Non Profit Governance Workshop

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Finding the Right Board Members

• Look to People that Fit with the Culture

• Clear Understanding of the Mission/Strategy

• Primary Focus of the Governance Committee

• Extensive Interview Process

• Look for Diversity

• Expertise that Might be Missing
Needed Committees

• Audit Committee
• Finance Committee
• Investment Committee
• Governance Committee
• Development Committee
• Compensation Committee
• Strategic Planning Committee
The Orientation Process

• Understanding the Culture
• Understanding the Mission
• Understanding the Strategic Plan
• Understanding Major Issues
• Understanding Management Structure
• Understanding the Budget
• Understanding Committees
• Understanding Expectations
The Governance Committee

- Monitor board composition.
- Develop and manage a network of new trustee candidates.
- Develop and manage a new trustee orientation program.
- Assess trustee performance.
- Decide whether to re-nominate sitting trustees.
- Anticipate future board leadership.
- Motivate trustees.
- Develop programs that continue the commitment of former trustees.
- Plan for periodic board assessment.
- Respect the bylaws.
Critical Success Factors

• Linking “Mission to Money”

• Aligning roles of boards and staff

• Clarifying what success looks like

• Measuring success
The Role and Importance of Mission

• Mission is the purpose of the enterprise (and it binds all those affiliated with the organization)
• A mission statement is a concise expression of what an organization is working to achieve and for whose benefit
• A nonprofit mission is distinct from a for-profit firm with shareholders (which exists to earn profits for its shareholders)
• In contrast, a nonprofit exists to be a reliable and sustainable provider to a community – fulfilling a critical unmet need
Habits of Highly Effective Boards

• Culture of Inclusion
• Uphold Fiduciary Principles
• Healthy Relationship with the CEO
• Effective Board and Committee Chairs
• Effective Governance Committee
• Consider Risk Factors
• Provide Oversight (Do not manage)
• Focus on Accountability at all Levels
• Focus on the Mission and Strategic Plan
Board Work: The Role of Culture

“A culture is a system of beliefs and actions that characterize a particular group. Culture is the unique whole—the shared ideas, customs, assumptions, expectations, philosophy, traditions, mores, and values—that determine how a group of people will behave.”

Board Culture Is Important

– How people think, feel, act, and value . . .
– is guided by ideas, meanings, and beliefs . . .
– that are shared.

– Shared ideas, beliefs and meanings lead to coordinated actions which lead to results.

– Impact on culture? Governance is a team sport, but boards are often composed of quarterbacks.
Board Culture: How Board Members Work Together

- What are the expected norms of board behavior?
- Do board members affirmatively commit to specific board member expectations?
- Is there respect for input from all board members?
- Do board members respect agreed upon areas of priority for board oversight?
- Do the few dominate the majority of the board’s time (in committee/full board meetings)?
- Does the board police board member behavior and model the same behaviors and performance expected from others in the institution?
- What other cultural elements define (should define) how the board achieves consequential governance?
Habits of Highly Ineffectual Boards

• The Dictator
• The Cabal
• The Absentee
• The Manager
• The Floaters
• The Talker
• The One Issuers
• The Founder
• The Owner
• The Fighter
What Foundations Look At

• Strong Board Oversight
• Strategic Plan
• Understanding Impact of New Program
• Board Giving and Support
• Board Involvement
• Transparency and Depth of Understanding