Salesforce’s Certificate Series of Nonprofit Board Education

Webinar Week 2
Welcome Back!

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Check-in

Last week’s topics:
- Board roles and responsibilities
- Board structure
- Governance documents
Week 2 Agenda

Ingredients for Effective Governance:
Where and How the Board Does its Work

1. Board/Staff Partnership
2. Board Meetings
3. Building a High Performing Board
1. Board-Staff Partnership
Exceptional boards govern in constructive partnership with the chief executive, recognizing that the effectiveness of the board and chief executive are interdependent.
Forces for Good: Six Practices of High-Impact Nonprofits

• “most of the (CEOs) we interviewed maintained that their relationship with the board was critical”

• “high impact boards—
  • CEOs share power & leadership, each has a critical but different role to play;
  • are highly engaged;
  • work well with the executive leadership;
  • have evolved as the org has grown”
Chat

Which kind of information would you rather receive in preparation for board meetings? Why?

A

B
Chief Executive

Coordinates and directs the affairs of the organization
– has immediate responsibility
– is accountable to the board

Board

Governs the life of the organization
– has ultimate responsibility
– is accountable to the public trust
What Expectations Have You Set?
What should the board expect from the CEO?

1. Positive attitude toward partnership
2. Identification of issues; strategic information
3. Proposals for policy changes
4. Engage board in advocacy & resource development
5. No surprises
<p>| | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>What should the CEO expect from the board?</strong></td>
<td></td>
</tr>
<tr>
<td><strong>1.</strong></td>
<td>Informed and prepared directors; questions</td>
</tr>
<tr>
<td><strong>2.</strong></td>
<td>Timely and clear decisions</td>
</tr>
<tr>
<td><strong>3.</strong></td>
<td>No micro-managing</td>
</tr>
<tr>
<td><strong>4.</strong></td>
<td>Advocacy/fundraising/access</td>
</tr>
<tr>
<td><strong>5.</strong></td>
<td>No surprises</td>
</tr>
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Chief Executive and Board Balance

CE Engagement → Is Displacing Board
GOVERNANCE AS OBSERVATION

CE → Is Going Through the Motions with Board
GOVERNANCE AS ATTENDANCE

CE → Is In Constructive Partnership with Board
GOVERNANCE AS LEADERSHIP

CE → Is Displaced by Board
GOVERNANCE AS MICROMANAGEMENT

Source: Richard Chait, et.al, “Governance as Leadership”
Why Do Board Members Manage?

- Near term always seems more urgent
- Management issues create immediate satisfaction
- Want to help and near term seems more helpful
- It’s what board members know best – as a result of our jobs, other boards
- It’s what is modeled by others
Your Thoughts/Questions

Roles
2. Board Meetings
Chat

How frequently do you meet as a full board?
## Leading With Intent Meeting Data

### What We Found

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Half of nonprofit boards</td>
<td>Meet 6 or fewer times per year</td>
</tr>
<tr>
<td>52% of boards</td>
<td>Meet every other month or less</td>
</tr>
<tr>
<td>16% of boards</td>
<td>Meet between 7 and 9 times per year</td>
</tr>
<tr>
<td>33% of boards</td>
<td>Meet almost monthly</td>
</tr>
</tbody>
</table>

78% of boards meet for 2.5 hours or less

### These findings must be taken in the context of other factors:
- Geographic scope corresponds to meeting frequency and length
- Multistate & national boards meet less often and longer
- Local and state boards meet more often and shorter
Roles of Nonprofit Boards

- Set Strategic Direction
- Ensure Adequate Resources
- Fiduciary Oversight
“Exceptional boards purposely structure themselves to fulfill essential governance duties and to support organizational priorities. Making governance intentional, not incidental, exceptional boards invest in structures and practices that can be thoughtfully adapted to changing circumstances.”

(Intentional Board Practices: Principle 10, The Source)
Consent Agenda

- Written set of proposals that requires board action but not discussion/debate (e.g., minutes, dates of meetings)
- Circulate to board in advance
- During meeting, remove any issues that the board would like to discuss
- Board votes approval of amended agenda and moves on to critical issues
Sample Consent Agenda

A. Welcome and Chair’s Remarks

B. Consent Agenda
   • Approval of Minutes of May 15, 20XX
   • Accept Chief Executive’s Report
   • Accept Committee Reports
Culture of Inquiry - Checklist

- Questions are welcomed
- Differing viewpoints are encouraged
- Unwritten rules are explained
- Timely information exchanges
- Open communication
- Actively seek different viewpoints
- Tolerate ambiguity
- Brainstorm silently and openly
- Consult outsiders
- Search widely for information
Ways to Avoid “Group Think”

• All board members are “essential evaluators”

• Leadership should avoid stating their position or preference at outset of deliberations

• Appoint a “devil's advocate” to question assumptions and plans for key decisions

• Ask for everyone’s opinion on critical matters
  ➢ Five Finger Consensus or Index Cards or Round Robin
Ways to Deliberate Differently

**Catalytic Questions**
What is the biggest gap between the case we make for support and our actual accomplishments and actions? What does that say about the organization?

**Future-Perfect History**
It is the year 2020 and we have achieved the desired recognition! This achievement could not have happened if this board of directors had not ____.

