



Elevating Your Essentialness

By Eradicating Embarrassing Experiences



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Meet your presenter

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- Over 30 years of managing risks
- Former Director of Risk – Fortune 500 company
- Risk Consultant – over 10 years – Fortune 100's
- Been through the “school of hard knocks” and learned from the ground up –
- *"I'd rather mitigate than experience risks."*

Life isn't like a box of
chocolates. It's more like a jar
of jalapenos.
What you do or don't do
today, might burn you
tomorrow.



What worries you about your Museum?

What would keep you from “telling your story”?



What if ...



- The “unspeakable” happened?
- That disastrous, embarrassing event occurred –
- AND your museum was impacted ...
 - Your ability to serve your community was lessened,
 - Confidence in your organization was diminished,
 - Your reputation was tarnished, OR,
 - EVEN WORSE ...
 - Your museum had to close, AND
 - **You were no longer essential to your community???**



HOW CAN YOU MAINTAIN, ELEVATE YOUR MUSEUMS “ESSENTIALNESS”?

Are you well-equipped or ill-equipped to do this?

How will you respond when the “spit hits the fan”?

Are you reacting – after the fact?

OR

Did you already anticipate this possibility

ARE YOU REACTIVE – OR – PROACTIVE???



Sounds simple but THIS is NOT an easy job!

- 850 million visits to American museums each year
 - More than all major sporting events & theme parks
 - COMBINED
- Museums contribute more than \$21B to economy
- Employ nearly half a million people nationwide
- With all of THAT – there is A LOT to (over)see and manage.



AND, on top of THAT ...

- **PUBLIC SCRUTINY** is now the norm!
- Every move we make (nearly) is being scrutinized.
 - Often by others – that have NO vested interest in what you do or what you're trying to accomplish.
- Social media is “overflowing” with examples!
- Watchdog organizations are ready to call attention to your “misstep(s)”.



Preparation is the key!

YOU NEED TO PROTECT YOUR RESOURCES at RISK

What is your most important resource?

- Reputation
- Property
- Financial
- Staff
- Other?



Museum Risks We Regularly See

(from claims submitted to Markel)

- Slips Trips and Falls !!!
- Vehicle related
- Water Damage
- Wind
- Vandalism / Theft



Goal today is to review some of these and others to allow you to ask yourself how you are doing.

The Essential Link – YOUR RM plan

risk
assessment

management
expectations
and RM
training

properties,
collections, and
facilities

records
management
and disaster
recovery

program
development

auto exposures

staff,
participant, and
visitor safety

hiring and
volunteer
policies

staffing
employees,
volunteers, and
subs

non-profit
board and exec
management
governance

insurance

contracts –
what are you
agreeing to?

social media

creating a
culture of risk
management

monitoring and
updating RM
program



What is risk management?

Managing risk means developing a practical plan to

identify (seeing)

manage

minimize

the adverse effects of the unexpected on your museum.

**Risk management is about looking ahead
and forward planning**



Management is the key!!!

- It begins with YOU!
- Help everyone understand risks
- Create a culture or risk management by:
 - Educate everyone – how much risk is acceptable
 - Have policies in place to manage risks
 - Risk is part of everyone's job
 - Dealing with risk is everyone's responsibility
 - Hold everyone accountable
- This can be VERY complicated!
- But it doesn't have to be – to get started.



To look forward, look inward and Ask:

1. What can go wrong ?
2. What are you concerned about ?
3. What will you do to prevent harm from occurring ?
4. What will you do to lessen the worry?
5. How will you finance that?



Risk assessment process

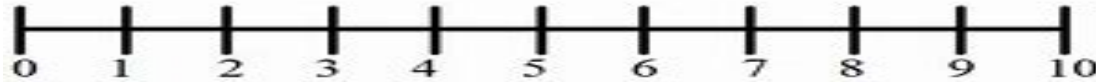
Simple 4-step process to manage risk

1. Identify all the different risks you face
2. Evaluate (1 to 10 scale)(risk matrix)
3. Prioritize
4. Decide



The goal is to identify and prepare for the normal (and not so normal) risks of operating a museum.
Are you prepared for those “embarrassing” situations that could keep your museum from being essential?

