

Forward Steps
CONSULTING

MANAGING RISK
SOMETIMES BAD THINGS HAPPEN

WELCOME

- Your Presenter: Robert Meiksins
- Goals of this Workshop
- Check in

10/16/2013

FORWARD STEPS CONSULTING


A CAUTIONARY TALE

- This is a true story
- A good organization
- Bad things happened

10/16/2013

FORWARD STEPS CONSULTING

THE MORAL OF THIS STORY IS...



10/16/2013 FORWARD STEPS CONSULTING

MANY FORMS OF CRISIS

- Financial Crisis
- Scandal crisis
- Personnel crisis

10/16/2013 FORWARD STEPS CONSULTING

WISE PERSON #1 - DAVID

- Focus on avoiding the crisis
- Act with ethics and integrity
- Make it part of the organization's culture

10/16/2013 FORWARD STEPS CONSULTING

THE BASICS

- **Preparing for a Crisis**
- **Action During a Crisis**
- **Cleaning up After a Crisis**

10/16/2013

FORWARD STEPS CONSULTING

PREPARING FOR A CRISIS

- **It's About Strengths**
- **It's About Preparedness**
- **It's Another Type of Planning**

10/16/2013

FORWARD STEPS CONSULTING

SUCCESSION PLANNING

- **Get Your Ducks In A Row**
- **Find Out Where Things Are**
- **Determine Who Would Do What**

10/16/2013

FORWARD STEPS CONSULTING

DUCKS IN A ROW

- Take the time to do it now
- Develop the list of things
- Discuss the plan for the future

10/16/2013 FORWARD STEPS CONSULTING

WHERE THINGS ARE

- Complete the list
- Bank accounts
- Passwords
- Key, combinations, etc.

10/16/2013 FORWARD STEPS CONSULTING

WHO WOULD DO WHAT

- Think of dominoes
- If the ED is gone, who steps in?
- Need a list of responsibilities
- Train people

10/16/2013 FORWARD STEPS CONSULTING

SET POLICIES

- **Bad things happen, so...**
- **Policies and procedures are a safeguard**
- **Establish a culture of ethical behavior**

10/16/2013

FORWARD STEPS CONSULTING

CODE OF ETHICS

- **Articulating who we are and what we believe**
- **This is how we will conduct ourselves and go about our business**
- **Use a board and staff led process**

10/16/2013

FORWARD STEPS CONSULTING

WHISTLEBLOWER POLICY

- **If someone sees something bad**
- **Process to follow**
- **Guarantee of no retribution**

10/16/2013

FORWARD STEPS CONSULTING

FISCAL POLICIES AND PROCEDURES

- Institute checks and balances
- How much freedom to give
- Who puts eyes on what & when

10/16/2013 FORWARD STEPS CONSULTING

PERSONNEL POLICY

- Set behavior expectations
- Background checks
- Task force to conduct periodic oversight

10/16/2013 FORWARD STEPS CONSULTING

PROTECT YOURSELF

- General liability insurance
- Directors & Officers insurance
- Access to legal advice and representation

10/16/2013 FORWARD STEPS CONSULTING

OTHER THINGS TO DO AS PREPAREDNESS

- **Team Building**
- **The role of the Board**
- **CEO assessment**
- **Avoid complacency**

10/16/2013 FORWARD STEPS CONSULTING

TEAM BUILDING

- **Annually with Board and staff**
- **Build trust**
- **Open lines of communication**

10/16/2013 FORWARD STEPS CONSULTING

ROLE OF THE BOARD

- **Oversight, guidance, support**
- **The Board should lead, not follow**
- **The Board should oversee, not rubber stamp**
- **Be awake, aware, active**

10/16/2013 FORWARD STEPS CONSULTING

CEO ASSESSMENT

- Annual process
- Try a 360 to get input
- Give CEO a chance to talk

10/16/2013 FORWARD STEPS CONSULTING

AVOID COMPLACENCY

- People get comfortable and cut corners
- Term limits on the Board
- The organization comes first, not friends
- Founder's syndrome