**Retrospective Thinking**
What are our organization's successes or setbacks? How and why did they happen? What does this mean to the future?

**Dominant Narratives**
How do you trace the organization’s past trajectory or saga? What does it mean? What does it say about what to do next?
Executive Sessions

- Opportunity for the full board to meet in private with and without the chief executive
- Must be used when confidentiality is required
- May also be used more routinely to strengthen mutual understanding, board cohesion, and the board/chief executive partnership
- Should be used consistently to alleviate feelings of apprehension and lessen the secretive and covert atmosphere
# Board Meeting Evaluation

<table>
<thead>
<tr>
<th>Agenda</th>
<th>The agenda was clear, supported by the necessary documents.</th>
<th>Y/N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepared Board</td>
<td>Board members were prepared to discuss materials sent in advance.</td>
<td>Y/N</td>
</tr>
<tr>
<td>Reports</td>
<td>Reports were clear and contained needed information.</td>
<td>Y/N</td>
</tr>
<tr>
<td>Strategic</td>
<td>We focused on strategically important issues.</td>
<td>Y/N</td>
</tr>
<tr>
<td>Diversity of Opinions</td>
<td>A diversity of opinions was expressed and issues were dealt with in a respectful manner.</td>
<td>Y/N</td>
</tr>
<tr>
<td>Board Chair</td>
<td>The chair guided the meeting effectively.</td>
<td>Y/N</td>
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</table>
“Exceptional boards embrace the qualities of a continuous learning organization, evaluating their own performance and assessing the value they add to the organization. They embed learning opportunities into routine governance work and in activities outside the boardroom.” (Continuous Learning: Principle 11, The Source)
What are Dashboards

- Brief reports of results over time
- Early warning devices for board and staff
- A supplement to what the board receives from the CE
- Can take many forms depending on the needs of the organization
Graphic Dashboard

Program Oversight Tool

1. YTD Budget Status
   - YTD Act.
   - FY 21/22
   - FY 19/20
   - FY 20/21
   - FY 18/19

2. Supporting Data
   - YTD
   - FY 21
   - FY 20

3. Income Sources
   - Earned Income
   - Public Support
   - Investments

4. Cumulative Income
   - YTD Act.
   - YTD Last
   - FY 21/22
   - FY 20/21
   - FY 19/20

5. Members
   - New
   - Renew
   - Net

6. Public Support
   - FY 21/22
   - FY 20/21
   - FY 19/20

7. Total Visitors
   - Paid Attendance
   - Other
   - FY 21/22
   - FY 20/21
   - FY 19/20

Highlights

- Membership: Total membership declined by 64% since last year, or 22.8%. More troubling is that over twice as many members lapsed during this period - 921 compared to 437. Had the lapses remained constant, our membership would have declined by only 5.7%.

- Budget Status: Income is ahead of last year but below budget. By controlling expenses, YTD net is significantly greater than last year, and almost 5x this year's budget.
http://dashboard.imamuseum.org
In Conclusion: Meet Smarter

**PLANNING AND PREPARATION**
- Annual board meeting calendar
- Pre-reading materials and reports
- Consent agenda
- Dashboards
- Experts, guests, facilitators

**IN THE BOARDROOM**
- Foster boards’ ability to seek more information, question assumptions, and challenge conclusions
- Draw on multiple sources of information and perspectives
- All voices are heard
- Use Executive Sessions
- Periodically evaluate meetings
3. Building a High Performing Board
Responsible vs. Exceptional Boards: What’s the Difference?

“The difference between responsible and exceptional boards lies in thoughtfulness and intentionality, action and engagement, knowledge and communication. This difference – this source of power – serves as the multiplier that powers exceptional boards.”

The Source: Twelve Principles of Governance that Power Exceptional Boards
Twelve Principles of Governance That Power Exceptional Boards

1. Constructive Partnership
2. Mission Driven
3. Strategic Thinking
4. Culture of Inquiry
5. Independent-Mindedness
6. Ethos of Transparency
7. Compliance with Integrity
8. Sustaining Resources
9. Results-Oriented
10. Intentional board practices
11. Continuous Learning
12. Revitalization
Our Goal – More Effective Boards and Board Members

Dysfunctional
- dramatic disengagement, conflict

Functional
- of no real consequence

Responsible
- compliant

Exceptional
- anticipates, plans, sees opportunities

Unconscious

Conscious Enlightened
“Exceptional boards institutionalize a culture of inquiry, mutual respect, and constructive debate that leads to sound and shared decision making. They seek more information, question assumptions, and challenge conclusions so that they may advocate for solutions based on analysis.”

Principle 4: Culture of Inquiry, The Source
CULTURE OF INQUIRY

IS AN ENVIRONMENT WHERE BOARD MEMBERS:

- Solicit and explore divergent views in a respectful manner
- Have equal access to information
- Question assumptions
- Are willing to gather relevant information to inform decisions
- Voice their concerns before reaching a collective decision

IS NOT:

- Endlessly questioning every issue or recommendation brought to the board
- Meddling
- A culture of indecision and avoidance
See you next week!

Thursday, March 2nd
9:00 – 10:30AM

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