Evaluating Risks



5x5 RISK MATRIX

Highly Probable	5 Moderate	10 Major	15 Major	20 Severe	25 Severe
Probable	4 Moderate	8 Moderate	12 Major	16 Major	20 Severe
Possible	3 Minor	6 Moderate	9 Moderate	12 Major	15 Major
Unlikely	2 Minor	4 Moderate	6 Moderate	8 Moderate	10 Major
Rare	1 Minor	2 Minor	3 Minor	4 Moderate	5 Moderate
	Very Low	Low	Medium	High	Very High

PROBABILITY

IMPACT

Risk management techniques

1. Avoidance
2. Modification
3. Retention/assumption
4. Transfer



Getting started - in a practical way

- **1. Create a working group –**
 - include representatives with different job responsibilities
- **2. Brainstorm events and scenarios**
 - that could create risks for your organization
- **3. Rank the risks by likelihood and impact.**
 - Absolute precision is not necessary (Scale of 1 to 10, Risk Matrix)
- **4. Now for controls and solutions:**
 - List existing controls already in place, new ones needed. How will you address this challenge?
- **5. Select an appropriate point person**
 - Who will be responsible for championing each high-priority concern?
- **6. Establish a way to measure results**
 - How will you know how you are doing?
 - Keep it simple. Communicate your progress.



So How Aware Are You of These Risks?



Knowledge in Motion

(aka – Transition Planning)

- What does it take to run your museum?
- Picture it.
- All the knowledge and things your museum involves and runs on!
 - Where is it?
 - Who maintains it?
 - Is it accessible?
 - Where is it vulnerable?
- Think about 4 or 5 work-related things you know – important things others know.
 - Which has the highest value?
 - Where is it stored?
 - If you were to leave museum, would other people be able to find it?



Emergency Preparedness ... It's Expected of You!

Don't get caught with your ~~pants~~ plans down.
You are expected to be prepared!

- NOW is the time to:
 - Identify potential emergencies
 - Establish site-specific plans to deal with these.
- Are you prepared for:
 - Storms, Fires, Floods
 - Power outages, Chemical issue, Active Shooter Situation
 - Other local risks



Crisis and emergency planning



- Don't think it can't happen to you
- It's not a matter of "if" – it's a matter of "when"!
- Make a list of things that could happen (Talk to your attorney – with them it may be privileged)
- Consider your risk factors and review incidents tracked
- Prioritize (consider a risk matrix)
- Create a plan around each risk (involve staff and outsider resources)
- ID potential internal and external weaknesses
- Develop back up plans (Plan B)
- Define responsibilities of staff
- Attend a VAM emergency preparedness workshop!



Crisis and emergency planning (cont.)

- Utilize local agencies (i.e. fire) for pre-incident planning
- Find out information
- Call for emergency services
- Account for uninjured
- Stabilize the situation (greeters and media)
- Establish crisis headquarters and crisis team
- Call on emergency resources and support services
- Manage the media
- Post incident (organize files, report, debrief)
- Check out www.dPlan.org



And How About Your Property?



When did you last do a Facility Risk Assessment?

Common Facility Risk Exposures Include:

- **Good Housekeeping**
 - All neat and orderly? Is there a focus on this?
- **Exteriors**
 - Walks, steps, lawns, trees & shrubs, lighting
- **Parking lots**
 - Traffic flow, security, lighting, cameras, pedestrians, weather
- **Roof Concerns**
 - Drains, gutters, downspouts, HVAC, age, flashing, access, age
- **Entries, Halls and Passageways**
 - Weather, slip & fall, lighting, security, stairwells, egress
- **Offices**
 - Egress, ergonomics, storage, trips & falls, security, cyber risks
- **Utility & Storage**
 - Chemicals, other hazards, fire prevention, storage, age



Premises & Operations



- Is your museum layout and daily visitor count compatible?
- Are collection items displayed securely?
 - Free standing pedestal displays?
 - Hanging display items?
 - Items in glass display cases?
- Are common areas (walkways, galleries, etc.) free from clutter?
- Floor & floor covering conditions free from fall hazards?
- Rest room conditions?
- School children tours? Adequate supervision?
- After hour party or social events?



