Building the Board that Understands and Assures Perpetuity
If you had no limitations ....
Two Reasons for Having a Board

Mission Accountability
- Outcomes
- Risk Management

Financial Accountability
- Adequate resources
- Fund-raising
- Long-term viability
What board members bring to the table

- Expertise
- Experience
- Wisdom
- Influence
- Community-focused
- Fundraising
Nonprofit Lifecycle

Figure 4: Nonprofit Lifecycle Capacity Placement

Life Cycle Stage
- Programs
- Management
- Governance
- Financial Resources
- Administrative Systems

IDEA START-UP GROWTH MATURITY DECLINE TURNAROUND TERMINAL
Lifecycle of a Nonprofit and Its Board

Organizations and Boards go through a life-cycle

Managing Board
- Small
- Friend-oriented
- Operations Focused
- Programs
- Day-to-day
- Almost staff

Governing Board
- Larger
- Expertise/Talent - Oriented
- Governance Focused
- Mission
- Oversight
- Resources

Limited lifespan

Unlimited potential

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Effective Board Member

WHAT THEY BRING

- Time
- Talent
- Treasure
- Influence

WHAT THEY AVOID

- Tactical Issues
- Day-to-day activities
- Operations
When Boards Don’t Work

COMMON MISTAKES

- Setting unclear or few expectations
- Focusing on trivial issues
- Not providing information and lead time for mission critical decisions
- Not knowing when to say ‘goodbye’

BOARD MEMBER PET PEEVES

- Unstructured meetings that end up in the weeds
- Mission creep
- Absenteeism
- ‘Founderitis’
Once upon a time ....
Demands for the future

- Effectiveness
  - Outcomes and Results

- Efficiency
  - Money, Time, and Energy

- Accountability
  - Trustworthiness
Legal Responsibilities

- **Duty of Care**
  - Pay attention to the organization’s activities

- **Duty of Loyalty**
  - Put the interest of the organization before personal or professional interests

- **Duty of Obedience**
  - Comply with applicable federal, state and local laws, adhere to the by-laws and remain guardians of the mission.
TEN BASIC RESPONSIBILITIES OF NONPROFIT BOARDS

1. Define mission and purposes and advocate
2. Select the Chief Executive
3. Support and evaluate Chief Executive
4. Ensure effective planning
5. Monitor and strengthen program and services
6. Ensure adequate financial resources
7. Protect assets and provide financial oversight
8. Build and sustain a competent board
9. Ensure legal and ethical integrity
10. Enhance organization’s public standing
The Board Building Cycle

Identify
Cultivate
Recruit
Orient
Involve
Educate
Evaluate
Rotate
Celebrate!
Step 1: IDENTIFY Board Needs

- Skills, knowledge, perspectives, and connections for strategic planning
- Board needs assessment
- Identify sources of board members with the desired characteristics
Step 2: CULTIVATE Potential Leaders

- Ask current board members, senior staff, and others to suggest potential candidates with needed characteristics
- Invite these candidates to connect with the organization
- Get them interested in your organization, and keep them informed
Step 3: RECRUIT Prospects

- Describe why a prospective board member is wanted and needed
- Explain expectations and responsibilities and don’t minimize requirements
- Invite questions, elicit their interest, and find out if they would be prepared to serve
- Recruit a diverse board
Step 4: ORIENT New Members

To the organization:
- History
- Programs
- Pressing issues
- Finances
- Facilities
- Structure (organization chart)

To the board:
- Committee structure
- Board member responsibilities
- List of board members and key staff
- Bylaws
- Recent minutes
Step 5: INVOLVE

- Discover board member interests and availability
- Involve them in committees or task forces
- Assign them a board “buddy”
- Solicit feedback
- Hold everyone accountable
- Express appreciation
Step 6: EDUCATE

- Provide information on mission and services
- Explore issues facing the organization
- Hold retreats and encourage board development activities by sending board members to seminars and workshops
- Don’t hide difficulties
Step 7: EVALUATE Board

- Evaluate the board as a whole, as well as individual board members
  - Engage the board in assessing its own performance
  - Encourage individual self-assessment
- Examine how the board and chief executive work as a team
Step 8: ROTATE Board Members

- Establish term limits (and enforce them!)
- Do not automatically re-elect; consider the board’s needs and the member’s performance
- Explore the advisability of resigning with members who are not active
- Develop new leadership
Step 9: CELEBRATE!

- Recognize victories and progress – even small ones
- Celebrate accomplishments
- Appreciate individual contributions – to the board, the organization, and the community
- Make room for humor and a good laugh
Board Member Renewal Exercise
Handling Common Board Challenges

- Waning attendance
- Inactive committees
- Poor percentage of board giving
- Rubber stamping
- Chief executive turnover
Exercise: Generate Board-Building Ideas

- On your own, come up with one or two ideas that might strengthen your board.
- Write them down
- Take 3 minutes
Instructions: Idea Hunt

- Your mission is to get three ideas from other participants
- Take your ideas to share with others
- Talk to at least three people – none of whom can be sitting next to you
- Write down ideas you learned
Executive Director or Board: Sharing Leadership

The board takes the lead when it:

- Articulates the organization’s values through policies that put the mission into action
- Hires, supports, and evaluates the chief executive
- Opens doors to fundraising in the community
- Monitors fiscal management, approves the budgets, and ensures there’s an audit
- Selects, recruits, and orients new board members
The chief executive takes the lead when he/she:

- Develops and proposes policy questions for the board’s consideration.
- Hires, supervises, and motivates staff.
- Develops and implements programs.
Sharing Leadership (Continued)

Board and staff share the lead when they:

- Develop a strategic plan
- Create a fundraising plan and strategies
- Initiate and implement evaluations
- Prepare for board meetings
Governance Committee

- Lead board recruitment, orientation, and education efforts
- Encourage ongoing board development
- Help clarify board roles and responsibilities
- Assess board effectiveness
- Ensure board leadership, including succession planning and nominations
And They Lived Happily Ever After
What’s Next?

- What is Working Well?
- What is Not Working Well?
- What Would you Like to do Differently?
Danosky & Associates helps non-profit organizations build the capacity to move their strategic vision forward with a solid foundation and an army of support behind them.

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