

# Don't Get Blindsided by Risk

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## **Fred C. Church Presents: Five Steps to Better Manage Your Business Risk**

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Do you remember the Reebok commercials starring the [“Terrible” Terry Tate](#)? The very first ad of the series debuted during Super Bowl XXXVII in 2003 when the Oakland Raiders faced off against the Tampa Bay Buccaneers.

To jog your memory, here is a quick synopsis - a selfishly motivated employee is shown topping off his cup of coffee, placing the now empty pot back in the coffee maker as he proceeds to leave the breakroom. From off screen, Terry Tate, the Office Linebacker, blindside tackles the office offender to the ground in an effort to enforce proper workplace etiquette.

I'll be honest – this commercial in particular, as well as the rest in the series, were always good for a laugh or two. But, at the same time, I always found myself bracing for impact before each blindside hit. Why? Because a blindsided tackle from a linebacker, even a fictional one like Terry Tate, would be quite excruciating to endure and I couldn't help feeling a bit sorry for those office slackers.

### **So, why am I mentioning this commercial to you and what's the connection with risk management?**

As odd as it may seem, these office linebacker commercials have become the perfect metaphor for me when chatting with prospective clients about proper risk management, their company's exposure to risk and the value of working with an expert risk consultant. All businesses, regardless of industry, are

exposed to risk; however, these risks can often be mitigated, or sometimes even avoided, with a proper risk management plan.

I know what you might be thinking, *“Implementing a risk management plan for my business is way too time consuming!”* But before you call it quits on your plan, and on this article, I urge you to continue reading.

Contrary to popular belief, the risk management process – whether brand new to you or something your company could do better – is actually quite simple, not to mention quite cost-effective. In addition, if you work with an expert risk consultant, you will get the support and guidance you need to properly evaluate your exposure to risk.

Let me once again use an example from my favorite sport, football, to reinforce the advantage of working with a specialist. Imagine if you were a coach and, on the day of an important game, you were given the chance to have an advantage on the opposing team and probably ensure a win. Would you jump on that opportunity? In my mind, you would be foolish not to. Well, working with an expert risk consultant and investing a little time and effort into the risk management process today, is the game-day advantage that you and your company should consider if you are looking for long-term success.

Let’s discuss the five simple steps that are sure to get you the win when it comes to proper risk management.

### **Step #1: Risk Identification**

Review your company’s operations, projects (both present and future), goals, sales, facilities, reputation, finances, employees, and success, to gain a better understanding of and to determine your exposure to risk. This is a very critical first step that will help you prepare for, mitigate and possibly even avoid risk in the future. Once you determine your company’s risk exposures, write them down so you can make sure you address each risk individually.

### **Step #2: Risk Analysis**

Now that you have properly identified your risks, you will want to take the time to analyze each of them.

Here is a quick and easy exercise. With your list in front of you, choose the first risk that you identified and ask yourself and your team the following questions. Repeat the process for each risk on your list.

1. How confident are you that you could prevent **(insert risk here)** at your company?
2. What would the consequences be in the event of **(insert risk here)**?
3. If **(insert risk here)** occurs, what would be the financial implications?
4. How often do you expect **(insert risk)** to occur on an annual basis?

### **Step #3: Risk Control**

After analyzing your risks, it will be important to figure how best to manage them. Ask yourself questions like:

1. What company or employee behaviors can you modify?

2. What processes can you put in place to better manage and control the potential risk?

It will be important to keep in mind that, just like the blindsided tackle from the office linebacker, you can't avoid every possible risk 100% of the time. Things can and will happen, regardless of the amount of time and money you put into the proper training of your employees or implementation of new safety controls.

#### **Step #4: Financing Risk**

Every successful business has a smart and savvy leader that oversees operations. And while on the surface, it may seem like that is their only job responsibility, they are actually responsible for much more. It is their job to make sure that there is the appropriate oversight, systems, and processes are in place. They are also keeping a close eye on the finances. As a business owner, it is critical that you give financing risks at your company that same attention as everything else.

When you are devising your strategy for financing risk, you should always consider three alternatives to make sure you are properly protected:

1. **Self-Finance:** Your company is willing to take on the risk as well as the responsibility of covering costs that result from any losses
2. **Transfer of Risk:** With a contract, you transfer the responsibility of the risk and any resulting loss, onto a specific vendor, supplier or customer
3. **Purchase Insurance:** You may be willing to take on a risk, but do not have the financial resources to cover the losses, therefore you select the proper insurance for that specific risk

#### **Step #5: Risk Review**

Every great football coach knows that you are only as good as your last game. In order to be the number one team, you must constantly be analyzing and assessing your playbook. I think it's fair to assume that all successful coaches, regardless of sport, have at least one thing in common, they all understand the importance of evaluation. With that in mind, as a business owner, you will want to adopt that same train of thought and plan on scheduling monthly, or even weekly, conversations with your team to evaluate your ongoing risk management process. And don't shy away from asking tough questions like:

1. Is this process working?
2. Are we on budget?
3. Is there anything we can do to save us more money?
4. Do we have to do it this way?
5. What are our risk management alternatives?

#### **Striving For Greater Efficiency: Choosing the Team**

Now that you have more knowledge about the risk management process, it's time to put together the team that can help you implement one, or make your current plan even better. Here are just a few reasons a local Risk Advisor should be your number one pick!

- **A Risk Advisor Can Help You Properly Identify, Assess and Address Risk**

A knowledgeable risk advisor can uncover exposures simply and effectively, by asking strategic, financial, and organizational questions that will allow them, and you, to better understand the company's present situation as well as future plans.

- **A Risk Advisor Can Properly Manage Your Exposure To Risk Allowing You To Stay Focused On Your Business**

As a business owner, you fill many roles. In fact, you are likely working around the clock just to make sure that your company is operating properly. So, if you have delayed the risk management process due to competing business priorities, limited time and resources, you are not alone! Recruiting a risk advisor to your team, whose sole mission is to act as your personal Risk Management department, will allow you to remain focused on what's most important to you.

- **A Risk Advisor Embraces Risk, So You Don't Have To**

An expert risk advisor has experience working with critical hazards in real life scenarios. As a result, they understand the importance of proper risk management because they have made it their mission to help business owners plan for and combat risk. Using their industry knowledge and experience, a good risk advisor will make sure that you and your business are protected from unforeseen risks and safeguarded from a blindsided hit.

### **At Fred C. Church Insurance, We Make Your Risk Our Business**

Understanding your business is our number one priority. The dedicated team at Fred C. Church Insurance is here to help companies of all sizes properly identify their risks and make more informed decisions about which coverages they need. We offer a variety of insurance and risk management solutions to our clients including:

- Alternative Financing Models
- Cyber Insurance
- Property Insurance
- General Liability
- Professional Liability
- Director's & Officer's Liability
- Workers' Compensation
- Employment Practices Liability
- Product Liability
- Travel Insurance

If you would like to discuss how a Risk Advisor could impact your business, please contact us at 800-225-1865.