M.J. Murdock
CHARITABLE TRUST

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Board Leadership & Development

Faith-Based

February 2023

Top 5 Strategic Next Steps

Ensuring the Organization for the Long Term

Top Five Strategic Next Steps

Organization Name:

STRATEGIC STEP 1		
Point Person:		
Strategic Step:		
Deadline:		
Completed Date:		Coach's Help? ☐ Yes ☐ No

Board Leadership
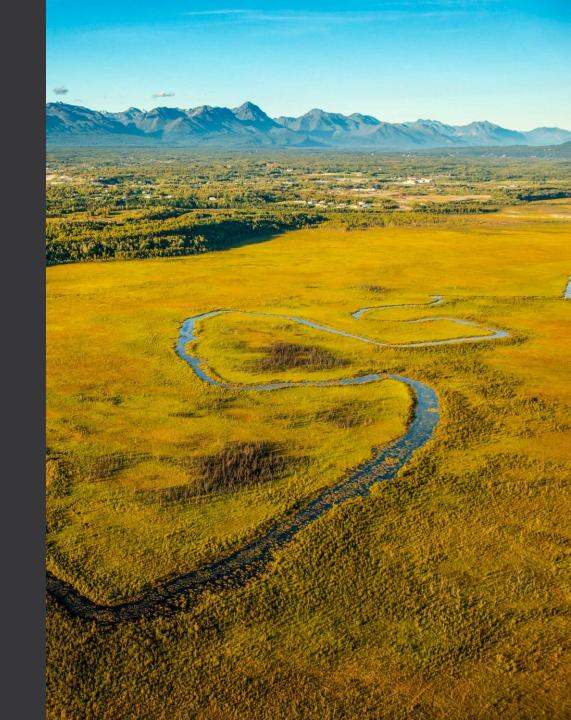& Development
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Setting the Stage:

Four Characteristics of a High Performing Board
The Well-Run Board Meeting

A High Performing Board...

1. Agrees on the governance model and philosophy (Effective **Governance** Practices)

2. Defines and maintains a healthy, mission-centered board culture (Healthy/Faithful Board **Culture**)

3. Commits to deep understanding of the organization and its context/marketplace (**Sustainable** Organizational Framework)

4. Holds the long view in mind (Dynamic **Strategic Plan**)

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Seven Keys for an Effective Board Meeting

1. Preparation
2. Agenda, agenda, agenda
3. Establish focus at the start
4. Stick to the plan
5. Documentation
6. Executive sessions
7. Evaluation

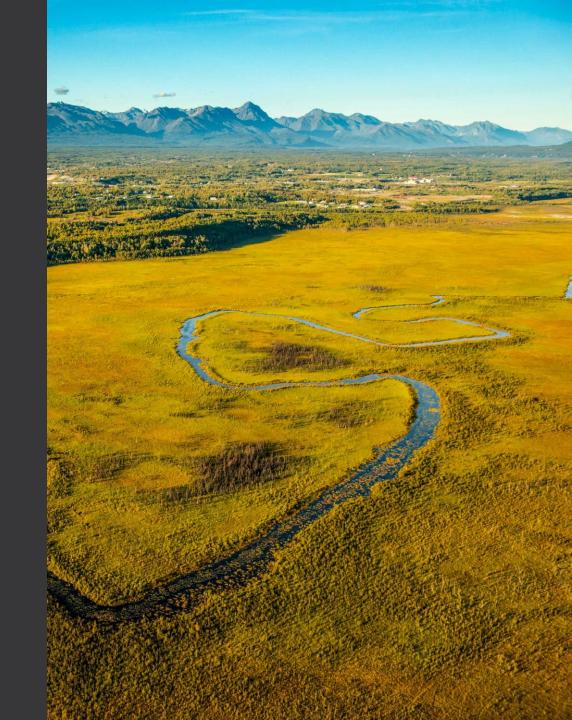Board Leadership & Development
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Governance 101:

