Risk Management that Measures Up

Ineffective risk management could give you plenty of wrong things to measure

We live in a measurement-focused society: how many; how far; how fast; how much more, or less, than last year.

Popular thought often asserts that if it's not measurable, it's not a worthwhile goal. How can you justify spending time and money on something you cannot prove or quantify? On the surface, that may not be easy, but consider the following:

> *In a society focused on measurements, realize that you will rarely know, or be able to measure, those catastrophic events that did* **not** *occur due to the execution of good, consistent risk management practices.*

It is still important to measure standard business benchmarks: injury-free days or an increase or decrease in claims or accidents, for instance. But, how do you measure…

- the car accident that *never happened* because your business implemented a distracted driving policy?
- the fatality that *did not occur* because you requested an employee's motor vehicle records, which uncovered several previous driving incidents?
- the employee who *did not cause* an unsafe situation because your drug- and alcohol-free workplace program got that person the help needed to be fully functional on the job?
- the firm that *did not go out of business*, saving dozens of jobs, because it had a well-executed business continuation plan in place when the owner passed away?

You may never be able to fully measure the positive effects a risk management culture has on your business. But, you will definitely be able to measure the negative ones.

Now, it must be said that all the value-added risk management applications in the world will not keep all bad things from happening. But, are you confident your firm is doing everything it can to help eliminate preventable risks by ***executing good, consistent risk management practices?***

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