

Training and Risk Management Newsletter



Harvey B. Lermack & Associates

Help everyone to understand the basic concepts of risk management with ...

The Book of Risk

Inside this issue

- A review of a good, basic book about risk management that you can use to explain the concepts to line managers and workers. P. 1.
- Why it is important to include listening skills in our communications skills training courses. P. 1.
- Some lessons for getting your employees' attention, from the "attention industries". P. 2.

In the next issue

- Training your first line supervisors.
- More about listening skills training.

Every operational manager and supervisor must understand the basic concepts of risk management, and his or her own propensities toward risk, in order to make informed decisions.

Further, as the social contract between businesses and individuals has changed, individuals have increased responsibility for their own future. They must understand the basic risk management concepts in order to succeed personally as well as professionally.

In many organizations, the educational process is left to the risk management experts. When basic concepts become clouded in technical terms, their relevance to the everyday operations may be unclear.

For several years, I have been looking for a concise book about risk management.

In "The Book of Risk," a small, easy to read 235 page book, Dan Borge uses a common sense approach to make the basic concepts easily understandable to everyone.

Instead of complex definitions, he indicates that "Risk means

being exposed to a bad outcome," and "Risk management means taking deliberate action to shift the odds in your favor." He stresses that risk is not something to be necessarily avoided, but rather to be understood and turned to our advantage.

Borge covers the basic underlying mathematical tools in less than 50 pages. Next, he briefly discusses the various risk strategies (quantifying, preventing, diversifying, etc.) that we can use to manage the risks we identify. While these may seem obvious, this section serves as a brief menu or checklist we can all refer to on a daily basis.

He spends about a third of the book addressing the concepts of business risks and financial risks. This is where the book becomes a bit more technical and specialized.

But then Borge turns to my favorite part of the book—how the risk management concepts apply to each of us in our daily lives.

In the chapter "You Are in Charge of Your Life," Borge links all of the theory back to the

types of personal decisions that each of us must make.

In the final chapter, "Risks and Opportunities," he discusses how some of the issues that we discuss in Management class may be dealt with using risk management tools. He points out that, as the world is getting more competitive, interconnected and complex, businesses must react to increasing global competition, to more numerous and interconnected financial markets, and to global capital markets that exert significant influence on the economies of all nations. He also notes that individuals must now take charge of their own risks because there is no longer anyone to do it for them. This includes career management, health insurance and pensions, and other risks that were previously managed by their organizations.

I recommend that you use The Book of Risk to help teach managers how to use risk management tools to make more effective decisions in the new environment.

Improve everyone's communications skills with ...

Listening Skills Training

During each of my classes that involve communications skills (almost all of them), I ask the participants to enumerate the reasons why we all have such poor listening skills. They always list such specifics as "being preoccupied" or "thinking about what to say next."

Next, I ask how many have attended a class in effective presentation skills. Most attendees usually indicate they have.

Finally, I ask how many have attended a listening skills course. Frequently, the number is zero.

By including effective listening skills training in more of our courses, we can begin to address the deficiencies and make drastic improvements in the communications processes. In the next issue, we'll discuss some steps to do so.

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Harvey B. Lermack & Associates is a professional education, training and consulting firm. Our mission is:

- *To help organizations improve risk management, environmental, health and safety performance through innovative training and education programs. The key result—your employees know how to identify, assess, and manage the risks at their workplace, reducing incidents and costs and improving productivity.*
- *To help organizations develop leaders at every level by delivering effective professional development training. The key result—leaders who bring a strategic focus to their daily and long-term activities.*
- *To ensure the success of these and other training and development efforts by utilizing innovative performance management techniques, working with individuals and small groups to ensure changed behaviors. The key results—safer operations, better performance, and reduced costs.*

My associates and I bring extensive industrial, academic, training and consulting experience to this unique mission.

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Training and Consulting Services

Risk Management Training
Behavioral Safety
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Strategic Planning and Management Skills
Leadership Skills for the 21st Century
Managing Change
Performance Management
Effective Networking & Alliances
Cultivating Influence
Coaching and Counseling Skills
Facilitation Skills for Teams and Meetings
Developing & Delivering Effective Training Programs
Balancing Work, Family and Career, and Time Management
Personal Skills Development

Here are more tips on ...

How to Get Your Employees' Attention

Last month, we told you about an article in the Harvard Business Review, titled "Getting the Attention You Need," which discussed some specific communications concepts that can be applied to the training business.

Here is some additional information from the article, that is relevant to a broad range of communications issues.

Characteristics of Messages That Get People's Attention

According to research, the messages that get people's attention have the following characteristics (in order).

Attention—getting messages:

- Are personalized
- Evoke an emotional response
- Come from a trustworthy or respected sender
- Are concise

Companies often send their most important messages through the most impersonal channels, such as by lengthy articles in the company magazine, or in widely distributed electronic messages. Further, training is often depersonalized through CD-ROM's or other distance learning techniques, without customization for the audience. Do these tactics really get the attention you need?

Lessons From the Attention Industries

The article also points out that we can learn a lot about getting and keeping people's attention by following the lead of the "attention industries" - advertising, television, film and print—and summarizes some of the key research findings from those industries.

If you are trying to improve your communications methods, or if you are still doing training "data dumps" onto people who don't really care, you can use some of the points in this article to immediately improve your communications and training approaches.