

The Risk Manager as Collaborator:
**Building Productive Relationships
within Your Agency**

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The Power of the Risk Manager

Two Types of Power


AUTHORITY


→ The power or right to give orders, make decisions, and enforce obedience


INFLUENCE

→ The power or capacity to have an effect on the character, development, or behavior of someone or something

Authority or Influence?

The risk manager has received instructions from the City Manager on what is acceptable and not acceptable with regard to the resolution of a particular issue and is carrying out those instructions at a meeting of the parties involved in the issue. 

The risk manager is negotiating the resolution of an inter-agency issue with a long-time colleague. Over the years in dealing with each other a trust has been built and a comfort level that they will treat each other with respect and fairness. 

Over the years in several high profile cases, the risk manager has saved the agency from tremendous exposure. She has earned the respect of her superiors for her vigilance and technical skills and is sought after for her opinion on many issues. 

The risk manager has been given up to \$10,000 to settle a claim. 

Evolving from . . . **Competition to Collaboration**

COMPETITION

Definition: *little or no relationship; parties protect, hide or take information or resources to benefit the parties **individually***

Assumption: there's only so much to go around, and we'd better get ours now before someone else does

COOPERATION

Definition: *informal relationship; parties offer specific information or resources to benefit the parties **individually***

Assumption: you have something that we need, and we may have something you perceive of equal value that you need, so we could trade to advance our individual interests

COORDINATION

Definition: *more formal relationship; parties agree to share some resources to benefit the parties **mutually***

Assumption: we acknowledge that we have some compatibility in mission and goals and are willing to take some risks to advance those goals without losing authority or control

COLLABORATION

Definition: *formal relationship; sharing information or resources to benefit the parties **mutually***

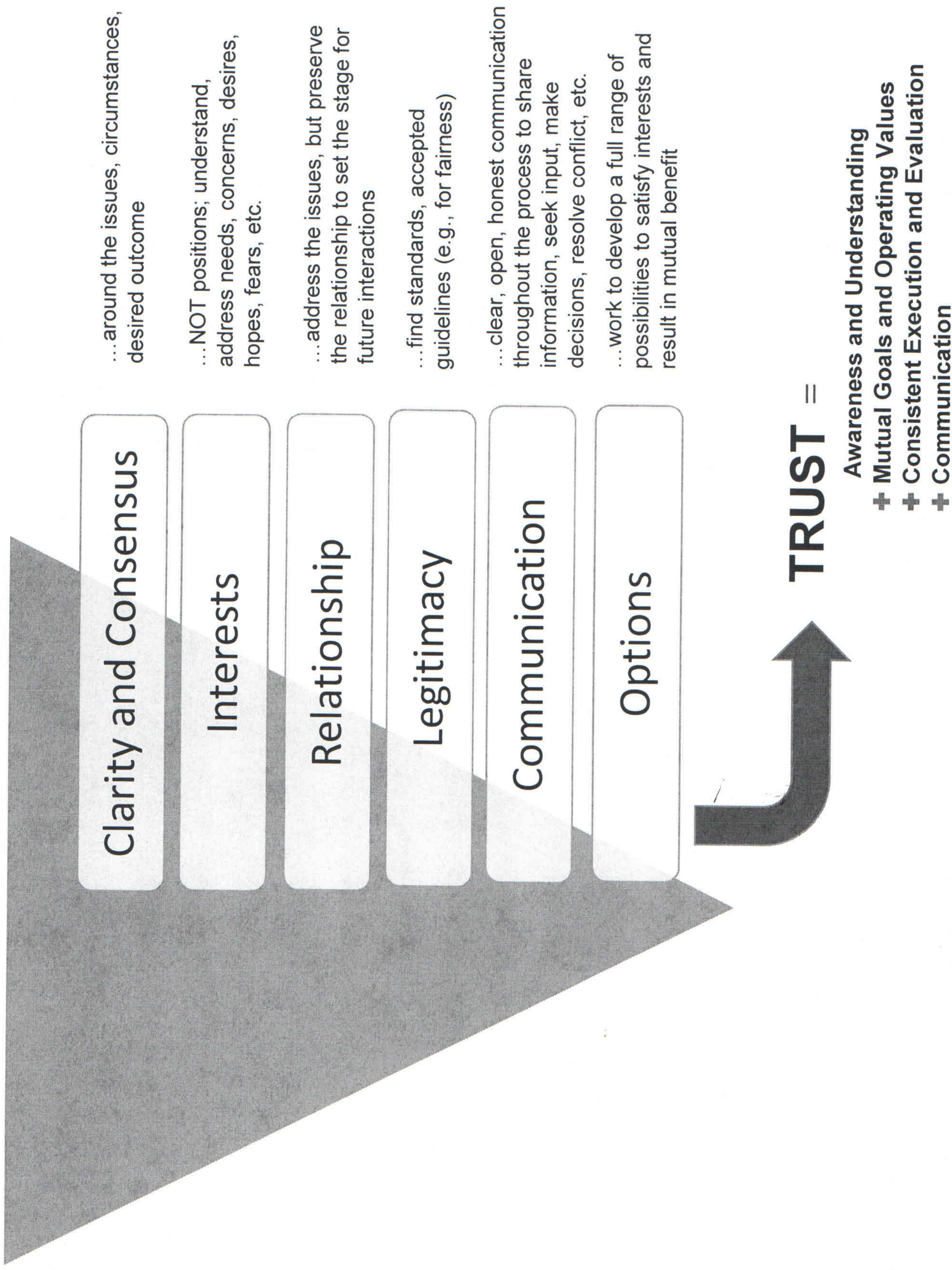
Assumption: the more we share related to a common goal, the more there is for all of us (we don't lose our self-interest, we just pursue it in ways that benefit both of us)

