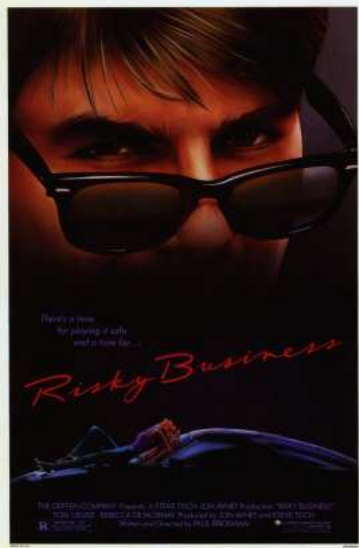


Some of you may know that one of the ways I serve my local community is as a parish councillor. This month, wedged between discussions on burial grounds and our dog bin emptying contract (and I missed the Champions League Final for this?), we undertook a business risk assessment for the Council (required by our auditors). Almost immediately, I started thinking about a newsletter!

## *Risky Business*



Girls (and some guys) of a certain age may go weak at the memory of Mr Cruise dancing in his undies, but let's not get distracted.

Any business (or life) undertaking carries risk – our job as managers and business owners is to manage that risk. Now, I am aware that this is a topic that turns a lot of people off (so, something else in common with Tom then), but please trust my usual interesting, humorous style (he says humbly) – read on and I am sure there will be something in this newsletter that can apply to you/your business. If not, call me on 01491 659073 for details of my guarantee offer!!

So, what do I have to say about risk in business? My main message is that everyone should assess, and manage, the risk in their business at some level.

**Why assess risk?** In my view, three words sum up the benefits of undertaking an assessment of risk within your business:

- **Responsible** – it is proper adult behaviour to understand what you are getting into, what may happen if things go wrong and what you stand to gain or lose in a venture. In my experience, planned-for events are far less catastrophic than surprises.
- **Resilience** – if we have assessed risks, and put in place measures to manage them, our business has far greater resilience – we can survive many more strong winds if we are designed to flex with the breeze. We can cope with Plan A going awry if Plan B is to hand.
- **Resourceful** – I believe that businesses who undertake assessment of risk identify areas that could save them money, make them money or create better value for customers. It is part of the discipline of critically challenging how you do business, which leads to improvement.

**What should I assess?** There are obvious areas to assess, and key ones would be:

- **Loss of Business Risk** – many businesses are vulnerable to the loss of one big customer, or a particular referral source. How exposed are you to losing a big chunk of your work?
- **Loss of Staff Risk** – this is usually called the “big red bus problem”. What happens if you, your receptionist or some other key member of staff gets hit by a bus? Or, more cheerfully, they win the lottery and tell you to shove your job? What back-up do you have in place?

- **Loss of Knowledge Risk** – even if your staff dodge the bus, they may move on to pastures new. Are your business processes reliant on people or systems? Is one member of the team carrying everything in their head?
- **Loss of Premises Risk** – in recent years I have seen people affected by fire, flood and theft (not all the same person, no one I know is THAT unlucky!). What plans do you have in place if your business is flooded, or your laptop is stolen? What business continuity plans do you have/need?

**How do I do this?** This doesn't have to be difficult, or time consuming. Just follow these easy steps:

- **Assess the Risk** – use the questions above, Google for some ideas, or use a professional – but just think through where you are vulnerable and identify those weak points.
- **Identify the Quick Wins** – usually when doing this, people will see obvious areas where they can do something quick and easy to address a risk. Improved signage, better security, proper insurance etc.
- **Develop Procedures** – create something appropriate to your business that makes sure some of the issues are addressed – Office Manuals can reduce the loss of staff risk, proper data back up can reduce the impact of a flood or fire etc. Document what needs to happen daily, weekly and monthly to protect your business.
- **Get Insured** – many of these issues are insurable risk – so speak to your broker about proper cover for certain eventualities.
- **Get a Plan** – for the bigger issues, plan how you will address them over time (and of course, follow the plan).