Hiring and employment policies

- People are your most precious asset
- A common area of great risk for museums
- Establishes consistent and fair hiring and employment practices
- Should reflect the interests of participants served
 - Especially if vulnerable participants are served
 - Does it embrace diversity and inclusion (US demographics are changing)
- Clear and concise writing--**staff handbook**
- Consistently applied
- Meets applicable regulations
- Reviewed by legal/HR counsel



hiring and
volunteer
policies

Questions you might ask regarding your employment policies & procedures:



1. Are they clear & concise?
2. Do they apply equally throughout organization?
3. How are they communicated?
4. Do we promote consistency? Diversity?
5. Are our managers trained to apply policies?
6. How is hiring done?
7. Are screening & background checks done?
8. What are our background checking policies?
9. Policies consistent with local & federal regulations?
10. What are our termination policies?
11. Are terminations policies uniformly applied?



Backup staffing & transition planning



Dilbert 11/19/11

Backup staffing & transition planning

Staffing is the heart of your museum!
How will you back up key positions?

Ask:

1. What positions should be “red-flagged” for backup plans?
2. How will we back up staff that are suddenly unavailable?
3. Is knowledge transfer a top priority for your museum?
4. Are my staff all cross-trained to handle emergencies?
5. Is the financial staff cross-trained so that checks and balances for handling money are in place?
6. Do departing employees share their specialized knowledge about their role, the workplace and everything in between?

Cross-train and job-rotate for key positions.



Reduce your risk – with Redundancy

Establishing a routine redundancy for essential operations and personnel will ensure that when Plan A goes offline, your projects and museum impact won't be derailed.

- Consider these **three methods of redundancy** to reduce the risk of operational failures in the event of an exit:
 1. Plan for turnover by developing & documenting succession strategies.
 2. Cross-train your teams.
 3. Encourage & invest in career development training



Your frontline staff, mid-level managers, executives, board and other key volunteers are the pipeline that feed life into your museum. Don't get disrupted by a sudden departure.

Reference: eRisk News; 2/5/2020; "Redundancy to Reduce Rattle" by Whitney Claire McKim (Nonprofit Risk Management Center)

Volunteers



**Volunteers are a wonderful thing ...
they also expose your museum to risk.**

- Policies and procedures must be adapted for volunteers
- Check with legal on state regulations
- Generally, volunteer policies = “lite” employee version
- Volunteers (also) need to be:
 - Selected
 - Screened
 - Oriented
 - Trained for their tasks
 - Evaluated on their performance

hiring and
volunteer
policies

Questions you might ask regarding volunteers

1. How will volunteers be used?
2. How many will have direct contact with clients?
3. To what degree will they have contact with clients?
4. What happens if a volunteer is injured?
5. What rights will a volunteer have when they feel they have been treated unfairly?
6. Will volunteers be allowed to drive company vehicles?
7. Will volunteers be required to drive their own vehicles?



Staff, participant, and visitor safety

Determine risks faced by:

- Staff
- Visitors
- Participants
- Children
- Community served

Risks may include:

- Slips, trips & falls
- Emergency preparedness
- Unstable displays
- Vulnerable participants (children, elderly)
- Special events involving, live music, weddings, walk-a-thons, events with liquor, etc.
- Workplace violence

A red oval with a black border containing the text "staff, participant, and visitor safety".

staff,
participant, and
visitor safety

Questions you might ask regarding safety

1. How frequently do safety incidents come up?
2. How will we deal with them?
3. Who is responsible for mitigation efforts?
4. What costs are associated with each event?
5. What costs are associated with initiatives to mitigate them?
6. What safety & legal regulations are applicable?



What is at risk and how are you covered?

properties,
collections, and
facilities

Museum insurance lines

Property

- Buildings
- Collections – art and artifacts
- Business personal property (contents)
- Outdoor property (such as fences and playground equipment)
- Business income and extra expense

Commercial general liability

- Slip and fall
- Damage to property of others

Commercial auto insurance

- Liability and physical damage
- Scheduled (owned) vehicles
- Hired/non-owned autos

Crime/theft

Umbrella excess liability

Workers compensation with employers liability

Directors and officers and employment practices

Accident medical

Your insurance agent should be familiar with what you do and apply the insurance tools you need.

Participate in insurance

- Insurance coverage = your circumstances
- Work with agent/broker familiar with your risks
- Together--analyze best options for your museum
- Use risk assessment information:
 - Risk transfer
 - Risk finance
 - Risk mitigation
- Expect (at a minimum) an annual review of policies and your strategic growth plans so that adjustments can be made when needed
- Expect your broker to understand your cash flow
- Go over ALL contracts with your insurance agent



*Needing insurance is
like needing a
parachute. If it isn't
there the first time,
chances are you won't
be needing it again.*

Ask your agent/broker to help you develop strategies to both reduce risks and lower the cost of insuring against your risks.

