

Risks in Family Philanthropy – Annotated Framework vsn 2

Organizational Risk

Risk Culture

What is our collective ability to identify, evaluate, openly discuss, and act on risk?
What tolerances or intolerances for risk and failure have built up over time?

Reputation and Brand

What is our reputation and trust in the community? How could new decisions change that or our ability to attract future resources and partners?

Personal Risk

Cognitive and Cultural Biases

How do hidden mental shortcuts affect how I perceive the world and make decisions?

Decision-Making Habits

Are my default methods for reaching conclusions appropriate in this situation?

Philanthropic Profile

What values and experiences influence my wish to make a difference?

Reputation and Identity

How will a decision change my standing and power in my family, the organization, or community?

Foundation Strategy Risk

Idea

Is our perspective on the issue accurate? How complex is the problem? How new or untested are solutions?

Implementation

What is our role in the larger system? Do we have the capacity to implement with high integrity? Can we adapt to unexpected challenges or opportunities?

Evidence

How well can we measure quality and results? What will happen if evaluation shows no or low impact, or even harm?

Grant or Investment Risk

Compliance

Do the organization and transaction meet legal and fiduciary requirements?

Organizational Strength

Is the organization financially healthy, well-run, and well-connected? What is its track record?

Risk-Reward and Opportunity Cost

Is our level of investment appropriate for the potential rewards? What are the trade-offs for not doing something else?

Similar Questions to Strategy Box

- Strategy & Idea, Implementation, Evidence

External Risk

Sector

What are the stability and maturity of this “industry” and its approaches to problems?

Political

What is the potential for changes in public will, political will, policies, and key allies?

Environmental & Economic

How could weather changes, natural disasters, or economic turbulence impact success?

Dependencies

How could potential problems in logistics, supply chains, or other partners impact success?