**When should I do this?** Usually I leave the decision about taking action after these newsletters up to you, but this time I want to be a bit stronger. Risk assessment can always be put off, and so that is what happens. Having seen the impact of some of the risks discussed, I would very heartily recommend the following:

- **In the next ten days** – find time on a train, before a meeting or at the end of a day to spend 10 or 20 minutes thinking through what this newsletter raises – and sketch out your initial assessment. Get started!
- **In the following ten days** – develop this initial assessment into a plan of what needs to be addressed, with some concrete actions.
- **In the following ten days** – implement those easy steps which are likely to emerge from your initial assessment.
- **After that** – schedule a regular time to implement the long term plan and review progress – probably only 30-60 minutes a month for a small business.

So, in a month, you'll have it all done. I'll be asking in the next newsletter!

Finally, we need to answer the "Who" question. Not why did they ever reform as a band, but who should do this work? If there is just you in the business, you will obviously do a lot, but if you employ people, involve them – they know their jobs better than you! There may be some professionals who could help, and here are some names:

Marc Osborne at Macbeth's insurance is brilliant at talking through business risks, and what could be insurable. [www.macbeths.co.uk](http://www.macbeths.co.uk)

Rebecca Russell at Goode Business Management is the place to go for help managing risk through management systems, QA and health and safety. [www.goodemanagement.co.uk](http://www.goodemanagement.co.uk)

Tim Lazenby of Netsecured specialises in IT security and business continuity. [www.netsecured.co.uk](http://www.netsecured.co.uk)

If you need help undertaking the initial assessment and want someone to talk it through with, James Butler of Painless Business is a really nice guy and can help. Just click Reply!

## *Painless Business News*

I mentioned in the last issue that I was testing a theory on my reader stats (test and measure is a good discipline in marketing!). It would appear that my theory is correct. There is a statistically significant increase in the number of people who open my newsletter when it has a picture in. I always used to have a picture (like the Risky Business poster), but had dropped it in recent years. However, I now have evidence to suggest that using a picture will cause more people to read my newsletter – I think that is really interesting! But what is it about the picture that causes that to happen? Any theories/counter arguments gratefully received!

Also following on from the last issue, I am delighted to report that Hilary completed her walk, and smashed her fundraising target, so thanks to anyone who supported her. It was an amazing achievement, best described by her official summary: "I did it, it was tough, I ain't doing it again." Fairly clear then!

Finally, I would like to use this space to promote a free Small Business Support Day on 17 June at Jennings' gorgeous serviced office building in Chalgrove. Organised by two good networking contacts of mine and featuring free advice from many local professionals (including me), I think it will be a great event for anyone in the South Oxfordshire area. Email [sarah@jennings.co.uk](mailto:sarah@jennings.co.uk) or call 01865 893 304 for details.

## *Book Review*

Thanks to the superb Mobile Library that stops almost outside my house, this month I have enjoyed *Lost in Transmission* by Jonathan Harley, detailing his experiences as an Australian broadcaster in India, Pakistan and Afghanistan in the late 1990s/early 2000s. Apart from rekindling my love of India (and rekindling Bev's distaste at some aspects of going there), it was an interesting insight into the issues surrounding that area as it became the focus of the War on Terror. I thoroughly recommend it!

My other reading this month has been "Motorhome Monthly" and many similar publications, as Bev and I have perhaps rashly invested in such a vehicle for the next phase of our travels. So my most apparent risk at the moment is low bridges, narrow gateways or perpetual rain every weekend over the summer!

## *Painless Puns*

Literally as I typed this newsletter, the following quote appeared by email, so it had to be included!

*Adversity causes some men to break; others to break records.* William A Ward

I also recently received the following:

*There are risks and costs to action. But they are far less than the long range risks of comfortable inaction.* John F. Kennedy

Obviously JFK is not the perfect icon for risk management, given the manner of his sad and unfortunate demise, but wise words nonetheless.

Some puns for you:

Heard about the sign on the lawn at the drug rehab centre? It said "Keep Off the Grass".

Time flies like a bird when you're having fun. Fruit flies like a rotten banana.

## *Final Words*

With so much to talk about, this newsletter is slightly longer than normal. I hope you have still enjoyed it, especially the 100+ new subscribers this month – welcome.

Don't forget, starting to properly manage the risks in your business can have so many benefits – and you can be well on top of it well before you get the next issue! Have a great month.

Warmest regards

James Butler

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Careful assessment of your needs ensures that the most appropriate intervention is supplied – whether one to one ongoing coaching, strategic reviews, training events or facilitated group exercises within a team.

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