

## MANAGING RISKS



### WHAT IS THIS SKILL?

The definition of a risk is a situation involving exposure to danger and businesses face dangers every day. Customers deserting you for a competitor, supply shortages, staff leaving, your business idea being stolen. You name it there are risks and dangers involved in the world of work.

The companies and enterprises which are able to take risks and respond to the changing economic, social and political environments are the ones most likely to grow and prosper. These companies need staff who have ideas, can be bold, and can identify and manage risks. Do you have these qualities and skills ?

### In this Challenge we look at two areas:

- 1. Personal attitude to risk:** How to approach risk and become more adventurous including, how to approach failure and mistakes.
- 2. Professional responsibility to risk:** How do you handle risk in the workplace, show you are responsible and manage others in risky situations?

Before you start, rate yourself on how good you think you are:



**BEING ENTERPRISING**  
Rate yourself



1

Not great



2

Need help



3

OK



4

Improving



5

Mastering

Score

Managing risks



**ARE YOU UP FOR THE CHALLENGE TO GET BETTER AT MANAGING RISK?**





**WHY THIS SKILL IS VITAL FOR WORK**

**Starting and growing a business can be risky. So many things can go wrong.**

**But employers need staff who can be aware of risks and minimise these.**

**Just think of the risks in running a fishing business.**

1. A season of bad weather could mean you lose the opportunity to earn.
2. The boat owner increases the rent he charges to use his boat.
3. Staff quit to work for a competitor who pays them more.
4. One complaint from a customer ruins your reputation.
5. Your boat is damaged through a fire leaving you in debt.

**Can you think of some risks which you *cannot* control ?**

.....



**Managing risks is a crucial skill in business. What could you do to minimize these 5 risks so they don't become a problem ?**

Minimise this risk by:



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**“You can't run a business without taking risks. The brave may not live forever – but the cautious do not live at all!”**  
Richard Branson



## Some people find it easier than others to take risks.

There are lots of things which can make us less willing to take risks.

Do you know someone who is more confident and able to harness the power of positive risk-taking?

Have you ever thought what it is about them that has given them the courage to take risks?

We are all different but here are some factors which determine your attitude to risk.

If you don't  
take risks,  
you will  
always work  
for someone  
who has.

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### 1) YOUR UPBRINGING AND GENERAL CONFIDENCE

If you have been raised in a family of entrepreneurs or been given opportunities to take responsibilities, you will be more confident and experienced in assessing risks.

**Were you ever taught at home or at school on how to manage a risky situation or to try something new?**

### 2) YOUR ATTITUDE TO FAILURE

If you are scared by the thought of failing, you will be very cautious about taking risks. Were you put off by negative stories of failure? **Have you ever thought that failure could actually be a pathway to success?**

### 3) YOUR NETWORK TO SUPPORT YOU IN TAKING RISKS.

If you have a supportive group of family or friends who can guide you through a risky situation, give you advice and support you in making a risky decision you are more likely to be able to take a risk. **Who could you count on to give you this 'safety net' of friendship, advice and support as you make a risky decision?**

### 4) YOUR GROWTH MINDSET.

We talk a lot about growth mindset in the Facework programme. It's crucial if you don't feel you are someone who can be bolder and take risks that you use the word **'Yet'** "I can't take that risk yet" – in other words I'm not ruling it out I just can't do it at the moment. **How can you develop a positive mindset so that this time next year you will be able to take more risks in your life?**



## How can I master this skill?

There are things you can do to master this skill and step out of your comfort zone. Here are 5:



### ① Resist negativity bias.

When you have to make a decision which could be risky, most people exaggerate the riskiness of the decision and underestimate the opportunities. Remember, risks are not all bad and can be an opportunity for individuals and organizations to grow. They also force you to reflect on your current status, assess your risk tolerance and become more resilient for the future. So start seeing the good things about taking risks.

A life without risk is a very boring life!

### ② Get good at taking small risks.

The more risks you are able to identify and make, the better you get at making them. And the more risks you take, the more positive your risk experiences become. If the idea of risk-taking still makes you anxious, try to increase your comfort level by taking a small risks and assessing the results, before embarking on a bigger one.

### ③ Be intelligent with your risks.

It is crucial when you take risks that you set criteria or conditions for each risky decision. For example, have you assessed what is the worst that could happen? And if that happened could I cope with that outcome? Also think what would you potentially miss out on if you don't take this risk/opportunity? It is also vital that you think what you can do to minimise the risks. For example could you share the risk with someone else? Focus on facts, not on feelings. Don't let insecurity lead to incorrect assumptions about yourself. Examine your situation and wait for tangible facts before determining whether or not you take the risk.