10/16/2013 FORWARD STEPS CONSULTING

TRANSITION

- Despite all the prep, stuff happens
- Do some triage - how bad is this?
- Three choices
 - Mea culpa
 - What?
 - Circle the wagons

10/16/2013 FORWARD STEPS CONSULTING

WISE PERSON #2 - BEVELYN


→ **Five Things:**

- 1. No crisis is new**
- 2. Communicate, communicate, communicate**
- 3. Eliminate the elephant**
- 4. What's the worst that can happen?**
- 5. Get help**

10/16/2013

FORWARD STEPS CONSULTING

WHEN IT HAPPENS - 1



10/16/2013

FORWARD STEPS CONSULTING

COMMUNICATIONS PLAN

- **Do not let the story get away from you**
- **Set the procedure in advance**
- **Should be a first reaction**

10/16/2013


FORWARD STEPS CONSULTING

COMMUNICATIONS PLAN - 2

- **Put the team together**
 - This is our story (and we're sticking to it)
- **Who is the point of contact?**
- **Platforms to consider**
 - Social media?
 - Print?
 - If someone can shut you down, how will they hear about it?

10/16/2013 FORWARD STEPS CONSULTING

WHEN IT HAPPENS - 2



10/16/2013 FORWARD STEPS CONSULTING

HOW TO REACT

He always held that panic was the best means of survival; back in the olden days, his theory went, people faced with hungry saber-toothed tigers could be divided very simply into those who panicked and those who stood there saying "what a magnificent brute!" and "Here, kitty."

10/16/2013 FORWARD STEPS CONSULTING

HOW DO YOU REACT?

- **DON'T PANIC!**
 - If your systems exist, trust them
- Take the time to think it through
 - What actually is happening?
 - Who was involved/responsible?
 - What could happen?
 - Is it preventable or fixable?

10/16/2013 FORWARD STEPS CONSULTING

HOW DO YOU REACT?

- **Financial Crisis**
 - Should you raid the reserve fund?
 - Get a loan?
 - Should you raise emergency funds?
- **Scandal crisis**
 - If involves external body, be honest
 - If it is internal, be strong


10/16/2013 FORWARD STEPS CONSULTING

HOW DO YOU REACT? - 2

- **If you have to let them go**
 - Document, document, document
 - Get back-up and representation
 - is it possible to do it cleanly?
- **If you have to close**
 - Be transparent
 - Who get paid first?
 - Any restricted grants?

10/16/2013 FORWARD STEPS CONSULTING

WHEN IT HAPPENS - 3



10/16/2013

FORWARD STEPS CONSULTING

LETTING THE DUST SETTLE

- **Put the wheels back on**
 - Is it feasible to continue?
 - Who needs to be talked to?
 - What do they need to hear?
- **Internal and external constituents**
 - Staff
 - Board
 - Donors

10/16/2013

FORWARD STEPS CONSULTING

LETTING THE DUST SETTLE - 2

- **How do we avoid the same mistakes?**
- **Make obvious, clear changes and tell the stakeholders**

10/16/2013

FORWARD STEPS CONSULTING

LETTING THE DUST SETTLE

- **Then what?**
 - Is it possible to continue?
 - What changes need to be made?
 - What changes should be made?
- **Star all over again**
 - Planning
 - Preparation

10/16/2013 FORWARD STEPS CONSULTING

CONCLUSION

- **The basic concepts:**
 - Be prepared
 - React calmly
 - Do the right thing
- **In all things:**
 - It's about the mission, not the founder
 - You do have obligations - to whom?
 - Do the right things

10/16/2013 FORWARD STEPS CONSULTING

THANKS

- **Any Questions?**

Robert Meiksins
Forward Steps Consulting
robm@fwdsteps.com
414-379-7645

10/16/2013 FORWARD STEPS CONSULTING