CONSOLIDATION

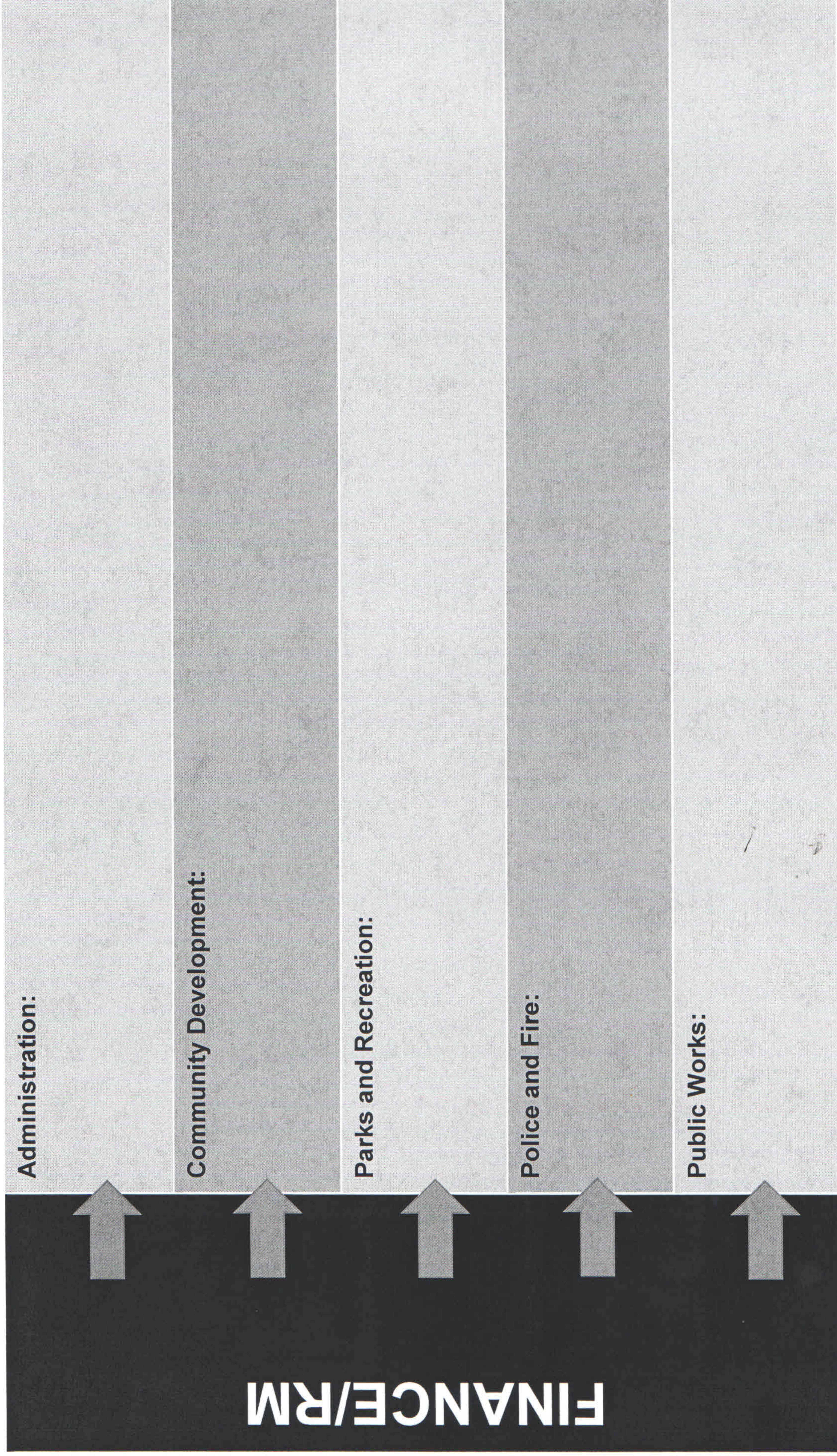
Definition: *merging of resources; becoming one organization*

