**A Guide to Risk Taking at NYSHealth**

In April 2011, a group of staff met and considered the topic of risk taking in our grantmaking. Some shared understandings emerged from the discussion, which are captured by the discussion notes below. In addition, a recommendation was made to develop a checklist (also included below) that could be used by staff to more systematically assess the potential level of risk when evaluating a proposal or project.

**What is NYSHealth’s definition of risk taking?**

* No guaranteed returns, definite possibility that a project won’t work
* Risk is best considered along a spectrum of possibility
* It can involve “getting out of our comfort zone” by doing new things or working with unfamiliar entities
* There are different “flavors” of risk such as risk to our reputation, financial risk, the opportunity costs involved, our ability to attract/retain staff, and our relationships with partners

**Why should NYSHealth take risks?**

* Taking a risk can produce bigger potential rewards
* Don’t take risks for the sake of taking risks
* Taking a risk can fill a gap that no one else is addressing
* Taking risks can make us a leader and improve our reputation

**When should NYSHealth take risks?**

* When we have the ability to manage/mitigate risk
* When NYSHealth has a unique or competitive advantage
* When it is consistent with our mission and priorities
* When an opportunity is time-sensitive
* When NYSHealth has a track record of success to fall back on
* When it is “the right thing to do”

**A Checklist: Elements to Consider When Assessing Risk**

* What is the track record and capacity of the organization?
* Are there multiple partners involved? If so, does that increase or decrease the risks involved?
* To what degree are all the details of the project worked out?
* Is the project using an untested model, or relying on something that has been proven?
* How small or large is the financial cost?
* Are the expected outcomes short, medium, or long term?
* How easy or difficult will it be to measure impact?
* Is this a politically sensitive topic?
* What factors in the external environment could influence the project?
* What changes in circumstances could potentially affect the project?
* How much internal expertise does NYSHealth have in this area?
* How certain is the sustainability of a project, if sustainability is an applicable goal?