The Primary Work of the Board on Behalf of the Organization

Ten Primary Responsibilities of the Board

1. Determine the mission and ensure it remains the focus of the organization's operations

2. Select the executive director

3. Support and evaluate the executive director

4. Ensure effective planning

5. Monitor and strengthen curricula and programs

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Ten Primary Responsibilities of the Board

6. Ensure adequate financial resources, including defining the board's role in fundraising

7. Protect assets and provide financial oversight

8. Build a healthy and faithful board, incorporating cultural competency

9. Ensure legal and ethical integrity

10. Enhance the organization's public standing

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The Primary Roles of Board Members

Governance

Volunteer

Participant

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Shared Commitments of Board Members

› Annual Affirmation Statement

› Creating alignment, agreement, and commitment

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Board Policies

The board focuses on three types of policies

› Opportunity policies provide thoughtful parameters on how opportunity will be pursued. For example, a policy may require 100% funding prior to starting a new initiative.

› Safeguard policies are written to keep the organization from misunderstanding and harm. *Conflicts of Interest* and *Dispute Resolution* are two common examples.

› Relationship policies describe the connection between the board, CEO, staff, volunteers, and constituency. Succession plans are a good example of how people will be cared for in crisis or planned transitions.

Opportunity

Safeguard

Relationship

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The Taxi

› Boards provide direction regarding destination

› You are not driving

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The Corral

› Board policies as safeguards

› Case study

Governance

› The board is a spiritual community called by God to steward/govern a piece of His Kingdom work here on Earth

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Governance

> One Board–One Voice

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Governance

› Assessment

  › Understand where you are now.

  › Consider where you want to be 12 months from now.

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Culture 101:

Creating and Sustaining Healthy Boards

"Culture is what people do when no one is looking."

Herb Kelleher, Southwest Airlines

Board Culture Defined

› Unwritten rules, assumptions, values, and social expectations that dictate how board members behave together

› How things get done, rather than what gets done

› Like background noise, it often goes unnoticed

› May seem perfectly healthy until a crisis or leadership transition occurs

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A Major Issue

› 87% of organizations see developing healthy cultures as a top challenge.

> › Heidrick and Struggles, international consulting firm

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"Culture eats strategy for breakfast."

Peter Drucker

"The most devastating effect of sin is that by it, we are blinded to it."

Billy Graham

Five Traits of Unhealthy Boards

1. <u>Dominant Few</u>

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Leads to lack of transparency re how decisions are really made

Traits of Unhealthy Boards

2. <u>Imbalanced Relationship with Executive Director</u>

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A. Board Defers too Much

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B. Board Overreaches

"Maybe we are micro-managing a bit too much."

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Traits of Unhealthy Boards

3. <u>Christian Nice</u>

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Traits of Unhealthy Boards

4. <u>Too Homogeneous</u>

WHEN ALL THINK ALIKE,
THEN NO ONE IS THINKING
- WALTER LIPPMAN -

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Traits of Unhealthy Boards

5. Weak Chair

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A. Has low emotional intelligence

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B. Is unfocused/ undisciplined/ easily diverted

"I don't want to take this meeting off track, but.. isn't *Stonehenge* amazing? Seriously, who *did* that?"

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C. Mishandles contrarians

Muzzles

Allows to dominate

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D. Tolerates misbehavior

"In any failing institution, as common as the abuse of power is the neglect of power."

Andy Crouch

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Question for Discussion
Work with Your Coach

What unhealthy cultural traits has your board exhibited in the past? Now?

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See you tomorrow!

› The room opens at 8:45am PST.

› The first session starts at 9:00am PST.