Adapted from "Working Together: Developing Collaboration Among Competing Organizations," Gene L. Morton. Nonprofit World.

Principles of Collaboration

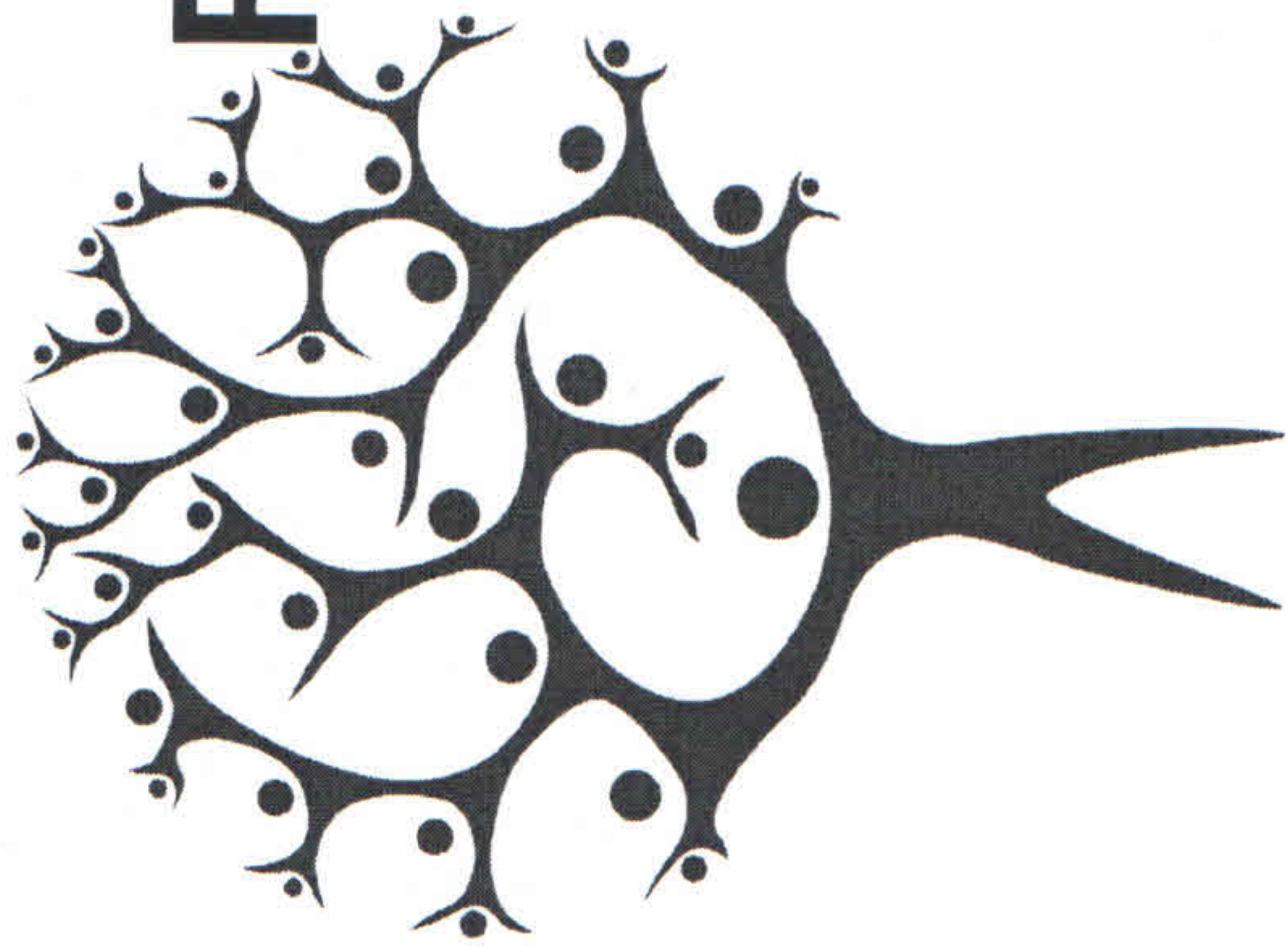


Red Hat Analysis – Matrix Tool



Use this tool to...

- Identify differences you need to be sensitive to regarding the thinking style or decision-making process of each department
- Understand the unique perspective of each department as it relates to a particular issue
- Identify the information or perspective you have as 'Finance/Risk Management' that, if shared, could benefit the other departments and the outcome for the issue being addressed
- Be able to better handle conflict by understanding root causes for behavior or action observed



Risk Manager Relationship Network

Instructions: starting with yourself in the center, map out a network showing all the individuals/groups with whom it would be beneficial to build a collaborative relationship. Indicate the following on your relationship network: 1) any connections/relationships individuals in your network have with each other, 2) differentiate between internal agency and external relationships, and 3) use size or color to indicate priority/ROI of the relationships.



Outcomes of a Collaborative Relationship

Scenario A

You are the risk manager for the water district. The district is leasing office space from a city within its jurisdiction. In the leasing contract it states that for the privilege of renting space, the tenant (the water district) would indemnify the city for claims that arise from the lease of the space. In other words, if a visitor to the water district trips over a loose berm in the parking lot, the water district must cover the claim. You feel there is risk here for the district and that the language should be changed.

What kind of POWER does the risk manager have (or could possibly have) in this scenario? 'Authority' or 'Influence'?

