

Connecticut Consortium of Education Foundations

Board Effectiveness

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“Everybody’s talkin’ at me
I don’t hear a word they’re saying
Only the echoes of my mind.”

Harry Neilson

Getting to know you & me

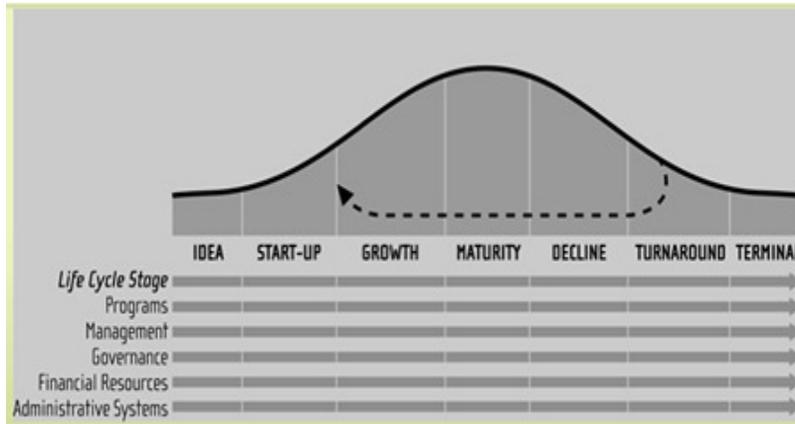
- Me:
 - Former Longmeadow Educational Excellence Foundation board member
- You
 - How many of you have no paid staff?
 - How many of you primarily “give-out” mini-grants to teachers? To students?
 - How many of you have an endowment?

What's Your Context

- “Life Cycle” Stage of your Foundation
 - The lifecycle approach to nonprofit capacity unbundles all-purpose definitions of capacity into a set of discrete stages defined by the competencies and performance measurements associated with each stage.

Nonprofit Lifecycle Stages

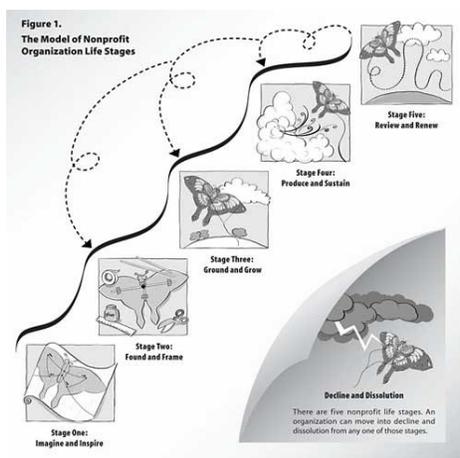
Susan Kennedy Stevens



There are different stages within the life of an organization. Not all organizations will go through each lifecycle. This model factors in the five capacity building components so that one can assess if they are working together, or if they are out of sync.

Organizational Life Stages

Judith Sharken Simon



This model illustrates the life stages of nonprofit organizations as five stages, where decline and dissolutions can happen at any stage.

There are seven arenas that characterize what stage an organization is in: governance, staff leadership, financing, administrative systems, products and services, staffing and marketing.

Each stage can also be characterized by obstacles and opportunities.

Stage	Stage 1	
Name	Imagine Inspire	
MAIN ?	Can this dream be realized?	
Time	0 to 5 years.	
Governance	Not yet a concern	1) Begin to locate people who will serve on the board. 2) Review information on how to start a board 3) Draft articles of corporation and by laws. 4) Secure a source of legal expertise.
Senior Leadership	Entrepreneurial, visionary, no positional leader, often volunteer	1) Find someone who has the time, energy, and skills to accomplish the necessary tasks to formalize the organization.

Stage	Stage 2	
Name	Found & Frame	
MAIN ?	How are we going to pull this off?	
Time	1-2 years	
Governance	Formal governance structure created, homogeneous, small, passionate board of directors, working board.	1) Create a formal governance structure. 2) Expand the board. 3) Offer Board training on basic board roles and responsibilities
Senior Leadership	Single minded, driven, sole decision maker, visionary, entrepreneurial, charismatic.	1) Provide a mentor or coach for the lead staff person. 2) Address the lead staff person's leadership weaknesses through skill building or hiring of additional staff.

Stage	Stage 3	
Name	Ground & Grow	
MAIN ?	How can we build this to be viable?	
Time	2-5 years	
Governance	Expansion of the board size, first "outsider" on board, reactive rather than strategic	1) Systematize the board recruitment process 2) Offer board training 3) Initiate annual board retreats to build the board's effectiveness in its role 4) Develop board policies and train the board to focus on its policy role.
Senior Leadership	First paid executive director, who is directive, unavailable, high-energy, needed both internally and externally.	1) Clarify executive director's primary roles, responsibilities, and accountabilities. 2) Ease the executive director's responsibilities through delegation and addition of staff.