Workers compensation

1. Volunteers should be trained, vetted, and covered by an Accident Medical Policy
2. Training and safety programs implemented for staff and volunteers
 - Programs should highlight key risks
 - Ensure training exists on any known areas of concern on the property
 - Awareness of local weather patterns along with appropriate response(s)
 - Emergency preparedness
3. Claims--Incident reports for all incidents
4. Regulatory postings must be made to comply with state laws
5. Return to work program with light duty alternatives
6. Ensure high quality repairs and facility work
 - Licensed and insured (sub) contractor
 - Collect certificates of work comp insurance naming Museum as the certificate holder for any work sub-contracted out.

staffing
employees,
volunteers ,and
subs

Crisis Communication



“When written in Chinese, the word 'crisis' is composed of two characters. One represents danger and the other represents opportunity.”

John F. Kennedy

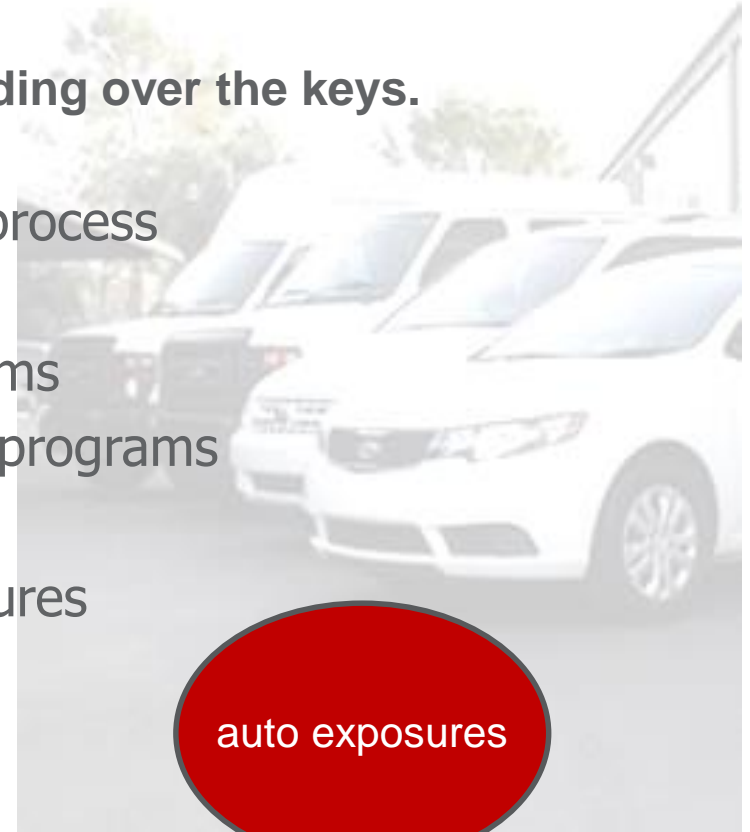
Properly dealing with a crisis is essential – are you prepared?

- Have you designated a crisis communications protocol
- Are you prepared to manage the message and the media
- Do you understand your potential audience
- Will you be able to communicate early and often
- Remember to always tell the truth
- You should never ignore the situation

Auto exposures

Managing your drivers is more than just handing over the keys.
It includes:

- Driver selection and driver evaluation process
- Demonstrating management support
- Developing written policies and programs
- Orientation, on-boarding, and training programs
- Focus on managing driver safety
- Managing hired and non-owned exposures
- Managing volunteer exposures
- Transporting children
- Process for incident reporting
- Remaining cognizant of **vehicle "type" exposures**
- Developing methods for safety advisory input
- Protocols for inspections and maintenance



Security



Are you protecting against burglary, sabotage and destruction?

- Do you utilize any early intruder detection recognition devices? Sensors can:
 - Detect vibrations
 - Detect broken glass
 - Detect movement
 - Detect unauthorized openings of doors and windows
- Other security considerations include:
 - Security guards / video monitors
 - Secure locks on doors and windows
 - Valuables stored in high quality, leading brand safe
- Work with someone trained who can carefully select & configure your security needs. This will enhance your ability to detect intruders and minimize their impact.

