



M·J·Murdock
Charitable Trust

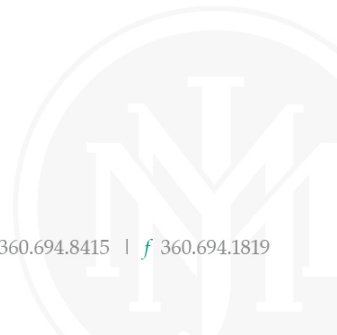
Non Profit Governance Workshop

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M.J. Murdock Charitable Trust**

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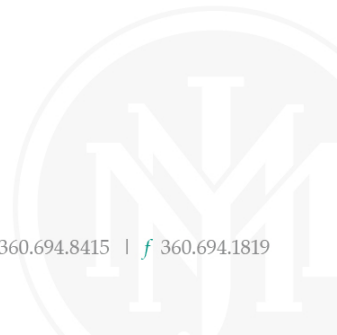
Finding the Right Board Members

- 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



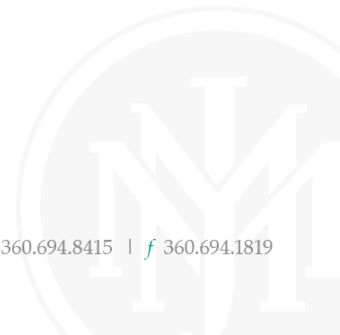
Needed Committees

- Audit Committee
- Finance Committee
- Investment Committee
- Governance Committee
- Development Committee
- Compensation Committee
- Strategic Planning Committee



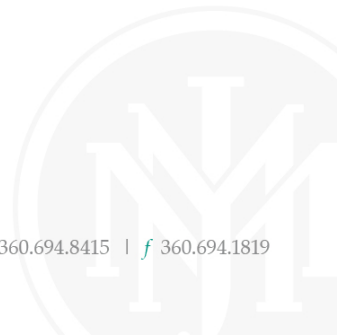
The Orientation Process

- 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.”

“Leading Change” by James O’Toole, 1995.

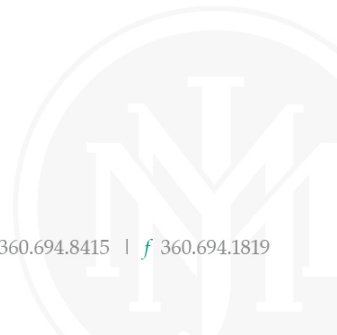


Board Culture Is Important

- 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

