Board Leadership & Development

Faith-Based

February 2024

M.J. Murdock
CHARITABLE TRUST

Board Leadership
& Development
A MURDOCK TRUST PROGRAM

Top 5 Action Steps for Our Board

Ensuring the Organization for the Long Term

Board Leadership & Development

Top Five Action Steps for Our Board

Organization Name:

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

ACTION STEP 2			
Point Person:			
Strategic Step:			
Deadline:			
Completed Date:		Coach's Help?	☐ Yes ☐ No

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https://murdocktrust.org/app/uploads/2024/01/BLD-2024-General-Top-Five-Action-Steps-for-Our-Board-fillable.pdf

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

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

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

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

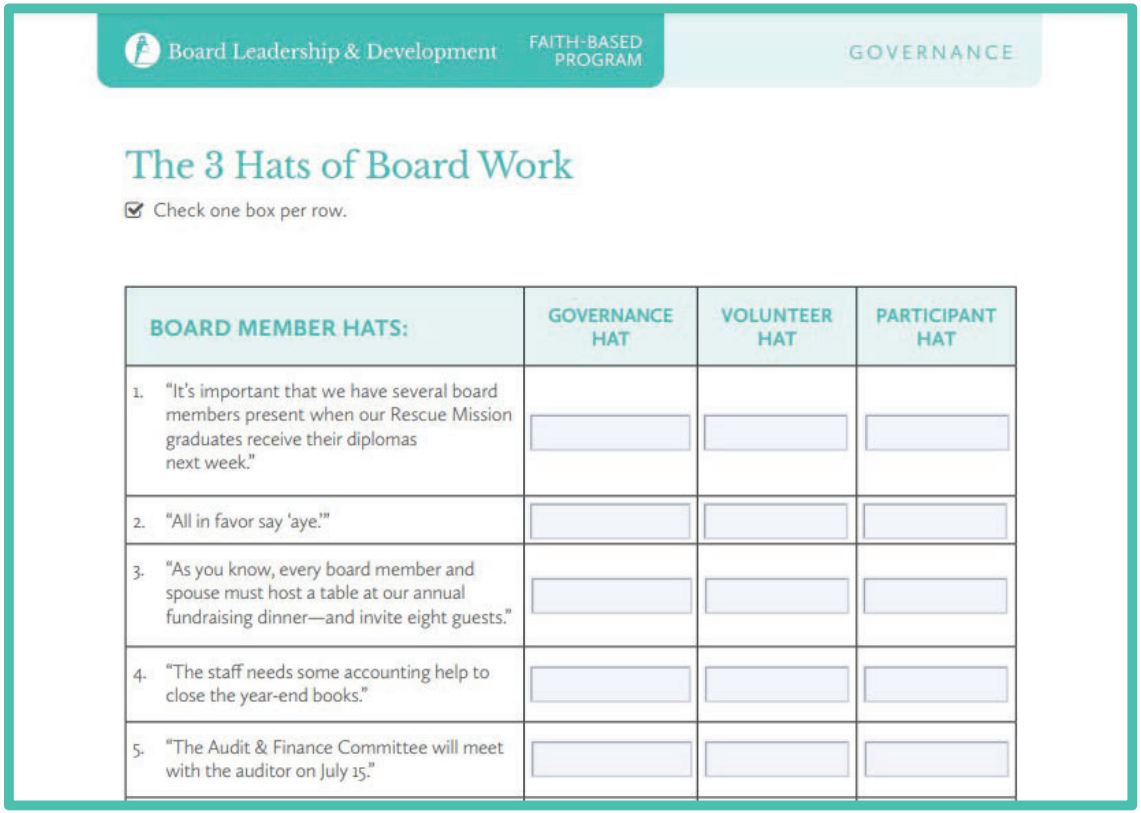
The Primary Roles of Board Members

Governance

Volunteer

Participant

The 3 Hats of Board Work



Board Leadership & Development FAITH-BASED PROGRAM GOVERNANCE

The 3 Hats of Board Work

☑ Check one box per row.

BOARD MEMBER HATS:	GOVERNANCE HAT	VOLUNTEER HAT	PARTICIPANT HAT
1. "It's important that we have several board members present when our Rescue Mission graduates receive their diplomas next week."			
2. "All in favor say 'aye.'"			
3. "As you know, every board member and spouse must host a table at our annual fundraising dinner—and invite eight guests."			
4. "The staff needs some accounting help to close the year-end books."			
5. "The Audit & Finance Committee will meet with the auditor on July 15."			

