

Career Compass No. 18: Taking Smart Risks

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In this issue of Career Compass, Dr. Benest shares wisdom on risk taking, with recommendations on when to avoid a risk and when to take the leap.

I am a special projects coordinator in the County Manager's Office. While we have done a lot of budget-cutting in our organization (with some actual layoffs), the County Manager says we need to change the way we do business, take some risks and innovate if we are to overcome all our financial problems.

However, no one talks about the negative fall-out if the risk-taking does not produce a positive result. In fact, our local government operates in a very risk-averse political environment. Everyone is afraid of making a mistake because the governing board or a community group will criticize you. I want to help us innovate and grow my career at the same time. How do I take risks in this kind of environment?



Yes, we local government professionals face dual realities. We must take risks given our challenges, and we need to minimize the potential fall-out from risks given the zero-risk environments we often face. How do we deal with this duality?

WHY TAKE RISKS?

Local governments desperately need to adapt to change and innovate in times of financial meltdown. We need to design new service models, such as:

- “Shared” or collaborative services with other public agencies (e.g., sharing a police department or hazmat or other specialized service)
- Self-service (e.g., certain inspections)
- Multi-sector partnerships (e.g., partnering with a parents group to deliver an after-school program)
- Outsourcing (e.g., park maintenance)
- Off-loading (e.g., letting a private swim organization operate a municipal pool)
- Discontinuing a service (e.g., police traffic motors)

All these alternative service approaches, including the “no-service” option, pose a risk for local government staff (as well as elected officials) who may propose the new policy or attempt to

carry it out. However, not taking action is even a bigger risk. We cannot cut our way out of the fiscal crisis. We need to cut but also innovate. And there is no innovation without risk.

In addition to helping our local government agencies create new solutions, you must also take risks to advance your career. In terms of career advancement, you won't get noticed unless you are taking some risks in moving the agenda forward. If you take on a project involving a multi-sector partnership, there is a risk of failure. If you request an interim management assignment when your Division Manager retires, you may not do an exemplary job. It is a risk. If you make a lateral move to another unit to expand our portfolio of skills, it is another risk.

Finally, taking risks is essential if you are to learn. There is no learning without mistakes.

THE "SWEET SPOT"

It's pretty reckless to take wild gambles recognizing the risk-aversion of some elected officials or community interest groups. However, it is desirable to take calculated risks.

A good calculated risk is one that has a decent chance of success. In fact, the "sweet spot" for risk-taking and learning involves a project with a 50-70% chance of success. If the likelihood of success is over 70%, it is really not much of a risk and may not generate much learning. If the likelihood is less than 50%, it may be too much of a gamble.

TEN TIPS FOR TAKING SMART RISKS

I suggest the following tips or guidelines in taking calculated risks:

1. **Consider risks only if they are important:** Risks with potential downsides should be taken only if the potential pay-offs are significant for the organization or the community.
2. **Take the risk if the project or initiative is aligned with your passion:** You are more likely to make an extraordinary effort and thus succeed if the project is fueled by your passion or deeply-held values.
3. **"Ready, fire, aim":** Don't try to get it perfect or you'll never launch the innovation. Experiment, try out some ideas, and fix it up as you go along. Your goal is getting it "roughly right."
4. **Use a respected sponsor:** You can share your project idea with a respected Division Manager or Department Head. If a higher-up agrees to get involved, you need to engage the potential sponsor in developing the proposed work plan and then ask the person to serve as the "front" for the team when the project is proposed to the chief executive and/or the governing board.
5. **Spread the risk:** You minimize the risk if you broadly engage others internally and externally as full team members. By fully engaging colleagues from your agency and outside agency representatives and integrating their interests into the project, you can turn stakeholders into partners. Stakeholders can easily criticize you and your effort. True partners become committed and will support an initiative even if it needs fixing up as it goes along.
6. **Tie your innovation to another initiative or investment underway:** Your risk is minimized if your effort is an extension of something already accepted or initiated.
7. **Pilot everything:** Call any new project a "pilot." Why? Because, with a pilot, top management, other organizational members, elected officials, and community stakeholders will expect some "mis-steps" which will then help you fine-tune the

program. The right language helps you shape expectations and minimizes the risk. (Remember how long Gmail bore the beta label? Five years).

8. **Take incremental steps and ramp up over time:** If you take a few incremental steps in starting a project, it is easier to back-off a risky project if you get hit with a wave of significant opposition. Some initial steps typically do not require a heavy financial investment from the beginning. In other words, it is “reversible.” Conversely, if you take some positive incremental steps, you can develop momentum for the project and slowly build support, allowing you to move the initiative forward.
9. **Debrief the experience as you go along:** As you implement the creative program or take the next career move, you should de-brief what is happening as you go along as well as at the end. Debriefing with your partners helps you take corrective steps as you progress and consolidate your learning at the end. In debriefings with others, ask:
 1. What is happening?
 2. What is going well?
 3. What is not going well?
 4. How do we fix it up?
 5. What are we learning for future practice?
10. **Seek guidance from your “dream team” of advisors:** Everyone needs informal coaches and advisors (see [Career Compass No. 7](#)). When you perceive an opportunity to innovate or to move up professionally, you should go to a trusted peer or manager or professional contact. Get some feedback on the following:
 1. Is this an important risk with significant potential pay-offs, worthy of the possible failure or other downsides?
 2. What is the potential for learning (for me and others)?
 3. How do I minimize the risk?
 4. Who can support me?
 5. How do I “frame” the project?
 6. Given the organizational or community culture, is the risk acceptable?

NOTHING VENTURED. . .

In this disruptive world, taking no risks is a risk. If you want to help your agency adapt to accelerating change, gain visibility for yourself and advance your career, you need to take calculated risks. You may fail. However, there are practical ways to take the risk, minimize the downside and achieve the pay-off for your organization, the community and yourself.



Career Compass is a monthly column from ICMA focused on career issues for local government professional staff, and appears in ICMA's [JOB newsletter](#) and online. Dr. Frank Benest is ICMA's senior advisor for Next Generation Initiatives and resides in Palo Alto, California. If you have a career question you would like addressed in a future *Career Compass*, e-mail careers@icma.org or contact Frank directly at frank@frankbenest.com.