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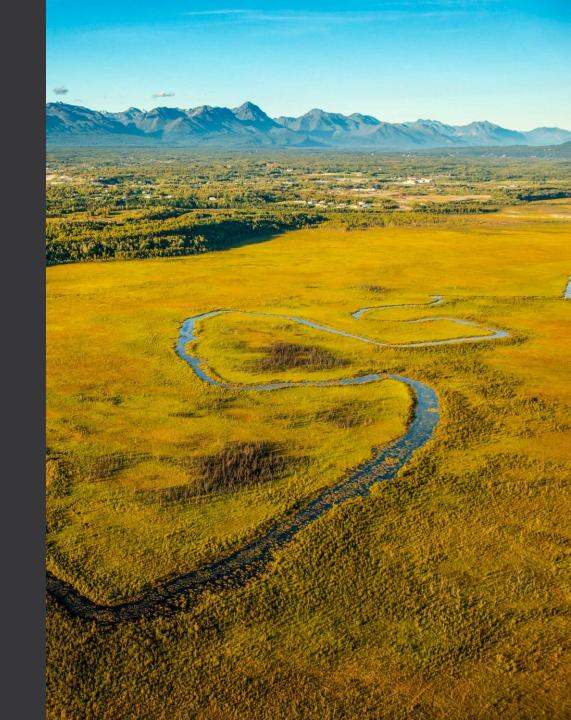
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"Our primary task is to unleash the creative forces in man. Let us accept the challenge and try to elevate the whole population."

Jack Murdock

What Do We Mean by "Sustainable"?

› Lasting, built for the long-haul

› Flexes but does not break, absorbs ups and downs

› Balances inputs and outputs

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Why is Sustainability Important?

› Numerous constituents require it

› You can focus on doing work rather than reorganizing
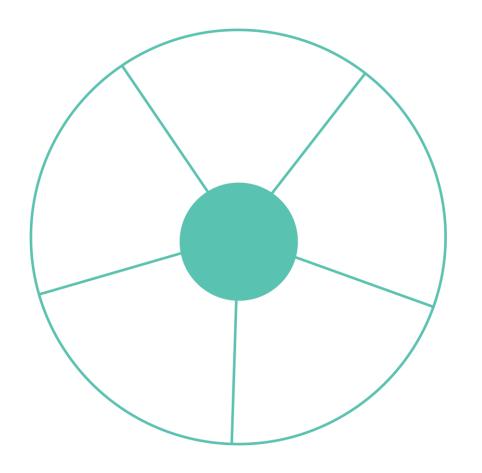
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Organizational Framework

› For a board member or an executive leader to be effective, she/he must understand the organization and its history, which requires knowing what they do and how their work is supported. In other words, understand your organizational framework.

› Identify the elements of your organization's framework

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Framework for Success: A Structure

Everything Starts with "Why"

› Why did you come into existence? What need did you see?

› What gets you up in the morning?

› What keeps you up at night?

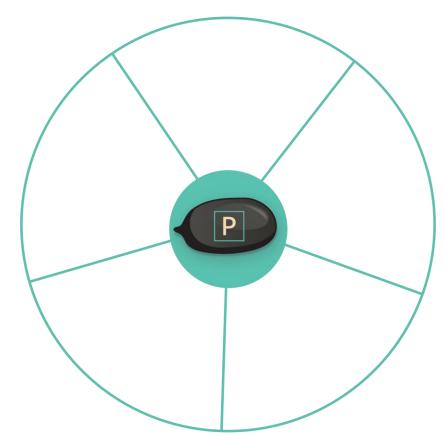› Understanding your "why" leads to a promise

The Why

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What is Your Promise?

› Why was your organization founded?

› What need did it set out to meet?

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Your "Why" is the Core, Touching All Elements of the Framework

› What is your promise?

Workbook pg. 125
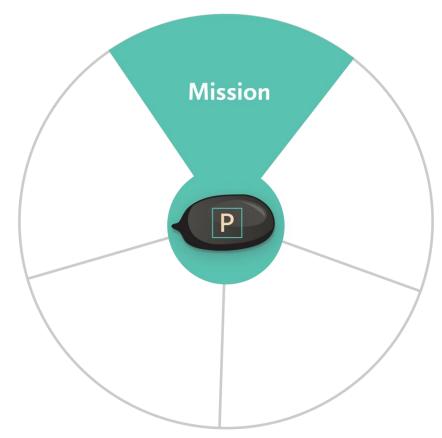
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First Core Element: Mission

› Defines what we do

› The board is responsible to steward (hold in trust) the mission

› Missions must live and breathe—they need to stay relevant

Mission

P

Workbook pg. 126

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Second Core Element: Target Audience

› You have multiple audiences— your primary audience is the beneficiary of your services

› What does each audience want/need?