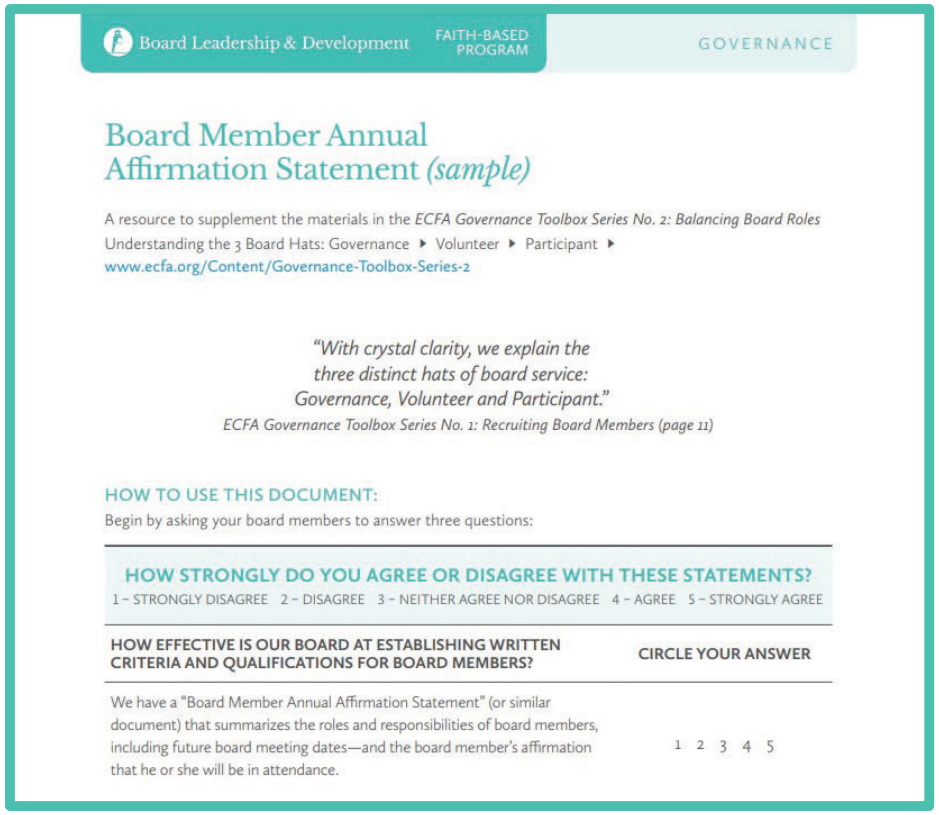
https://murdocktrust.org/app/uploads/2024/01/BLD-2024-Governance-The-3-Hats-of-Board-Work-FAITH-fillable.pdf

Shared Commitments of Board Members

Annual Affirmation Statement

Creating alignment, agreement, and commitment

Annual Affirmation Statement (sample)



Board Leadership & Development FAITH-BASED PROGRAM GOVERNANCE

Board Member Annual Affirmation Statement *(sample)*

A resource to supplement the materials in the *ECFA Governance Toolbox Series No. 2: Balancing Board Roles*
Understanding the 3 Board Hats: Governance ▸ Volunteer ▸ Participant ▸
www.ecfa.org/Content/Governance-Toolbox-Series-2

"With crystal clarity, we explain the three distinct hats of board service: Governance, Volunteer and Participant."
ECFA Governance Toolbox Series No. 1: Recruiting Board Members (page 11)

HOW TO USE THIS DOCUMENT:
Begin by asking your board members to answer three questions:

HOW STRONGLY DO YOU AGREE OR DISAGREE WITH THESE STATEMENTS? 1 – STRONGLY DISAGREE 2 – DISAGREE 3 – NEITHER AGREE NOR DISAGREE 4 – AGREE 5 – STRONGLY AGREE	
HOW EFFECTIVE IS OUR BOARD AT ESTABLISHING WRITTEN CRITERIA AND QUALIFICATIONS FOR BOARD MEMBERS?	**CIRCLE YOUR ANSWER**
We have a "Board Member Annual Affirmation Statement" (or similar document) that summarizes the roles and responsibilities of board members, including future board meeting dates—and the board member's affirmation that he or she will be in attendance.	1 2 3 4 5

https://murdocktrust.org/app/uploads/2024/01/BLD-2024-Governance-Board-Member-Annual-FAITH.pdf

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, Executive Director, staff, volunteers, and constituency. Succession plans are a good example of how people will be cared for in crisis or planned transitions.

The Taxi

Boards provide direction regarding destination.

You are not driving.

The Corral

Board policies as safeguards

Example: Executive Limitations

Governance

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

Governance

One Board–One Voice

Governance

Assessment

- Understand where you are now.
- Consider where you want to be 12 months from now.

Board Leadership & Development FAITH-BASED PROGRAM GOVERNANCE

Board Governance Assessment — Summary

	NEVER 1	2	SOMETIMES 3	4	ALWAYS 5
1. The board operates under a set of policies, procedures, and guidelines with which all members are familiar.					
2. The executive committee reports to the board on all actions.					
3. There are standing committees of the board that meet regularly and report to the board.					
4. Board meetings are well-attended with near full turnout.					
5. Each board member has at least one committee assignment.					
6. Nomination and appointment of board members follow clearly established procedures using known criteria.					
7. Newly elected board members receive orientation for their role.					

