

Checklists are a Risk Manager's best friend

October 2011

Many clients ask me, "What's a risk management checklist?" We then list the ways they can be used throughout daily business operations and how they provide loss prevention and mitigation to a wide variety of situations:

- Office or store opening and closing procedures – don't forget the little stuff!
- Emergency medical situations – providing correct information under pressure.
- Merger & Acquisition due diligence.
- Machinery and equipment maintenance and repair.

A data breach response plan for a client is a great example. We set up a checklist of the steps, the contacts, the form templates, the internal team members, other resources, and the likely decisions that would be needed.

Checklists keep task steps in order; guide us through simple, routine tasks; and often contain tips and advice about complex or urgent problems that might arise. Most people's days are full of mental checklists, but the only effective ones for risk management are written – short and simple, updated and adapted as needed.

Some are for Prevention ~

- Office close: doors & windows; lights & appliances; locks and alarm.
- Pre-road inspection for construction trailers: tires, hoses, lights, brakes, reflective tape, load balance, covers & tie-downs.
- Pre-trip – client visit or personal: documents (itinerary, timetables, maps, contact information); vehicle (gas, tire pressures); contacts (alert some people, not all!).

Some stand ready to mitigate a problem or loss ~

- Heart attack or other emergency – office or field: 911; nearest clinic; office address, nearest cross-streets and someone outside to direct first responders.
- Pollution spill on a job-site – lists of contacts, resources, safety experts, and clinics.

I recommend a great book about the many uses and astounding successes of checklists in many fields and professions – **The Checklist Manifesto**. The author discusses solutions for "simple" problems and also deals with "complex" issues when all answers aren't known and you need to rely on different employees, colleagues and perhaps "experts." The story comparing the responses by Wal-Mart and FEMA to hurricane Katrina is compelling.

What checklists do you need?

- Write down areas where errors are made and things forgotten – basic checklists catch the "dumb" mistakes we all make.
- Get input from lots of sources, simplify current procedures and create short task lists to get each one right.
- Remind others that these are guidelines and subject to improvement.
- Encourage everyone to follow the steps – even if they think they don't need to. For critical areas put a more junior person in charge of reminding and making sure all steps are followed. That helps training and teamwork.
- Consider the competitive advantage of having solutions in hand for everyday problems as well as rare emergencies. How can that make you a better business partner for your customers and suppliers?