

## Practical Risk Management

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Risk Management and its “new & improved” fad, Enterprise Risk Management (ERM), can sound pretty esoteric and mind-numbing to most business owners. What most firms usually need are practical, reliable loss prevention strategies that can be ring-fenced with basic and appropriate insurance. Instead of ERM, I propose PRM or Practical Risk Management.

A recent client was in fast-growth mode – adding 5-6 locations and lots of new employees each year. They were worried about having the right coverages, limits, and costs and thought they might have outgrown their broker. There never seemed to be enough time to deal with these issues, and it was hard to know where to start – they felt overwhelmed.

### What’s included in PRM?

Practical risk management should include lots of exposures and risks and plans, but the list does not have to be exhaustive to get started. Begin by including:

- The key risks you’d like to avoid - and others (like ‘good’ surprises that can cause problems) that need some advance preparation;
- Ideas on how to prevent losses, improve safety and quality, reduce your costs, keep your business running after a loss, and manage your reputation;
- Making sure you’ve got the right, pro-active broker, and you’re buying the best insurance for your unique situation.

For the client above, it didn’t take long to sort out the key priorities, implement the easy solutions, and set up a timetable for getting started on the other loss prevention and cost saving action plans.

### What’s right for you?

The solutions are not difficult – a little forethought and some execution is all that’s needed.

1. Start with risk assessment to identify what can go wrong. Think about events like fire or earthquake, and losses like theft or a lawsuit. Get help from employees, colleagues, suppliers and even customers.
2. Include the “good” things that can take you by surprise – like a huge order or new contract. Could that force you to cut corners and decrease quality?
3. Create practical, easy to implement plans to avoid the most dangerous risks and prevent the biggest potential losses. You might want to access free loss control advice or safety audits from your insurance company and broker.
4. Get started with the easy steps now!

Call for a no-obligation discussion and some special tips for your unique situation.