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Board Culture 101:

Creating and Sustaining Healthy Boards

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Secular Definition

- 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, organizational culture often goes unnoticed until a crisis or leadership transition occurs

Ministry Definition

The board is a spiritual community called by God to steward a piece of His Kingdom work here on earth

Spiritual Community Called by God

1

Spiritual

"Let us consider how we may spur one another on toward love and good deeds… encouraging one another…"

(Heb. 10:24-25)

- Create a prayer list of requests from senior staff and trustees in advance
- Set aside 30-60 minutes of agenda time to pray for the ministry
- Ask someone to pray after each major discussion
- Schedule a devotional (or study Scripture)
- Fast together

Spiritual Community Called by God

2

Community

"Encourage one another and build each other up..."

(1 Thess. 5:11)

- Give new trustees a "board buddy"
- Invite trustees to share "life stories"
- Do mission together
- Add an annual retreat
- Include spouses whenever possible
- Honor long-serving staff and trustees

Spiritual Community Called by God

3

Called by God

"You did not choose me, but I chose you and appointed you that you should go and bear fruit"

(John 15:16)

- God has selected you to be a trustee of His mission
- Not merely human choice
- Not accidental

Qualities of Spiritual Communities Called by God

4

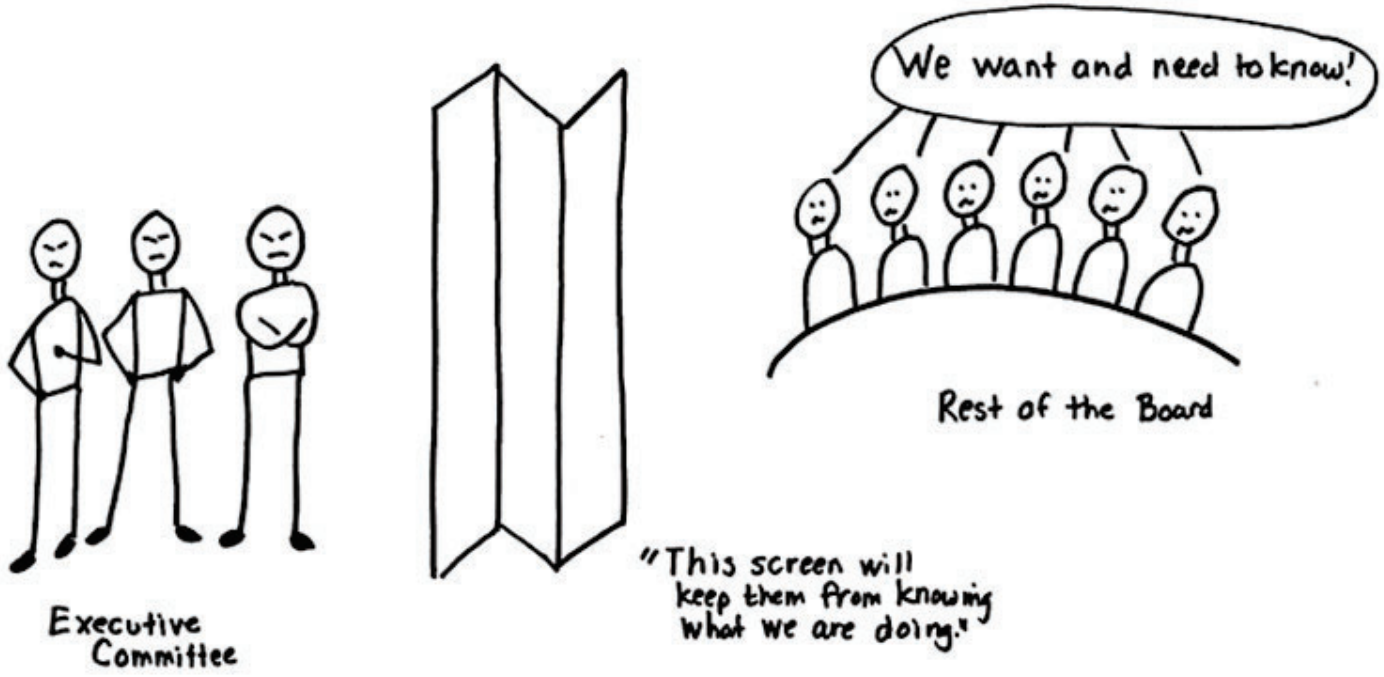
Transparent

"If we walk in the light, as he is in the light, we have fellowship with one another"

(1 John 2:7)

- Clarify decision-making authority of officers and committee chairs
- Be clear about what needs to be confidential and why
- Ensure that dissenters can share freely

Transparent as to how decisions are really made



Not dominated by a few

Not Christian Nice

Spiritual Community Called by God

5

Heterogeneous

"Just as a body, though one, has many parts, but all its many parts form one body, so it is with Christ... whether Jews or Gentiles, slave or free...