› The board needs to ensure a strategy exists for each audience

Workbook pg. 127

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Third Core Element: Programs

› This is where your mission comes to life

› Do we deliver this service/program better than everyone else?

› Are our programs relevant/productive? Do they produce desired results?

Mission

Target Audience

P

Programs

Workbook pg. 128

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Fourth Core Element: Resources

Mission

Target Audience

Programs

Resources

P

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Fourth Core Element: Resources

Financial	Human	Gift-in-kind
Key strategies	Strategic plan	Equipment and technology
Property and facilities	Unique processes	Key relationships
	Data	

> Avoid overreliance on financials

> Have a plan and review process for each resource

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Fifth Core Element: Future Direction

› "Future" is the key word

› Proactive versus reactive

› Disruption will drive this if nothing else

› How will you deliver your mission three years from now?

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A Complete Framework for an Organization

› Your promise is at the center of everything

› Balances inputs/outputs

› Top leaders need to understand your framework

- Mission
- Target Audience
- Programs
- Resources
- Future Direction
- P

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Adding the POWER

› The power is the interconnectivity of the elements

› Embrace this and avoid silo thinking

› Promote efficient behavior

Mission

Future Direction

Target Audience

P

Resources

Programs

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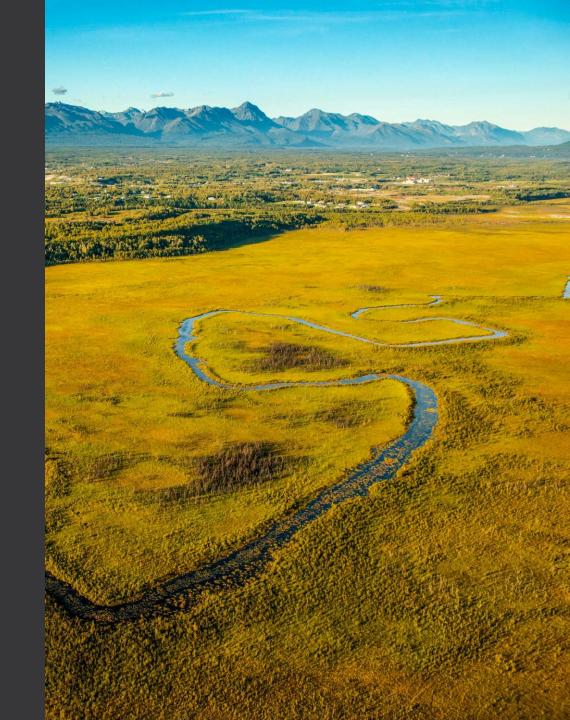# Three Most Important Concepts with the Organizational Framework

1. Leadership must have a working understanding of the entire framework

2. Interconnectivity is key to driving efficiency and optimizing resources

3. Have a plan and review process for each element

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Strategic Planning 101:

The Board's Role in Strategic Planning

Strategic Planning

› Why have a plan?

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Strategic Planning

› A Spirit-led process of faith in which we seek God's will for the future of the ministry, and articulate it in a way that enables us to pursue it with organizational passion (unity of vision) and excellence (demanding our best)

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Strategic Planning

› Strategic planning is a continual process that is used to set priorities, focus resources, and establish agreement on intended results. It shapes what an organization does with a focus on the future.

› *Note: **Strategy** is different from **planning**. The strategy describes HOW goals will be met using available resources.*
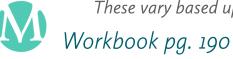
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Board's Role in Strategic Planning

