

## Introduction to Risk Management

by Joy Jackson

Risk is a part of life. Whether it's protecting ourselves from risk of a fall or protecting our homes from a robbery, - we all practice risk management to a greater or lesser extent.

Unfortunately, the hazards in business are often not as obvious and are frequently only identified in hindsight.

Today's most successful organizations recognize risk management techniques as valuable to their management tool box. For them, risk management means the ability to confidently deliver services in a world where new risks appear with growing frequency. This allows them to seize opportunities by dealing effectively with new and old risks.

Failure to appropriately manage risks can lead to the following problems:

- **Financial implications.** Lenders / donors often require sound business plans before extending credit – no matter how much good your organization does in the community.
- **Insufficient insurance.** This can be the wrong type of insurance, not enough coverage, or both.
- **Difficulty buying insurance.** Some insurers may stop writing insurance for your business sector because the risk is seen as too high. Others may increase their premiums substantially.
- **Non-profit funding difficulties.** This can arise from negative publicity causing funders/sponsors to reconsider your agency as worthy of donations.

Most techniques, methods, and tools are relatively simple, practical and easy to implement. With a little awareness and training you can begin using them right away.

Progress Requires Risk.

- Selecting the wrong employees and volunteers.
- Mistakes by employees or volunteers.
- Lawsuits from negligent advice, professional malpractice, wrongful dismissal or other employee - related complaints, injury or property damage claims from clients or members of the public.
- Contractual disputes.
- Loss or damage to your property from fire, vandalism, burglary, theft (by outsiders or employees) and...
- Damage to your organization's reputation

Learn To Manage These Risks.