The eye cannot say to the hand, "I don't need you!"... On the contrary, those parts of the body that seem to be weaker are indispensable..." ***(Romans 12)***

Reflect Kingdom of God Diversity

- Ethnicity
- Gender
- Age
- Learning styles
- Expertise
- Politics

Avoid Group Think

When all think alike, then no one is thinking

-Walter Lippman-

Spiritual Community Called by God

6

Celebratory

"The Lord has done great things for us. We are glad."
(Ps. 126:3)

- Thank God for missional fruitfulness
- Honor those to whom honor is due
- Be joyful together

Questions for Discussion

First, individually evaluate your board as a "spiritual community called by God"
(see assessment worksheet on next page).

Second, discuss your individual responses as a team. What action steps should your board take to become a more robust spiritual community?

Culture Assessment #1

Board Leadership & Development FAITH-BASED PROGRAM CULTURE

Board Culture Self-Assessment #1

	NEVER		SOMETIMES		ALWAYS
	1	2	3	4	5
1. Our board culture is deeply spiritual.					
2. Our board is a relationally strong community.					
3. I feel called by God to serve as a trustee.					
4. Our board operates in a transparent manner.					
5. Our board is dominated by a few individuals.					
6. Our board culture embodies "Christian nice."					

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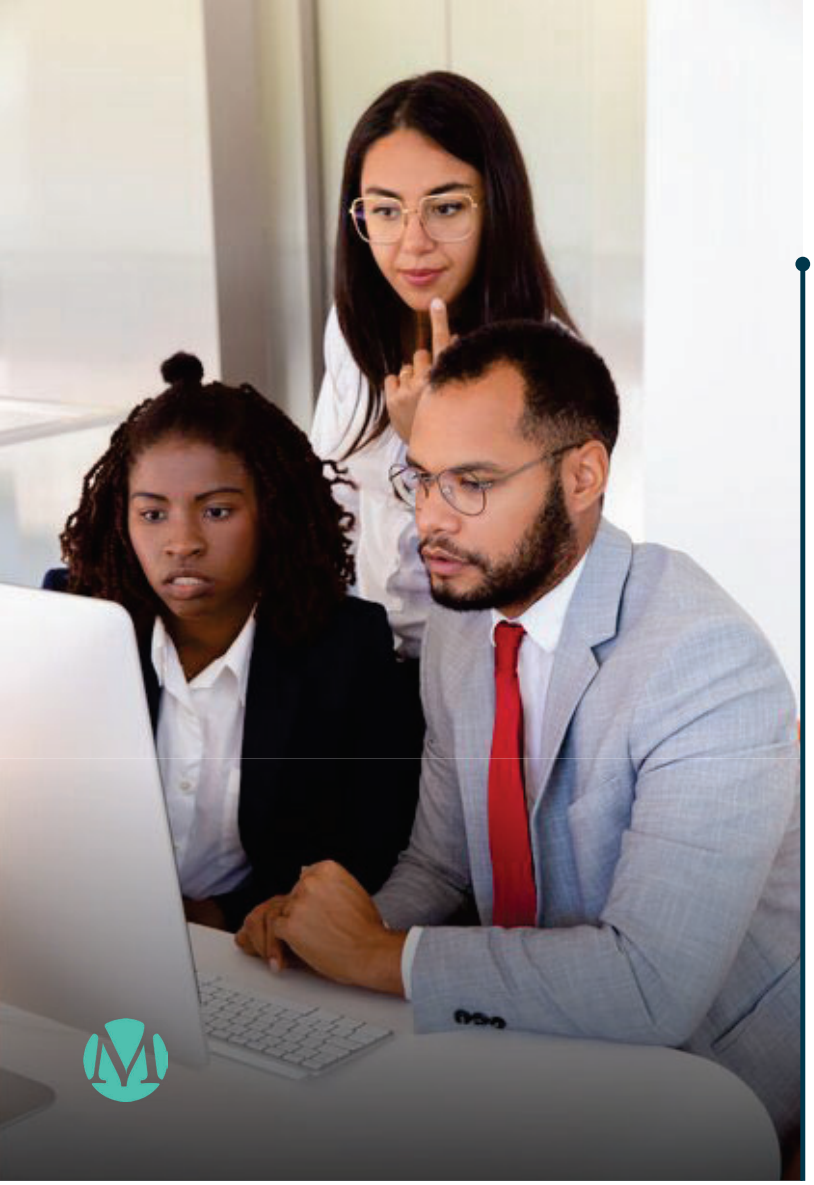

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https://murdocktrust.org/app/uploads/2024/01/BLD-2024-General-Top-Five-Action-Steps-for-Our-Board-fillable.pdf

See you tomorrow!

