

How to Identify Risk While Seizing Opportunity

Resilient nonprofits know that even though a crisis inflicts considerable pain and trauma, it can sometimes yield exciting opportunities to enhance the lives of many more constituents. But as we assert in the article “[For Resilient Nonprofits, There is Opportunity in Adversity](#),” every game-changing opportunity comes with its share of risks. And those risks must be identified and assessed, if the organization is to turn that opportunity into something that truly advances impact.

To begin that process, gather your senior team and create some interruption-free space for a 60- to 90-minute conversation on an opportunity you have identified and the risks that might await. Here are some questions and tactics to get your team started.

Identifying three types of risks that promising opportunities often encounter

- 1. Impact risk:** Will this opportunity actually lead to impact, especially for under-resourced communities? Does our community want it? Will there be sufficient demand to scale it? Would pursuing this opportunity have any unintended consequences for communities of color?
- 2. Execution risk:** Can we deploy current assets or build new assets and capabilities to bring this opportunity to life? Can we operate and prioritize effectively to support such work?
- 3. Financial risk:** Do we have the right funders and levels of funding to pursue this opportunity? Is our business model sustainable, both as we turn the opportunity into a program and then as we scale it?




Assessing each type of risk

Here is a template for identifying potential risks under the above three categories, and then assessing those risks. You can assess each risk based on the *degree of impact* it would have on your organization and the *likelihood* that it would occur.

A risk is...	
HIGH	If this risk happened, it would substantially affect your organization’s path forward <i>and</i> there is a reasonable likelihood that it could occur
MEDIUM	If this risk happened, it would moderately affect your organization’s path forward <i>and</i> there is a reasonable likelihood that it could occur
LOW	If this risk happened, it would marginally affect your organization’s path forward, <i>and/or</i> this risk is highly unlikely to occur

As a team, you’ll calibrate your definitions of these assessments based on your organization’s context.

Next, write in your **potential opportunity** below and populate your reflections on the potential risks across each of the three scenarios: impact, execution, and financial.

Potential opportunity:		
Risk Scenario	Risk	Risk Rating (High, Medium, or Low)
 Impact Risk		
 Execution Risk		
 Financial Risk		



Source: The Bridgespan Group

Rating the risks associated with a promising opportunity

Here is how a workforce development team rated the risks of pursuing a game-changing opportunity: to influence employer partners to incorporate policies and practices that specifically benefit communities of color.

Assessing the risks of pursuing a promising opportunity

Potential opportunity: Work with our current employer partners to influence them to install workplace practices and policies that specifically benefit communities of color. This might result in our biggest employer partner committing to new practices and being willing to go public with their work.

Risk Scenario	Risk	Risk Rating (High, Medium, or Low)
 <p>Is there a credible path to impact (and impact at scale)?</p>	<ul style="list-style-type: none"> These policies won't actually benefit employees of color or lead to longer-term job retention and growth for employees of color 	Low
	<ul style="list-style-type: none"> Our employer partners won't implement new policies 	High
	<ul style="list-style-type: none"> Our employer partners don't want to engage in these conversations with us 	High
	<ul style="list-style-type: none"> Growing our reputation as an advocate will compromise our ability to place clients in jobs with our employer partners (and recruit new partners) 	High
 <p>Do we have/can we acquire the necessary assets and capabilities?</p>	<ul style="list-style-type: none"> We aren't effective as advocates with our employer partners 	Medium
	<ul style="list-style-type: none"> We can't prioritize this since we need to be focused on building out new partnerships in growing industries 	Medium
 <p>Is there a path to financial resilience?</p>	<ul style="list-style-type: none"> Our current funders won't want to support this work 	Low
	<ul style="list-style-type: none"> We won't be able to attract new funders to pay for this (or enough new funders above what we need for our skills training programs) 	High
	<ul style="list-style-type: none"> Growing this work would compromise our earned income from our employer partners 	Medium

Source: The Bridgespan Group