Stage	Stage 4	
Name	Produce & Sustain	
MAIN ?	How can we sustain the momentum?	
Time	7-30 years	
Governance	The governing role is in its prime, few founding board members remain, board discussions broadly discussed, well-developed committees, board role is to ensure well-being and longevity of the organization, board - staff roles clearly defined, diverse composition.	1) Formalize an executive director performance review process. 2) Initiate an annual or biennial board self-assessment. 3) Develop or revise the board committee structure.
Senior Leadership	Well-rounded executive director, needs good delegation skills, assistant director in place, complemented by good program managers, "founder's syndrome" may be present	1) Implement and follow up on an executive director performance review to highlight potential areas of concern and opportunities for professional development. 2) Clarify the executive director's primary roles, responsibilities, and accountabilities, especially in regard to management of staff.

Stage	Stage 5	
Name	Review & Renew	
MAIN ?	What do we need to redesign?	
Time	2-5 years.	
Governance	Turnover of board membership and leadership, development of formal linkages with other organizations, clarification of board roles and responsibilities.	1) Hold a board retreat to discuss and review board roles and responsibilities. 2) Develop or revitalize the board nominating committee. 3) Initiate discussions, do site visits, or bring in speakers who represent potential partners and new perspectives.
Senior Leadership	Founder likely to leave, change agent needed, a decisive, highly motivated individual who's strength is integrating diverse perspectives, experience, and knowledge of finances required.	1) Develop a succession plan for executive director and other key staff positions. 2) Initiate a development plan for the executive director. 3) Explore ways to focus the executive director's energies and utilize his or her strengths. 4) Explore the organization's finances in-depth to uncover any vulnerability.

3 Important Modes of Functioning

- Fiduciary:
 - Requires financial discipline, managerial oversight, and fidelity to the mission of the organization; and
- Strategic:
 - Addresses the nonprofit's alignment of internal capabilities, strengths and weaknesses to external opportunities in order to maximize social impact.
- Generative:
 - Capacity of the participants to wrestle with, in their words, the "sense of problems and opportunities" that drives strategy, policy, and problem-solving in an organization.

William Ryan, Barbara Taylor, and Richard Chait

Structure vs. Process

- What is the structure of your organization?
- If “Form follows Function”, are you structured/organized well to
 - Efficiently,
 - Effectively, and
 - Economicallyperform the tasks you want to complete?

Bylaws and 3 Duties

- Probably you all have bylaws because you are already incorporated yes?
- Rules adopted by an organization chiefly for the government of its members and the regulation of its affairs.
 - Purpose, Officers, Board Structure, Decision-making, financial matters, conflict of interests, membership & responsibilities, etc.

The 3 Duties: Your Universal Baseline

- Three Legal Obligations:
 - **Duty of care:** Board members are expected to actively participate in organizational planning and decision-making and to make sound and informed judgments.
 - **Duty of loyalty:** When acting on behalf of the organization, board members must put the interests of the nonprofit before any personal or professional concerns and avoid potential conflicts of interest.
 - **Duty of obedience:** Board members must ensure that the organization complies with all applicable federal, state, and local laws and regulations, and that it remains committed to its established mission.

On-Boarding & Training Bd. Members

- How do you do it?
- Why do you do it....For Establishment of Clarity
 - A commitment to and clear understanding of mission
 - A process for surfacing and dealing with disagreement in a principles way.
 - A culture of both accountability and forgiveness.
 - Training and education.
 - Roles and Opportunities for contributing.
- Making sure there is a good “fit” between the interests of the new board member and the needs and goals of the foundation

The Seven Faces of Philanthropy

Face	Need	Motivation	Benefit
Altruists	Believe is it a moral imperative	Doing Good Feels Right	Gives out of generosity
Communitarians	Good for business	Doing Good Makes Sense	Help their own communities
Devout	God's will to help others	Doing Good is God's Will	Doing God's work
Dynasts	Families have taught them it is important	Doing Good is a Family Tradition	More effective than government
Investors	Financial benefits	Doing Good is Good Business	Tax advantages
Repayers	Feeling of loyalty and obligation	Doing Good in Return	Give out of gratitude
Socialites	Create enjoyable ways for others to give	Doing Good is Fun	Having a good time; fundraising/events

(Prince, R. and File, K., 1994, pp. 13-16)

Nominating & Adding New Members

- When, Why, and How do you add new members?
 - How are you staying fresh and relevant?
 - Complementing or competing with school PTAs and/or school boards for “engaged” and/or “wealthy” people?
- Process for Losing Member(s)?

Term Limits: Pros and Cons

What say you?

Keeping the Mission Fresh Through Performance Measurements

- What is it you want to accomplish?
- Is this goal measurable?
- How do/will you measure your performance?
 - the “performance” of funded mini-grants, scholarships, programs, staff?
- What is the “value proposition” you offer your donors?
- How do you document that VP?
- How do you share your “results” with donors?