- The room opens at **8:45am PST**
- The first session starts at **9:00am PST**

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Sustainability 101:

Building an Organizational Framework

> 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

Why is Sustainability Important?

- Numerous constituents require it.
- You can focus on doing work rather than reorganizing.
- Top Leadership and the Board are on the same page.

Organizational Framework

Understand your organizational framework (*e.g., organization & history—the work they do and how that work is supported*)

Identify the elements of your organization's framework

5-Minute Self-Assessment

Complete the self-assessment.

Identify the elements of your organization's framework. Think in terms of ingredients in a recipe.

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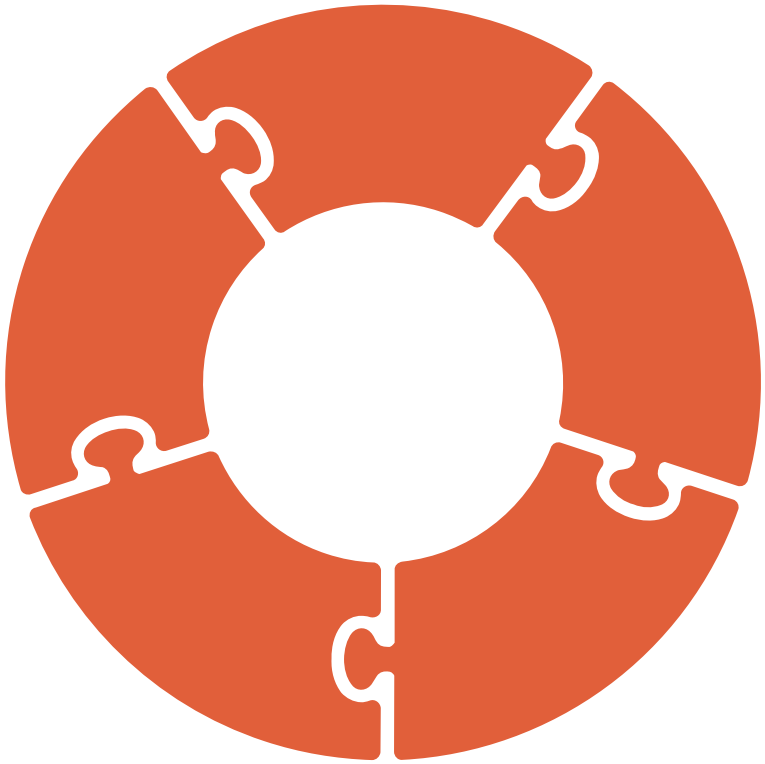
Framework for Board Success: A Structure



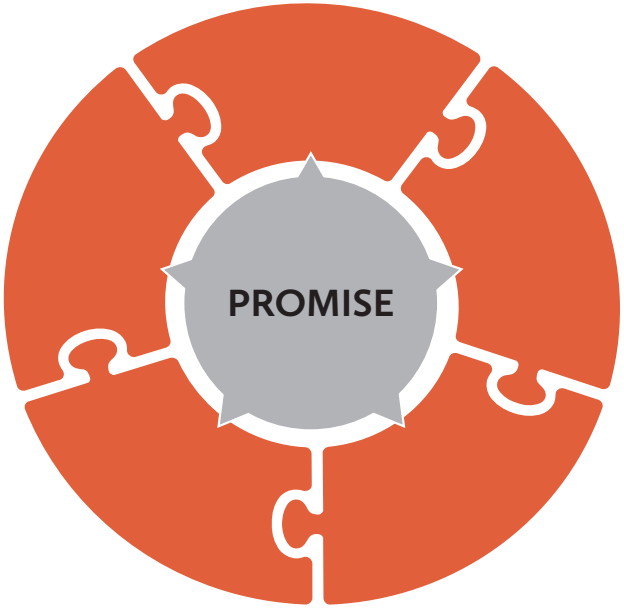
Everything Starts with "Why"

- 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

What is Your Promise?

