



How to Take Successful Risks

Risk Is Essential to Growth

Playing it safe may feel more comfortable and seem more sensible than taking risks. In today's fast-paced world, however, playing it safe can quickly turn out to be more dangerous than proactively driving progress.

The following is a list of steps to take some of the risk out of risk so you can reap the rewards:

1. Prepare yourself and your team as best you can before taking a risk. Thorough preparation is required to remove as much of the uncertainty relating to the risk as possible. In change management this would include building your team's capacity along with team planning before rolling out change.
2. Evaluate the benefits and costs of taking the risk versus the benefits and costs of NOT taking the risk.
3. Evaluate what could go wrong when you take the risk and mitigate for this in your planning. Similar to a SWOT Analysis, which takes into consideration Strengths, Weaknesses, Opportunities and Threats, covering the weaknesses and threats of a proposed risk and weaving this into to problem solving planning is critical for all innovation and risk management goals. This involves external and internal factors as well as macro economics and political events.
4. Ensure that everyone involved has the capacity and capabilities to perform as required. For example, make sure everyone involved is proficient in root cause problem solving and decision making.
5. Challenge underlying assumptions. Just because someone says they tried it before and it failed, ask for the details. Break it down and find out what went wrong. Then mitigate for this.
6. Break the risk you propose to take into small steps. Then test and learn as you go to build toward success. This is the key to building successful innovation.

The key point in this list is that it all comes down to thoughtful and collaborative preparation in order to surface and be ready with a response for all the possible things that could go wrong.