



Six Key Risk Management Strategies for Surviving and Thriving Today

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As companies face incredible headwinds to achieve planned revenues and earnings, the sentiment that resonates throughout the business community is... “we need to simply survive.” However, the best organizations are not only surviving...but are thriving in this economy since they have laid the groundwork to capitalize on their competitors inefficient operations.

If you can survive in this economy, and position yourself to take advantage of the enormous future opportunities, you will reap phenomenal rewards in the coming years. Here a few ways to achieve these results.

1. Focus on cutting all unnecessary costs in your risk management programs

Most of your competitors have cut cost by laying off personnel, reducing inventory, closing operations, and more. You probably have done the same things. Have you also looked at ways to cut your risk and insurance programs? A thorough bidding effort that combines various strategies of benchmarking coverages and providers generally leads to savings of 10-30%. These savings may be the difference between staying in business, or a good financial year.

2. Have a “zero tolerance” for exposures, losses, and claims

When an event does occur, do you have all of the resources to determine why it happened, limit any further loss related to the occurrence, and eliminate all of the possible causes of loss in the future? A “zero tolerance” for loss leads to a stable risk management program. These additional funds can be used for current operations, and future opportunities to grow your business by acquiring inefficient competitors.

3. When something does happen to someone, find out what happened, and treat the injured person with the respect

Whether it’s an employee or customer, be certain that you have done everything to follow-up with why the event happened, and to understand the person’s account of the situation. Regardless of the responsibility for the occurrence at the time, it is critical to know everything about the event and circumstances of the person(s) involved. You will go a long way to resolving the matter with a minimal amount of expense, rather than pushing the situation to a litigious setting.

4. When assets are damaged or exposed, respond immediately to minimize further damage

It's never good to receive a call that a building has been lost to a fire, flooding is occurring at a critical manufacturing plant, or that some other casualty has affected your operation. Immediate response with the proper resources can be the difference between being in business, or losing your business. Emergency response teams with expert outside resources are critical, and it is important to have a plan before an event occurs.

5. Take care of your employees, and train them to do what is right at all times

Particularly in this economic environment, your employees are your most valuable asset. You probably heard the phrase, "things can be replaced, but people can't." It's vitally important to view every person in your organization as a precious resource who will take care of your customers and your business. The happiest people are those who receive your support and training, are given autonomy to do their job, and can recognize a connection between their effort and rewards from the effort. A strong set of core values that are driven by active leadership is critical to minimize all business risks.

6. Employ continuous risk profiling to minimize risks and maximize business opportunities

Always remember that innovation creates value. The best way to survive and thrive in this economic environment is to continuously be looking for ways to limit risk while maximizing business effectiveness. Risk management infrastructure with specialized services and software is the best way to do that. If you don't, your competitor certainly will, and you may find yourself on the wrong end of a business transfer.

Mr. Blackburn founded Blackburn Group, Inc. in 1991 as a company specializing in marketing products and services for the enterprise risk management field. At the time of the company's inception, Mr. Blackburn designed and developed a specialized risk management information system with associated services called **RiskPro**® to analyze and manage an organization's operational and human resource risks. Currently, the business platform assists in monitoring over \$160 Billion in assets and 300,000 claims valued at \$3.5 Billion in North America, South America, Europe and the Far East. Mr. Blackburn has held executive management positions at Home Properties, Inc., Deloitte and Touche, LLP, Wilmorite, Inc., Citibank, N.A., Page Avjet Corporation, one of the largest privately owned aviation companies in the world, and Harris Corporation, one of the largest integrated communications manufacturing companies in the world. Additionally, Mr. Blackburn has served as an advisor and consultant to FM Global Insurance Company and other insurance companies doing business on a worldwide basis. Mr. Blackburn graduated from St. John Fisher College in Pittsford, NY in 1978 and has completed graduate studies at the University of Rochester Simon Business School. Mr. Blackburn has recently served as a risk management guest lecturer at both institutions and has also served as a guest speaker at numerous risk management industry and media events. He holds various licenses and certifications in the risk, insurance, and claim management industries.

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