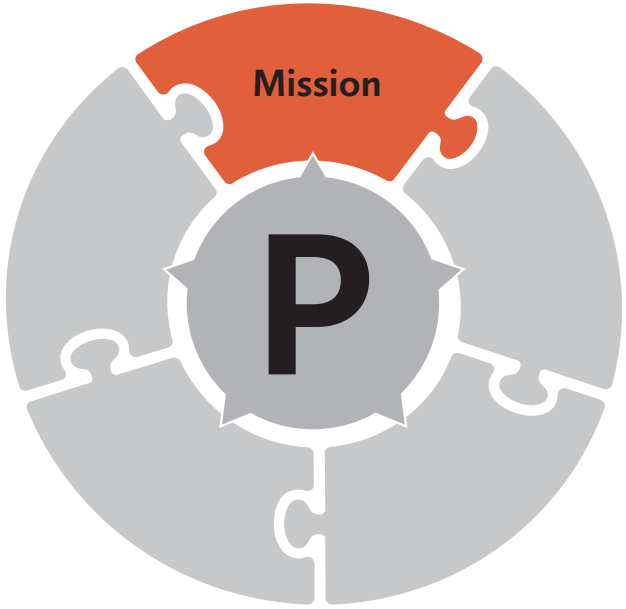
- Why was your organization founded?
- What need did it set out to meet?
- What is your promise?

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



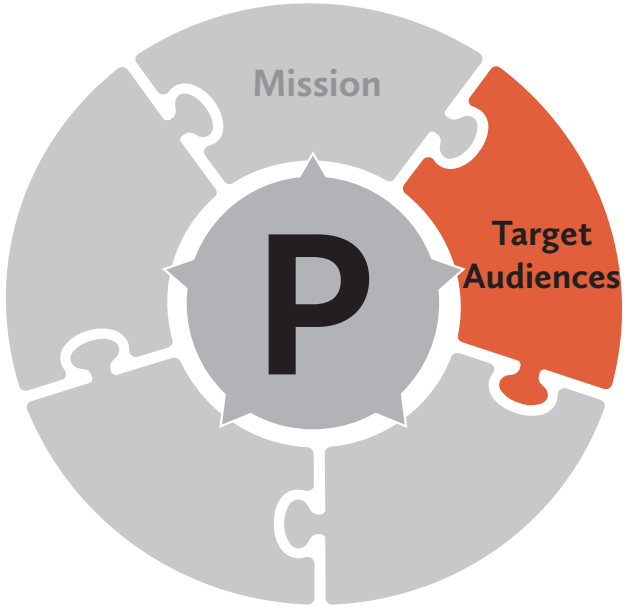
First Core Element: Mission

- 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



Second Core Element: Target Audiences

- 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



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?

Fourth Core Element: Resources

Fourth Core Element: Resources

- Avoid overreliance on financials
- Have a plan and review process for each resource

Fifth Core Element: Future Direction

- "Future" is the key word (70/30)
- Proactive versus reactive
- Disruption will drive this if nothing else
- How will you deliver your mission three years from now?

A Complete Framework for an Organization

- Your promise is at the center of everything
- Balances inputs/outputs
- Top leaders need to understand your framework

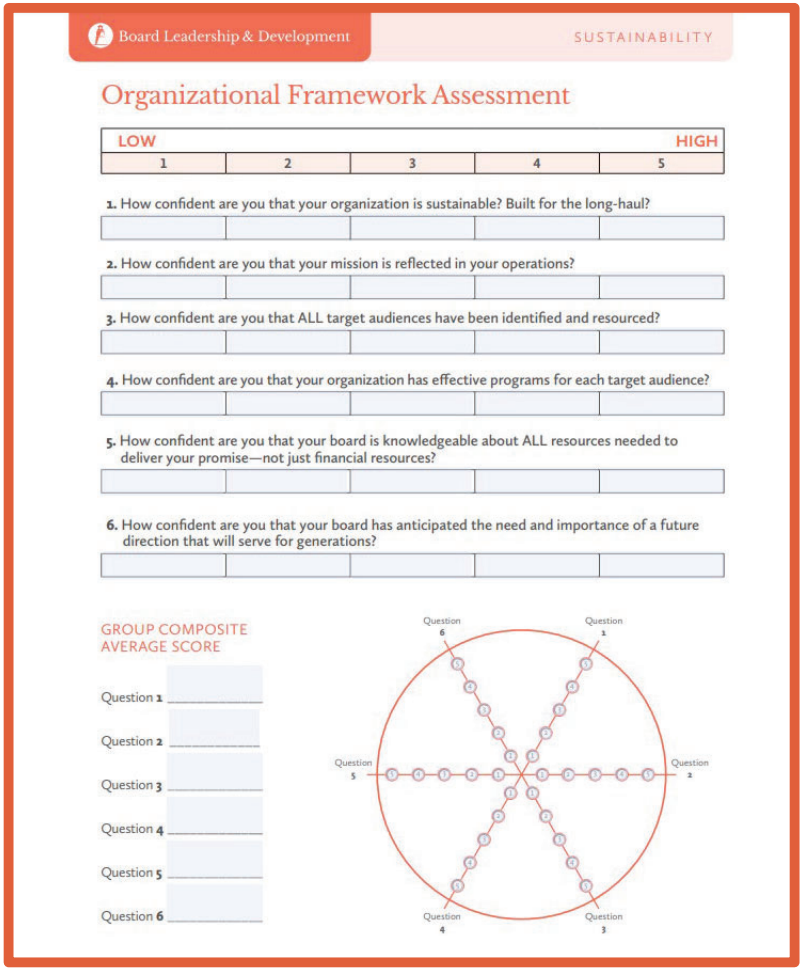
Adding the POWER

- The power is the interconnectivity of the elements
- Embrace this and avoid silo thinking
- Promote efficient behavior