With whom would it have been beneficial for the risk manager to have built a collaborative relationship before this situation arose?

Write two possible endings to this scenario:

1. *If a collaborative relationship had been built, what would be a mutually beneficial outcome?*
2. *If a collaborative relationship had not been built . . .*

Scenario B

The city uses the school district's field for a recreation program, governed by a facility use agreement. During a recent soccer match held as part of the city's sports program, a spectator gets injured. The use agreement includes a mutual indemnification clause in the case of these types of accidents. The injured party has filed a claim for \$8000. The risk manager for the city and the risk manager for the school district both have up to \$5000 to settle the claim and both agree that \$8000 is reasonable. However, each side argues that they owe nothing based on their belief of how the injury occurred.

What kind of POWER do the risk managers have (or could possibly have) in this scenario? 'Authority' or 'Influence'?

With whom would it have been beneficial for the risk managers to have built a collaborative relationship before this situation arose?

Write two possible endings to this scenario:

1. *If a collaborative relationship had been built, what would be a mutually beneficial outcome?*
2. *If a collaborative relationship had not been built . . .*

Preparing to Negotiate

From Getting Past No: Negotiating Your Way from Confrontation to Cooperation. William Ury

Interests (Mine) <ul style="list-style-type: none"> • • • • 	Interests (Theirs) <ul style="list-style-type: none"> • • • •
Options <ul style="list-style-type: none"> • • • 	<ul style="list-style-type: none"> • • •
Standards <ul style="list-style-type: none"> • • • 	
BATNA (Mine) (Best Alternative to a Negotiated Agreement)	BATNA (Theirs)
Proposals Aspire To	Content With
	Live With