Record retention and business continuity

records
management
and disaster
recovery

- Expectation is for you to be able to access records efficiently and quickly whenever needed.
- You should have uniform document retention and destruction procedures--that are followed!
- Work with legal counsel--assure no privacy issues
- Special focus on how policy is created, maintained, who is responsible, and how staff is trained
- Include both paper and electronic documents

Documents and continuity

Develop backup disaster plan for protecting your records.

Ask:

1. If I have a fire, major water damage, or experience a catastrophe, how will I recover my records?
2. Should I use a fireproof cabinet?
3. What to do with personnel and medical records?
4. What information should be saved off-site?
5. What information do I need to keep safe at all times so I can continue to operate even in emergency catastrophe situations?
6. How should I test the procedure in drills?
7. Have we had any past problems? How did we correct them?
8. Do I need separate document programs for different programs? (HR)

Solutions do not need to be costly or complicated.

records
management
and disaster
recovery

Cyber & Technology Issues

What's Behind the Yellow Brick Road?



Cyber Threats are Everywhere – We're All at Risk

- Examples: Cyber Extortion, Breach of Personally Identifiable Information, Data Restoration Costs, Malware, Ransomware, Resulting Business Interruption Losses

Have you:

- Had a credit or debit card number used illegally?
- Known someone who has had their number used?
- Received an unsolicited e-mail requesting personal information or verification of a password?
- Accidentally downloaded a virus on your PC?



