



## **Trust vs Risk**

**by Bob Whipple, MBA, CPLP**

This summer, Nik Wallenda walked across Niagara Falls on a cable. Exactly why he did that is lost on me, but that doesn't matter. He seems to have a pretty high tolerance for risk. For each of us, it is a risky world. We each know one thing for certain: "life is terminal." Nobody gets out alive.

Thinking about the various types of risk has occupied my mind for several years. For example, since I make my living helping groups understand how to build more trust, the relationship between trust and risk is important to me. Whenever you trust another person, it implies some risk. That is actually one way to define trust: setting aside the fear of being let down by another person. I find it helpful to embrace the occasional betrayal of trust as a trigger point to build even higher trust in the future. That requires some work, but it is well worth it.

Another aspect of risk is the inherent risk of avoiding an action out of fear. The risk is that we are shutting the door on a potential learning experience. We learn at least as much from our failures as we do from our successes, so by tolerating the risk enough to try things that may be scary, we can grow. It is only a matter of degree that we will choose whether to risk something.

For example, I may be walking across a country road and accepting the risk that a car might come along and hit me. That risk is pretty small since there is almost no traffic, and I would hear a car coming long before being struck. By contrast, I may be on foot crossing seven lanes of traffic going 70 mph. That would simply be foolhardy.

The smart thing to do is what our parents taught us. Try to avoid the risks in life, but recognize there is risk in taking (or even in avoiding) any action. We need to learn to take intelligent risks and make sure if things go wrong that we document what was learned by the experience.

Mitigating risk is not all that complex. We just need to identify potential problems and create plans to avoid disaster in the event they occur. Most of us do those things instinctively.

Here are seven tips for dealing with risk in business.

1. Recognize the element of risk in all activities and in trusting others.
2. Think through each potential action from a risk standpoint. What can go wrong?
3. Keep in mind the risk of being too conservative with actions: the risk of doing nothing may be the most costly risk.
4. Prioritize risks by Identifying the most likely scenarios.
5. Identify potential work-around plans for serious consequences.
6. Anticipate when things are starting to go wrong and intervene early.
7. Admit any mistakes, learn from them quickly, then move on.

If we approach risk from the opportunity perspective, we can use it as a growing experience rather than debilitating force in our lives.

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