

Guest Article
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High Performing Boards

By Bob Harris, CAE

Nonprofit boards strive for excellence. During tough economic times many high performing boards have relied on these ten principles to improve governance.

Entrepreneurial Spirit – High performing boards know the importance of generating income (a.k.a. non-dues revenue) and apply principles of running a business. They develop programs and services to market beyond their existing members. Some organizations license their programs and content to other organizations. They are driven by a customer-service attitude and aggressively seek new markets. They empower committees and staff to develop products that produce streams of revenue.

Strategic Direction
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 Collaboration

Competitive Advantage – Members want to belong to an organization that provides a competitive advantage. Great boards recognize and deliver relevant benefits; focusing less on *growing* membership and more on providing solutions. Benefits and services are marketed to serve the unique needs of each member (one size *doesn't* fit all.)

In situations where growth has stalled, the board has critically analyzed the package of benefits in order to *demonstrate value* and return on investment (ROI). The value proposition should exceed the price of dues.

Strategic Direction – A strategic plan is the fifth¹ most important governing document. The process to create the plan allows directors to be introspective and to set long-term goals (seldom undertaken at board meetings.) *Without a plan*, leaders focus on current projects and seldom beyond the end of their terms.

Today's plans have transformed into documents that inform and rally members, build coalitions and guide volunteers and staff. The 100-page strategic plan has been replaced with a handy 1 to 3-page guide promoting the organization's core competencies and direction. The goals, usually numbering 3 to 7, are supported by the fresh strategies offered by the leadership, staff and committees.

¹ Hierarchy of Board Governing Documents

1. mission statement
2. articles of incorp.
3. bylaws
4. policies
5. **strategic plan**
6. budget
7. program of work

Golden Handcuffs – A “golden handcuff” is a highly valued benefit that supports recruitment and retention.; sometimes in the form of insurance, certification,

accreditation, or access to information. Organizations with a golden handcuff often have greater market penetration and member satisfaction.

Committee Cleanup – Obsolete committees have been purged --- aligning the remaining committees with the mission and goals of the organization. Task forces are replacing standing committees. Ask a busy volunteer to serve on a standing committee and he or she may answer, “no thanks.” Instead, offer them a task force opportunity with a narrowly defined project that will disband upon completion.

Committees can be an asset or liability. Great committees have clear purpose statements, precise current-year charges (with performance metrics), and board or staff liaisons. Their work produces *results* in the form of new products, research, white papers, meetings and manuals.

Mission Driven – The IRS approved the exemption from paying income tax based on the organization’s mission statement. High performing boards maintain focus; they’re quick to question discussions and activities that use resources outside the mission. It is common to see the mission statement displayed in the boardroom or at the bottom of agendas.



Leadership Development – Leadership development is one of the most important roles of the board. The role of the nominating committee can’t be overstated because of its long-term impact.

In order for the nominating committee to vet candidates it is armed with information that communicates roles and responsibilities. The committee’s folder includes the conflict of interest statement, director job descriptions, bylaws, articles of incorporation and the strategic plan in order to inform and qualify potential board leaders. A



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prospective leader is provided with the board’s leadership manual before accepting the nomination. The work of the nominating committee can be expanded to include planning the annual leadership orientation and conducting a yearly board performance review.

Future Focus – Organizations inadvertently focus on the past. Their newsletters and websites direct members to meeting minutes, bylaws and committee reports. The perspective is like looking in a rear-view mirror. Promote member interest in the organization’s future by directing them to the strategic plan, position papers and performance metrics.

Collaboration – Successful boards collaborate. Victories seldom result when working in a silo. In addition to forming strategic partnerships, organizations are aligning

themselves with *causes* that reflect positively on their efforts. For instance, you might expect to see a homebuilders association collaborating with the chamber of commerce on advocacy, environmental groups on sustainability, and Habitat for Humanity to serve the community.

Professional Staff – The economy has forced organization layoffs, resulting in reduced, dedicated professional staffs. Boards are more aware of the unique knowledge necessary to manage a nonprofit, as well as the increased scrutiny by the IRS and media. A high performing board soars at the 50,000-foot perspective (governance), while the staff focuses on management and implementing decisions of the board.

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Note: Bob Harris, CAE, provides free nonprofit tips and templates at www.nonprofitcenter.com.

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