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 of the framework

Organizational Framework Assessment



Board Leadership & Development

SUSTAINABILITY

Organizational Framework Assessment

LOW				HIGH
1	2	3	4	5

1. How confident are you that your organization is sustainable? Built for the long-haul?

2. How confident are you that your mission is reflected in your operations?

3. How confident are you that ALL target audiences have been identified and resourced?

4. How confident are you that your organization has effective programs for each target audience?

5. How confident are you that your board is knowledgeable about ALL resources needed to deliver your promise—not just financial resources?

6. How confident are you that your board has anticipated the need and importance of a future direction that will serve for generations?

GROUP COMPOSITE AVERAGE SCORE

Question 1 _____

Question 2 _____

Question 3 _____

Question 4 _____

Question 5 _____

Question 6 _____

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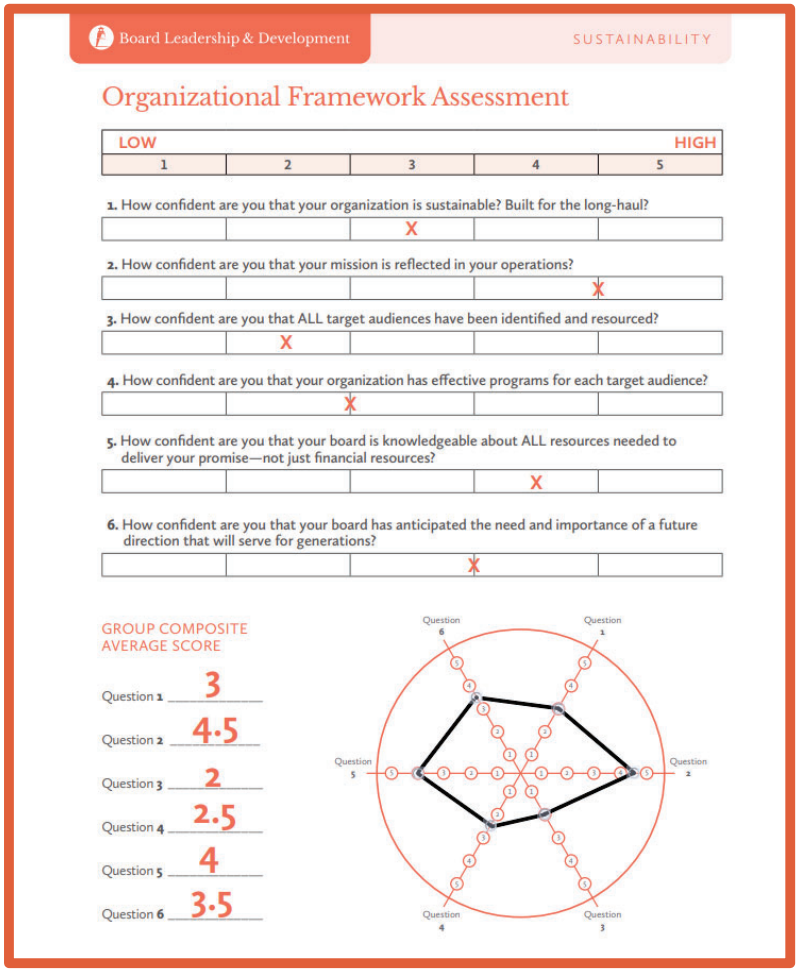
Organizational Framework Assessment (sample)



Board Leadership & Development — SUSTAINABILITY

Organizational Framework Assessment

LOW				HIGH
1	2	3	4	5

1. How confident are you that your organization is sustainable? Built for the long-haul?

		X		

2. How confident are you that your mission is reflected in your operations?

			X	

3. How confident are you that ALL target audiences have been identified and resourced?

	X			

4. How confident are you that your organization has effective programs for each target audience?

	X			

5. How confident are you that your board is knowledgeable about ALL resources needed to deliver your promise—not just financial resources?

			X	

6. How confident are you that your board has anticipated the need and importance of a future direction that will serve for generations?

		X		

GROUP COMPOSITE AVERAGE SCORE

Question 1 ___3___
Question 2 ___4.5___
Question 3 ___2___
Question 4 ___2.5___
Question 5 ___4___
Question 6 ___3.5___

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Strategic Planning 101:

The Board's Role in Strategic Planning

Strategic Planning

Why have a plan?

