**New Executive Boot Camp**

*Effectively Managing the Board of Directors*

Presented by

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**Who is Managing Whom?**

- Executive
- Board

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**Major Assumptions to Get Started:**

- The board is responsible for the organization and accountable for all the organization does.
- The chair is the head of the board and the strength of the board, and many times the organization, hinges on his/her effectiveness.
- The board needs a capable CEO.
- The board governs and the CEO directs and manages. Both LEAD the organization.
Board Responsibilities

Boards = Legal Guardians of the Organization

- Granted the AUTHORITY to make decisions on behalf of the organization
- Must be ACCOUNTABLE for organizational performance

The Board’s Legal Responsibilities

- Duty of Care
- Duty of Loyalty
- Duty of Obedience
- Transparency

Kentucky Statutory Standards of Conduct for Officers and Directors

- in good faith
- on an informed basis
- in the best interests of the organization
- "ordinary prudent person" standard
- reliance on committees and experts
- what happens if the standards are not met?

(KRS 273.215 and 273.229)
Protecting Your Organization

- Directors and Officers Insurance
- Financial Audit
- Legal Audit
- Policies
  - Conflict of Interest Policy & Annual Disclosure
  - Whistleblower Policy
  - Document Retention Policy
- Process for Determining Reasonable, Yet Competitive Compensation

The Board’s Role

- Articulate the Mission & Set Organizational Direction
- Ensure Necessary Resources
  - Human
  - Financial
- Provide Oversight
  - Finances
  - Supervision and Support of the Executive

The Responsibilities Clarified: The Board

The Board is authorized by the state of Kentucky and the organization’s donors to govern the life of the organization

- Establish mission, ensure necessary resources and develop guiding principles
- Retain ultimate responsibility and power
- Is accountable to the public trust and the organization’s constituents
The Responsibilities Clarified:
The Executive

The Executive is authorized by the board of directors to manage the daily affairs of the organization
• Supports the board with strategic information, ideas and connections
• Manages the affairs of the organization through appropriate planning and implements programs as outlined by the mission
• Retains operational responsibility and power

The Responsibilities Clarified:
The Partnership

The organization’s health depends on an effective partnership between the board and the chief executive, which
• Requires open and regular communication between the board chair and the executive director
• Requires a willingness on everyone’s part to ask questions and examine assumptions
• May need redefinition over time as the organization grows and changes
• Benefits from regular feedback and assessment

Leadership Expectations

Expectations Must be Clarified:

• Is the CEO an “employee” who will do what the board directs?
• Is the CEO the “out front” leader?
• Is the CEO a “partner” with the board?
• Who supervises the CEO?
What Should the Chief Executive Expect of the Board?

- Participation
- Competence
- Support
- Contributions/Fundraising
- Enthusiasm
- Responsiveness

Expectations: What About the Board Chair?

- Leadership – having a vision and the ability to attract, motivate and guide followers to achieve that vision.
- Involvement
- Presiding – an art
- Bridge-Building
- Eye on Succession

Board Members: Governance vs. Helping

**Governance – Full Board**

- Oversight
- Hire & Support CEO
- Big Decisions

CEO Under Board Direction
Board Members: Governance vs. Helping

Helping Role – Individuals
• Membership
• Ambassadors

Members = Volunteers & Under Staff Direction

6 Rules for Getting the Best from Your Board

Partnership involves:
– Working for the board
– Working with the board
– Working the board

1. Make Mission Matter

• Cultivate the board’s (and your) passion for the mission
• Continue to remind board members of the organization’s accomplishments
• Help them share their passion for the mission
2. Know the Organization

- Inside and out, past and present, internal and external perspectives
- Understand the organizational culture and work to develop a new one if necessary
- Establish a learning organization that expects all staff (including you) and the board to grow skills and abilities

3. Cultivate Relationships

- Practice self-management
  - Stay organized – delegate/committees
  - Ask questions
  - Listen
  - Concentrate
  - Be flexible
- Don’t hover
- Pick your battles
- Look for the positives, opportunities for praise

- Avoid self-defeating habits like:
  - Doing everything yourself
  - Blaming the staff
  - Hiding behind the board
  - Drowning the board with information
  - Leaving well enough alone
  - Crying wolf/Operating in ongoing crisis mode
  - Focusing on a few board members and ignoring the rest
4. Inform and Communicate

- Prepare board members for success, recognizing that information does not equal communication
- Meaningful communication:
  - Be honest and open
  - Deal with issues head on, don’t let them sit
  - If you don’t know, say so
  - Respond quickly

Other Communication Tips:
- Meet face to face to share sensitive/confidential info
- Be efficient with email – incessant updates on trivial issues or whenever you have a thought will eventually train board members to ignore, delete or delay in reading messages
- Distribute board and committee meeting minutes/to do’s shortly after the meeting so members can easily follow up on their tasks
- Alert the board chair when board members who have volunteered for a task are MIA and this may negatively affect the committee, board or organization

5. Facilitate a Balance in the Partnership

- While CEO and board each have responsibilities, recognize that understanding who does what is not always clear cut
- A CEO not investing in education of their board is more likely to be subject to micromanagement, misdirection and disengagement
  - Board orientation, ongoing education are essential
- Insist on a formal evaluation
  - Assuming everything is “OK” is dangerous, so don’t wait for the board to initiate the evaluation
  - Waiting for “surprises” at the evaluation is also dangerous, so encourage ongoing opportunities for feedback
5. Facilitate a Balance in the Partnership