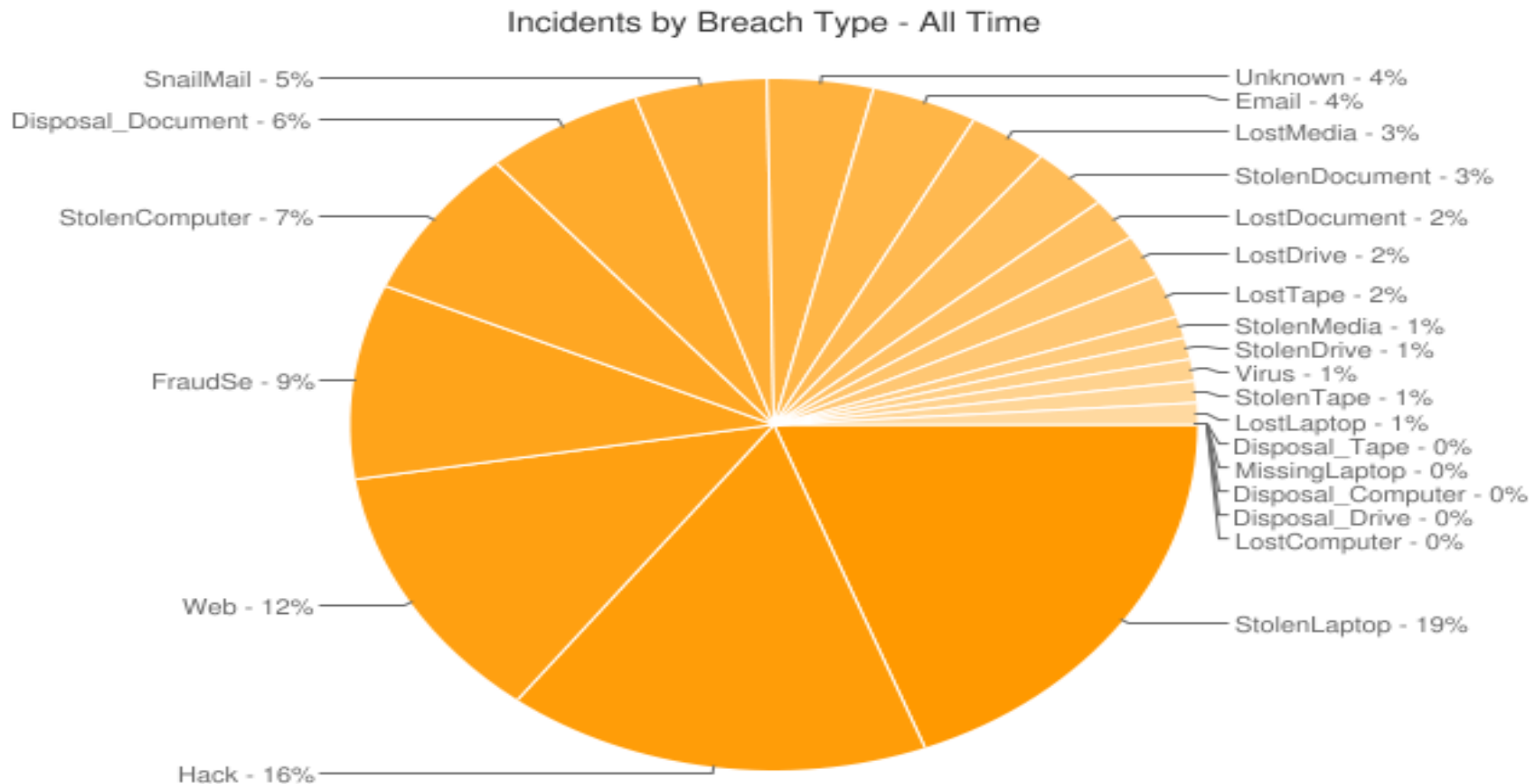
The Need for Cyber Liability Insurance

- Attackers are extremely sophisticated
- Even though coverage may be viewed as costly, its time to consider transferring this risk in the form of Cyber Liability insurance
- The best security program can still be vulnerable
- Need to have a plan in place in the event of an incident, how your organization responds and recovers including financial support
- Employees are the cause of many data breaches



Reality – DataLossDB

Most frequent data breaches are workers that are just trying to do their job and “mess up”.



What Can You Do?

What You Can Do

- Conduct an Audit of IT Infrastructure & Processes
- Establish “Positive Pay” Process to Prevent
“It’s your boss! Please wire \$50,000 to our new vendor ASAP!”
- Tips for secure computing and social media
(<http://www.staysafeonline.org/>)
- Shred your confidential mail
- Do not send sensitive information via email
- Don’t click any unknown / untrusted links
- Be careful and know what information you share (social networks)
- Consider Purchasing Cyber Liability Insurance



Managing social media risks

Your organizations has the ability to harness the power of social media, but that power comes from the people.

Consider these steps to protect your museum and your reputation

1. Assemble a small team to monitor feedback 24/7
2. Establish guidelines that are updated frequently
3. Establish a response team
4. Use social media as an investigative tool
5. Report suspicious activity
6. Guard your information
7. Manage feedback and manage loyalty
8. Check out what your fellow staff are saying on social media sites
9. Check out what your fellow staff are saying on social media sites (again!)
10. Use "social" etiquette



Business Continuity



- *Given that 25% of business do NOT reopen following a major loss event, a business continuity plan (BCP) is one of the best investment you can make!*
 - Goal is to recover all museum critical processes
 - Minimize the impact for employees, customers and your brand identity
- Even minor disruptions can cause significant damage
 - Power failures, broken water pipes, loss of computer data, etc.
- Business Continuity Plan should contain:
 - Information needed to get your museum up and running after an incident or crisis
 - List of roles & responsibilities during an incident
 - Emergency response checklist
 - Key contacts for all staff, contractors & suppliers (including off-hours #s)
- Appoint a person to:
 - Create, develop, test & maintain Business Continuity Plan

Foster a culture of risk management



Goal: “Risk is routinely managed. It is a part of business.”

- Routinely examined
- Integrated into day to day operations
- Just a part of what you do

creating a
culture of risk
management

Things managers can do to promote

Start at the highest levels!

1. Operate in a transparent and ethical manner
(be open about making, and remedying, a mistake)
1. Promote a sense of accountability
2. Build risk management into operations
3. Include risk management in program development
4. Incorporate good control standards
5. Establish ways of monitoring when problems arise
6. Determine methods to address risks that are beyond threshold
7. Check VAM, SEMC, AAM for resources

creating a
culture of risk
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Summary to Success



Reckless leaders take reckless risks; prudent leaders take calculated risks.

Risk Management is the “calculator.”

Make a conscious effort to identify and manage your exposures.

ASK

- Can you **avoid or eliminate** the risk?
- If not, can you **control or mitigate** the risk?
- Can you **transfer the responsibility of financing** the risk?



Ah-ha moments → Takeaways

- Schedule a meeting with staff
- Have an open discussion about risks
- Start developing YOUR list of risks
- Talk to your agent/broker about
 - What insurance coverages my museum needs
 - Review contracts
- Make a list of your assets
 - Include statement of values
 - Take photos/videos to document
- Prioritize risks and choose Top 5 (or less) concerns
- Use a small group to review each chosen risk
- List steps / actions that can be taken to reduce negative effects



Wow! ... that Mike really
knows his Risk
Management stuff!

Questions?

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Thank you!