Board as Staff	Board as Managers	Board as Directors	Board as Governors	Board as Advisors
Legal responsibility resides with the board	*Legal responsibility resides with the board*	*Legal responsibility resides with the board*	*Legal responsibility resides with the board*	*Legal responsibility resides with the board*
Reasons for organization to exist are determined by the board	*Reasons for organization to exist are determined by the board*	*Reasons for organization to exist are determined by the board*	*Reasons for organization to exist are determined by the board*	*Reasons for organization to exist are determined by the CEO*
Organizational long-term goals are set by the board	*Organizational long-term goals are set by the board*	*Organizational long-term goals are set by the board*	*Organizational long-term goals are set by the CEO*	*Organizational long-term goals are set by the CEO*
Strategies to achieve organizational long-term goals are developed by the board	*Strategies to achieve organizational long-term goals are developed by the board*	*Strategies to achieve organizational long-term goals are developed by the CEO*	*Strategies to achieve organizational long-term goals are developed by the CEO*	*Strategies to achieve organizational long-term goals are developed by the CEO*
Day-to-day operational authority rests with the board	*Day-to-day operational authority rests with the CEO*	*Day-to-day operational authority rests with the CEO*	*Day-to-day operational authority rests with the CEO*	*Day-to-day operational authority rests with the CEO*
*The board spends most of its time **DOING** the work of the organization*	*The board spends most of its time **SUPERVISING** the work of the organization*	*The board spends most of its time **DIRECTING** the work of the organization*	*The board spends most of its time **GOVERNING** the organization*	*The board spends most of its time **AFFIRMING** the work of the organization*
*Primary board output is **LABOR***	*Primary board output is **COORDINATION***	*Primary board output is **DIRECTION***	*Primary board output is **COUNSEL***	*Primary board output is **ENDORSEMENT***

▸ Board responsibilities

▸ CEO responsibilities

These vary based upon which type of board you have. Adapted from R. Terrence Jackson (C) 2004

Workbook pg. 190

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Board's Role in Strategic Planning

› Where you sit on the previous chart helps describe your role in the strategic planning process

› Examples:

› Aligns with Characteristics of High Performing Boards— Future Direction (Long View in Mind)

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Why Plans Fail, Falter, Succeed, Never Get Started

› Fail: No loyalty, no updates, no accountability

› Falter: Loss of focus due to the tyranny of the urgent, board neglect, rigidity

› Succeed: Loyalty, accountability, agility, enculturation

› Never get started/finished: desire for the perfect plan, low priority, the illusion of time commitment

› Falter: Strategy is confused with operations

› Falter: Poor framing of strategic issues

"I have always found that plans are useless, but planning is indispensable."
-Dwight D. Eisenhower

Workbook pg. 192

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Outcomes of a Good Strategic Plan

› Works well for most boards and executive directors

› Functions well in simple/complex situations

› Collaborative

› Drives strategic thinking into the culture

› Focused and communicates well

Workbook pg. 193

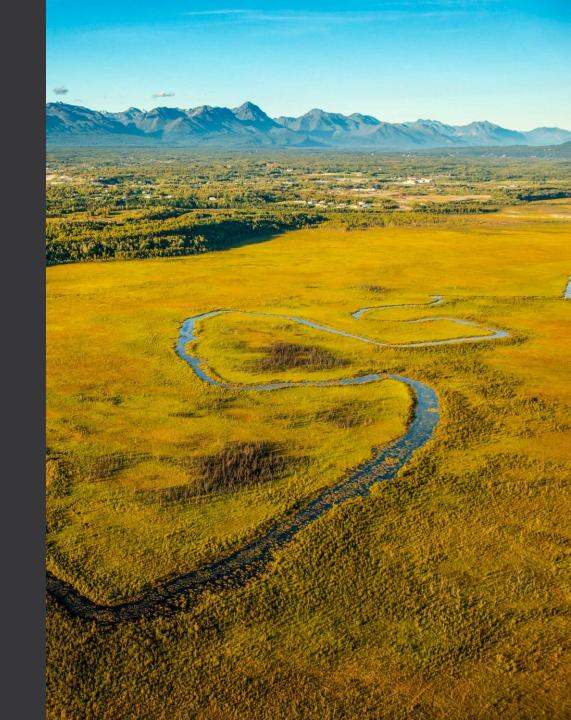Board Leadership
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Elements of the Work

› **Strategy Formation**

> › Strategic thinking

› **Plan Development**

> › Rolling three-year strategic plan

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Strategic Planning 101:

Strategy Formation

Why Is Strategy Important?

› An organization's power arises from bringing its resources to bear on a point.