### ④ Understand the power of failure.

In America they used to say, "you can't be a successful business person until you've failed first!" In other words you learn so many positive things about yourself, your ideas, your market and who your real friends are when you fail. Increasingly, start-up business actively try to **Fail Fast**. This is so that they can learn from the mistakes and test something in the real world. Knowing that failure is a possibility means you can design a plan on how to handle it if it comes. Being mentally prepared enables you to make positive risk-taking decisions without fear of the unexpected, which can be the most crippling component of taking a risk.

### ⑤ Listen to your gut and just do it!

After you've analysed a risky opportunity, sometimes it's best to listen to your gut and just do it. The author Susan Jeffers says in her ground breaking book '**Feel the Fear and do it anyway**' says "***The only way to get rid of the fear of doing something is to go out and do it.***" When you are forced to be resourceful, you learn so much and which can be a powerful thing, Susan Jeffers puts it brilliantly when she says, "***Every time you encounter something that forces you to "handle it," your self-esteem is raised considerably. You learn to trust that you will survive, no matter what happens. And in this way your fears are diminished immeasurably.***"



## WHY THIS SKILL IS VITAL FOR WORK

It's easy to see why employers need staff who are ready to identify, take and manage risks.

Businesses that have identified the risks will be better prepared and have a more cost-effective way of dealing with them. Some companies even have an annual risk analysis to update their risk management strategy and measure their response in terms of likelihood and impact.

Remember people make mistakes whether they take risks or not, as Peter Ducker says,

*“ People who don't take risks generally make about two big mistakes a year.*

*People who do take risks generally make about two big mistakes a year.”*

***You won't avoid making mistakes by never taking risks; your inaction in itself can be a mistake!***

How could you show a prospective employer that you understand the risks in their business and that you are the right person to employ to help them manage and reduce their risks?

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There are always a number of risks in life (including in the workplace) which are outside of your control. For example when you travel alone, or if you are working in an unsafe work environment. Good employers have policies in place to ensure that their staff are safe. If you become good at **ASSESSING**, **EVALUATING**, **MANAGING** and **MEASURING** risks, you can help others manage their risks. Indeed, this is a skill which many companies are looking for.





# The Facework Skill Challenge

In this challenge we want you to gain confidence in managing risks and do one thing in the following week which scares you.

Here we go!

**Firstly**, identify one thing in your personal life or work which is scary because there is risk.

**Next**, identify 2 different people who you respect and tell them about them how you feel about having to take this action or decision and ask the to help you identify the risks. Think too about the risk of doing nothing.

**Next** Draw a simple table listing the positive things about proceeding, and a negative list. Then identify what else you have to do to make the decision.



**Now**, commit to making that decision by .....

**Finally**, list the things you have learnt by this exercise and go back to the 2 people you talked to and tell them the decision you are going to make and what you have learnt about making this decision.

**Follow up activity.** From your experience and new found courage try to help a friend who needs to make a decision or take a step which feels risky.

**Now rate yourself again on how good you think you are:**



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=



***"Great people do things before they're ready.  
They do things before they know they can do it.***

***Doing what you're afraid of, getting out of your comfort zone,  
taking risks like that- that's what life is.***

***You might be really good.  
You might find out something  
about yourself that's really  
special and if you're not good,  
who cares?  
You tried something.  
Now you know something  
about yourself."***

**Amy Poehler**



# LEARNING BY DOING



**1. To continue being better at Managing Risks what am I going to**



stop doing? .....

continue doing? .....

start doing? .....

**2. Who is going to help me keep on track?**

.....

**3. How will I see the difference?**

one week .....

one month .....

one year.....



**4. Who will I share my knowledge of this skill with?**



.....



**5. Which Character Strengths will I need? Highlight them below!**

Appreciating Others	Bravery	Creativity	Curiosity	Fairness	Forgiveness	Gratitude	Honesty
Hope	Humility	Humour	Judgement	Kindness	Leadership	Love	Love of Learning
Perseverance	Perspective	Prudence	Self Regulation	Social Intelligence	Spirituality	Teamwork	Zest

Learn more about Character Strengths at [www.facework.online](http://www.facework.online)

**6. What would you change, add or remove to improve this worksheet ?**

send suggestions to [info@facework.online](mailto:info@facework.online)