



## **Hungry for Success?**

**By Belinda Mumma, senior consultant, enterprise risk management services  
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Are you hungry for success?

The goals of every credit union are to help their members and expand their institutions. So how do you achieve the success you strive for? As with any venture, the key to success is taking risks.

Without dropping out of Harvard, Bill Gates may never have founded Microsoft, the most successful computer program ever invented. But he took the risk.

So what risks are you willing to take? That all depends on your risk appetite, or the amount of risk your credit union is ready to take on to meet your strategic goals. To determine your risk appetite, you may want to ask yourself these questions:

- How much risk is realistic if we want to succeed?
- What type of situation constitutes too much risk?
- At what point does risk interfere with our performance?

All of these questions are crucial in pinpointing your risk tolerance, or the kinds of risk your institution is willing to handle. Risk tolerance depends on a clear set of boundaries that protect your credit union from taking unnecessary risks. If you can't justify investing \$100,000 in a new core system, then it exceeds your risk tolerance.

In order to determine the appropriate risk appetite and risk tolerance for your organization, the conversation should start during the strategic planning process. Know your limits before you set your goals and objectives for the future. Include the decision-makers – the CEO, CFO, COO, senior management, board members – as they know best what risk is feasible and what is not.

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Whatever your goals, your credit union will benefit from having a clearly-defined risk appetite. Remember that risks are a necessary part of satisfying your ultimate goals and moving your institution forward.

In the words of Bill Gates, “To win big, you sometimes have to take big risks.”

If your credit union needs assistance with risk management, please contact Sollievo at (855) 605-5664 or email [seniorconsultant@sollievo.com](mailto:seniorconsultant@sollievo.com).

***About Belinda Mumma***

Belinda Mumma has over 12 years of experience implementing and maintaining vendor management and vendor due diligence software. During her career, she also has been responsible for policy and legal review processes; implementing, directing, and maintaining enterprise risk management software; and implementing and maintaining audit and exam findings software

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