. 6)
- Six Ways to Reduce Risk & Comply with the Law** (Vol. 25, No. 6)
- Strategic Planning that Works** (Vol. 29, No. 4)
- Turn Your Stakeholders Into Risk-takers** (Vol. 20, No. 4)
- How to Assess and Improve Your Board's Performance** (24, No. 1)
- Starting a Business – Too Risky for Your Organization?** (Vol. 16, No. 4)
- What Is the Board's Role in Managing Risk?** (Vol. 15, No. 5)
- Free Webinar Recording for Members: Taking Command of Strategic Change.** Learn how to involve your board in creating productive change.