

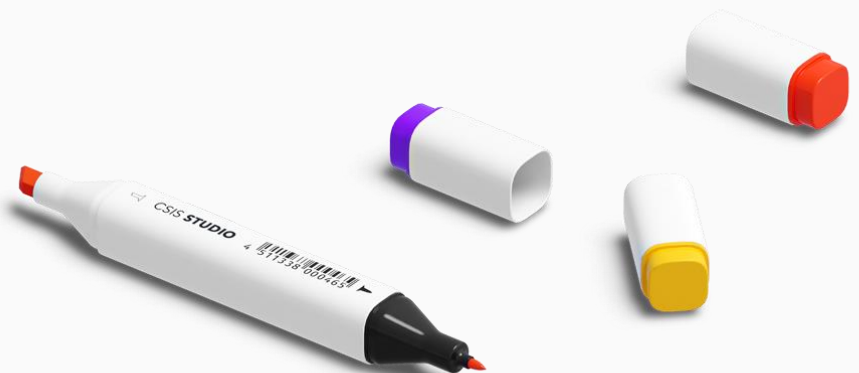
# Risk Assessment

Understand your risks and how best to manage them.

Produced by



The Center for  
**Social Impact Strategy**



# Quick Overview

Completing this risk assessment will allow you to answer the following questions, so you can clearly identify the risks you need to focus on in building out your idea and avoid wasting time and resources.

1. What could go wrong or what could you lose?
2. What is the likelihood this negative outcome will occur?
3. What are the consequences if it does?
4. What can be done to prevent or mitigate this negative outcome?

## What is this tool exactly?

Used by social impact leaders to identify gaps in their ideas and refine their models, a risk assessment helps you to know what you're up against and ensure that you are proceeding in an informed, prepared, and confident manner with greater preparedness and confidence. Remember, the greatest risks will always be the things that you don't know!

## Who should be involved in this assessment?

Start with those who you plan to work with directly as you build out your idea or initiative. If possible, you may also benefit from involving other internal or external stakeholders such as board members, advisors, or members of the community.

## How long should it take to complete?

Around 25 minutes

## Where can I learn more about risk assessment and management?

1. [Enterprising Nonprofits: A Toolkit for Social Entrepreneurs](#) by J. Gregory Dees 2001.
2. ["A Call for Nonprofit Risk Management"](#) by Ted Bilich, Stanford Social Innovation Review. 2016.



		Likelihood	
		Low	High
Magnitude	Minor		
		Ignorable Risks <i>Risks that can be safely ignored</i>	Nuisance Risks <i>Risks that can be mitigated through simple changes in behavior</i>
	Major	Insurable Risks <i>Risks that can be mitigated through insurance</i>	Company Killers <i>Risks to actively identify, monitor and mitigate</i>

# Risk Assessment Framework

## Step 1: Identify and Label Your Risks

Time: 10 Minutes

Think about the initiative or organization you wish to launch. List 4-7 things that can go wrong. These will be your risks. Then, fill out the following information for each risk you have identified:

**Type:** Is it financial, social, political, environmental, internal, legal, etc?

**Magnitude:** From 1-10, is this of low (1) or high (10) consequence?

**Likelihood:** From 1-10, are the chances low (1) or high (10) of this happening?

**Response:** What could be done to mitigate or respond to the risk?

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Check out how this tool helped Autonomy Works build a workplace that leverages the unique skills of people with autism. CSIS Studio shares their story, along with other case videos, tools, and insights from social entrepreneurs and innovators.

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Risk	Type	Magnitude	Likelihood	Response
Automation	Environmental	8	7	Technology is enabling the automation off all kinds of tasks. We will need to adapt with emerging automation capabilities.
Poor economic conditions impact our bottom line	Economic	7	5	Our clients are directly affected by the global economic climate; any downturn will in turn impact our revenue. We could mitigate by becoming a more cost-effective service
Operating model cannot scale	Financial	9	3	The business needs to operate at a 1:5 FTE manager: Associate ratio. If Associates are unable to complete a higher % of work, the business cannot scale or generate profit. That said, Associates continue to learn new things + exceed our expectations.
Unable to recruit sufficient talent	Internal	8	2	While there are 50,000 people with autism entering the workforce every year, there is little data forecasting how many of these individuals are able to work in a competitive environment; there is a risk that we will not be able to recruit + hire enough people with high functioning autism and a matching skill set to meet the needs of our clients. The likelihood is low, however, since the autism spectrum is wide.

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## Step 2: Manage your Risks

Time: 10 Minutes

Now it's time to manage your risks! How do you address them and move forward? Map each of your risks to the following table, based on their magnitude and likelihood. You'll walk away with a solid understanding of the steps you need to take in order to protect and move your idea forward.

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