

Embracing Risk in Strategic Planning

Our last article, [Using Risk to Your Advantage](#), highlighted where to begin when considering risk and encouraged viewing risk as an opportunity as opposed to something to fear. Let's continue with the discussion around benefiting from [by acknowledging and embedding it into your strategic planning](#)

DON'T BE AFRAID

Were you afraid of the dark as a child? Or perhaps ghosts and goblins — especially at this time of year? Like these intangibles, risk is something that experienced professionals and organizations tend to shy away from or avoid. Justification for any of these fears is often not driven by experience, but rather by the 'what if' stories and one's imagination running

wild. When we learn to identify and mitigate risks, we become less fearful and more willing to embrace it as a part of doing business. And when we elevate our view of risk even further as a part of strategic planning, it can be incredibly valuable!

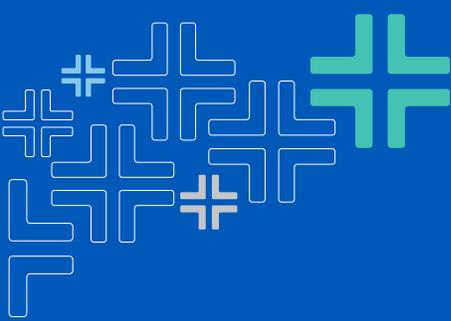
Before we can experience the benefits, we need to, first, remember some key concepts related to strategic planning:

AVOID GETTING OVERWHELMED.

Many people associate strategic planning with an overwhelming exercise that involves significant time and reams of documentation that ultimately collect cob webs — never to be looked at or considered again. While some strategic plans can be quite complex and detailed, some of the most effective are simple and concise.



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CLARIFY YOUR PURPOSE.

A solid strategic plan aims to develop a competitive advantage of some kind and/or establishes a path to help your organization be the best at what it provides to its customers or constituents.

You and/or your founders started your not-for-profit for a reason and that 'why?', that mission, that purpose needs to be highlighted and clearly articulated.

IMAGINE THE FUTURE.

Envisioning the organization's future and identifying what you hope to accomplish or where you want to be in 3, 5 or 10 years helps to focus activities now and in years to come. It is incredibly important that this vision is

shared among key leadership and influencing stakeholders at the core and then radiated throughout the organization. Identify Your Stakeholders

Some people think the word stakeholders sounds too corporate or stuffy. Regardless of the word, it is the people that matter to your organization — anyone that can impact or be impacted by what you do or accomplish day in and day out. The most obvious is the people you serve. Your employees are also critically important. Be sure not to forget others, both internal and external, that factor into your strategy — vendors, community organizations, maybe

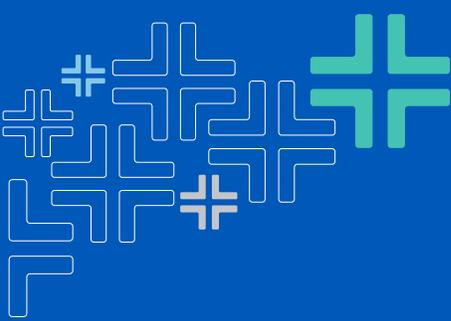


even politicians. Ensure your plan effectively addresses each individual or group.

CONDUCT SWOT.

A SWOT (Strengths, Weaknesses, Opportunities and Threats) Analysis, if done with candor and productive intention, can be incredibly valuable as part of a strategic planning process.

Assuming you've thought through the concepts above and made some notes along the way, go back and revisit each concept in light of the key risks identified during your risk assessment. What comes to mind? Does your strategic plan consider risk?



GOOD QUESTIONS CAN HELP ALIGN RISK AND STRATEGY

Would these risks impact or threaten your purpose? Vision? Core values?
Would your organization's core competencies need to shift in response to political or financial risk?
Does the risk of high turnover threaten your ability to continue as an organization?
Are you at risk of being able to differentiate your organization in the marketplace because your purpose or mission is too vague?
Does how you measure progress have an impact on your stakeholder profile?
Does your strategy maximize strengths and opportunities while at the same time minimizing or eliminating weaknesses and threats?
Does my strategy consider current and future risks?

IN SUMMARY

Understanding and embracing risk can enhance and inform strategic planning. Once the groundwork of the strategic planning is set, we can move forward with the innovative thinking and transformation to the organization, the outside the box movement, which will be the focus of the next article.

In the meantime, if you would like to further the discussion related to embracing your risks within your strategic planning, please fill out the form below and a member of our Management Consulting Services team will respond to you. Our professionals have extensive practical experience in this area and can help develop personalized plans to assess, manage and mitigate risk, putting you in a position of strength.