Warning Signs:
- You are giving orders to the board rather than discussing issues together
- You interact with the board only at board or committee meetings
- You perform your duties without the benefit of feedback from the board
- You or the board chair make unilateral decisions
- You are not sharing information because you think it will make life easier
- Board members are disengaged (not showing up, not responding, etc.)
- You are disorganized, unprepared, overwhelmed

6. Structure the Board’s Work

- While this can be like herding cats, it will pay off in the long run
- Guide strategic planning and the subsequent action plan
- Assist in finding the right board members
  - Staff the governance committee
  - Help the chair keep the committee on track
- If needed, help the board chair shift the culture of the meeting from rubber stamp to dynamic discussion
- Don’t leave a board meeting without accountabilities clearly defined – for you, other members, committees

Reasons That Board and Staff Teams Stumble

- Lack of Accountability
- Unclear definition and understanding of roles and responsibilities
- Lack of focus on critical issues
- Board Chair lacks savvy
- CEO lacks savvy – doesn’t understand how critical the partnership is and how essential they are to the success of the partnership
Reasons the Board Doesn’t Engage:

- The board is too large – not enough work to do
- The board is too small – members feel overwhelmed or suffer from limited perspectives
- The executive committee is too active – meets too often and the rest of the board feels useless
- Members receive insufficient or ineffective orientation
- Agendas are weak – lack substance and relevant discussion
- Members do not feel their skills are being used
- There is little or no opportunity for discussion – bored or frustrated
- The board lacks social glue – members have little in common except board service

Troublesome Board Members:

- Distinguish between troublesome and truly troubled.
- Explore underlying causes.
- Bring them closer.
- Carefully schedule meetings and craft agendas.
- Model appropriate behavior.
- Ensure by-laws address removal of a board member.
- Implement term limits for a less direct approach for removal.
- Deal with it: removal or wait it out.
- Prevention is the best tool: focus on recruitment orientation and ongoing education

A Self-Help Guide

- Know yourself and your limitations
- Think positively of your board, always – rise above damage control thinking
- Be sure to structure time with the whole board, small groups and individual members
- Be thoughtful about your communication with the board – how, when, where, how often. The goal is for the board to feel smart, not overwhelmed
- Accept responsibility for the work the board expects from you – clarify, negotiate and then deliver
- Embrace the inevitable changes that come with a new chair, new members, etc.
A Self-Help Guide

- Make strong governance YOUR priority – become the expert
- Allow yourself private moments to throw your hands up in despair, then collect yourself and strategize on how to make it better
- Avoid surprising your board at all costs
- Welcome and encourage questions, feedback and assessment
- Treat your board members as your best volunteers. Recognize a job well done!
- Realize there will be missteps and failures in your attempt to build relationships with the board – learn from them, move on
- Building/repairing board relationships takes time

Tools to Help Your Organization

- Strategic Recruitment of Board Members
- Up-Front Recruitment and Orientation for New Members
  - Board Member Position Description
  - Annual Board Member Agreement
- Ongoing Education of Board
- Board Self-Assessment Process
- Annual Evaluation of the CEO

Reasons People Join Boards

- Altruism and concern for the public good
- Community status and/or public visibility and recognition
- Altruistic business interests
- Pressure from peers
- Desire to “get in there and get things done”
- Desire to learn
- Desire for meaning in one’s life
- Desire for power
Understand the Board Building Cycle

Materials to Share with Prospective Board Members
- Organization’s info (brochures, etc.)
- Board and committee rosters
- Brief written history of the organization
- Calendar of upcoming board and committee meetings
- Organization’s expectations of board members (job description, board member agreement, etc.)

Orienting the Board

Orient to the Organization:
- Program Information
- Financial Information
- History of the Organization
- Strategic Direction
- Organizational Structure

Orient to Board Service:
- Roles and Responsibilities
- Board Operations
- Board Members

Assess Skills Needed
Keep the Board Fresh

• Use staggered term limits
  • Refreshes the board
  • Encourages diversity
  • Rotates off those members who are ineffective, burnt out or troublesome

• Evaluate
  • Board meetings
  • Board effectiveness

Shake Things Up

• Use nameplates and change where board members sit
• Restructure the agenda
• Meet in a different location
• Give everyone an index card at the end of the meeting and ask "How could this meeting have been better?"
• Have lunch before a board meeting to build social glue

Helpful Publications

  • Getting the Best from Your Board
  • The Board-Savvy CEO
  • The Nonprofit Leadership Team
Questions?

Tools to Assist Your Organizations

Principles & Practices for Nonprofit Excellence in Kentucky

- Guide – Over 1500 downloads to date
- Organizational Planning & Implementation Workbook
- Online Resources
- Training/Education
- Consulting
- KY Nonprofit Best Practices Partnership
**KNN Discount Partners**

**NEW State Association Health Plan**
- An insured program through Anthem Blue Cross/Blue Shield
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**Upcoming Events**
- **Executive Retreat**
  August 28, 2015, Lexington
- **Webinar: Ways You Can Save!**
  September 17, 2015
  October 15, 2015
- **Webinar: Using the Principles & Practices Tools to Strengthen Your Organization**
  September 24, 2015

[www.kynonprofits.org](http://www.kynonprofits.org)
Upcoming Events

October 27-28, Lexington Convention Center
Visit www.kynonprofits.org/forum to register!

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- Advocacy
- Principles & Practices for Nonprofit Excellence in Kentucky & the Best Practices Partnership
- Resources – sample policies, evaluation tools, etc.
- Post an open position in our Career Center