› Deciding why, where, and how to operate is different than operating.

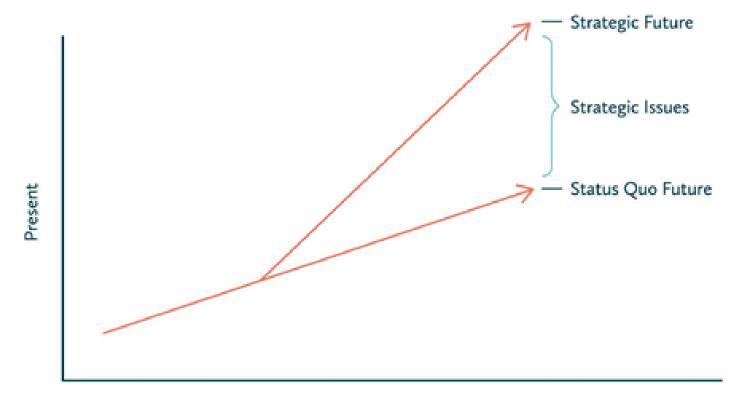› Strategy overtly decides the best answers to "why, where, and how."

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What Strategy Is

› Guides resources allocation and shapes organizational practices.

› Chooses a point of focus

› Aligns organization around that point of focus

› Great strategy uses today's resources to achieve greater success tomorrow through the organization's position, programs, practices, and resources.

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Strategy Formation

> Strategy requires dissatisfaction with the status quo for the future

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Context for Strategy

› An organization is itself "a thing"

› The organization operates within an environment

› That environment is dynamic

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4 Parts of Strategy Formation

› Affirmation of purpose

› Narrative describing environment and its changing nature

› Statement of organization's position

› A real description of the organization at the end of the planning time horizon

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Results of Strategy Formation

› Answers the big questions

› Guides resource allocation

› Provides direction that can be implemented organization-wide

› Develops outcomes for which management is responsible

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Strategy Formation Exercise

As you see the world today:

› What is **most** possible?

› What is **less** possible?

› What is **impossible** (but needs to happen)?

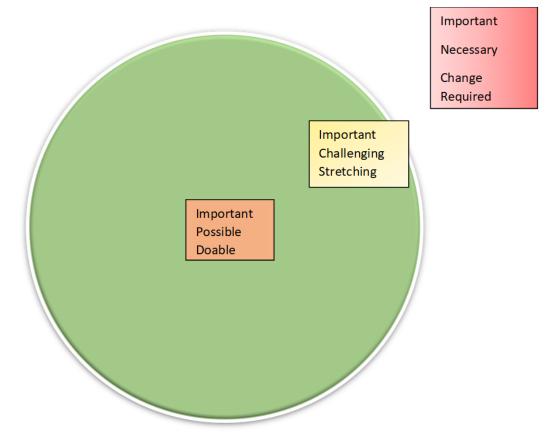*Strategic thinking will consider how to make the impossible come to be a reality.*

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Circle of Possibility

Things to Consider: _Think about the next 3 years coming up._

Center: Things that are possible and within your reach.

Inside Edge: Things that are important but will require stretching and effort to reach.

Outside the Circle: Things that need to happen but won't without change taking place.

Important
Necessary
Change
Required

Important
Challenging
Stretching

Important
Possible
Doable

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Strategic Planning 101:

Planning

Components of the Planning Process

> Mission, vision, and values

> Our customers and what they value

> Environmental scan

> SWOT analysis

> Trends (internal & external)

> Assumptions

> Visionary priorities

> Top three to five goals for year one

> Narrative building

> Board and senior team goals and dashboards

> Rolling three-year strategic plan document

> Updating process

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Strategic Planning Assessment

> Take assessment individually.

> Discuss the three lowest scores.

> Identify next steps for improvement/work with coaches.

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Stand and Declare

As they are currently drafted, what are the

Top 5 Strategic Next Steps

for your organization?

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Thank you!

› See you March 14 & 15 for Session 2!

› Questions?

  › Visit murdocktrust.org/boardleadership for more info

  › Contact us at boardleadership@murdocktrust.org

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Thank you

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