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)

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.*

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 Executive Director*
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 Executive Director*	*Organizational long-term goals are set by the Executive Director*
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 Executive Director*	*Strategies to achieve organizational long-term goals are developed by the Executive Director*	*Strategies to achieve organizational long-term goals are developed by the Executive Director*
Day-to-day operational authority rests with the board	*Day-to-day operational authority rests with the Executive Director*	*Day-to-day operational authority rests with the Executive Director*	*Day-to-day operational authority rests with the Executive Director*	*Day-to-day operational authority rests with the Executive Director*
*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*
- *Executive Director responsibilities*

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

Board's Role in Strategic Planning

Where you land on the previous chart helps describe your role in the strategic planning process.

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
- **Falter:** Strategy is confused with operations
- **Falter:** Poor framing of strategic issues
- **Succeed:** Loyalty, accountability, agility, enculturation
- **Never get started/finished:** Desire for the perfect plan, low priority, the illusion of time commitment

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

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

Elements of the Work

Strategy Formation
Strategic thinking

Plan Development
Rolling three-year strategic plan

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 and where to operate is different than operating.

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

What Strategy Looks Like

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.

What Strategy Is

Strategy advisor Roger Martin says it well...

› "Strategy is the act of making an integrated set of choices which positions the organization to win."

Choices that fit together to achieve a defined vision

Strategy reveals the path to success

What Strategy Is Not

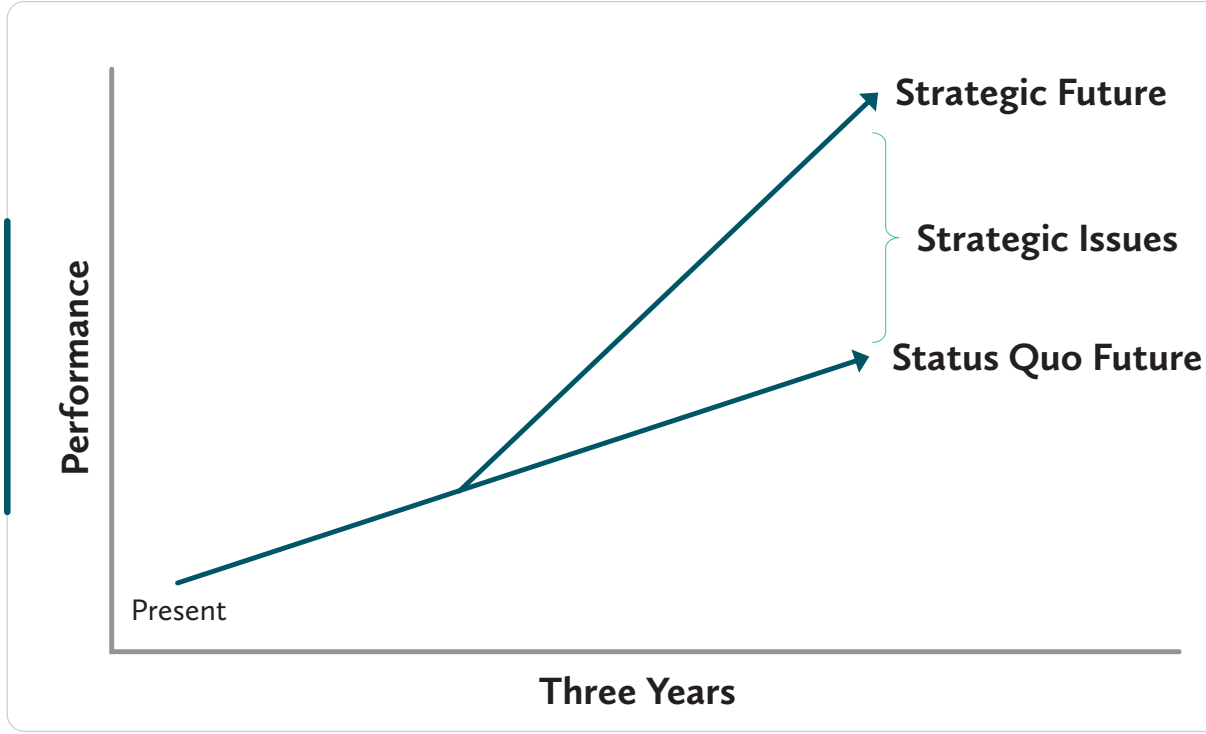
Strategy is not planning, but they are dependent upon one another.

- "Planning is the act of laying out projects (steps) with timelines, deliverables, budgets and responsibilities..." - Roger Martin

Strategy is not tactics. Strategy is large-scope, long-term and stable. Tactics are fluid and shorter-term.

- You adjust tactics in pursuit of your strategy.

Strategy Formation



Strategy requires dissatisfaction with the status quo for the future

Context for Strategy

- An organization is itself “a thing”
- The organization operates within an environment
- That environment is dynamic

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

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

Strategy Formation Exercise

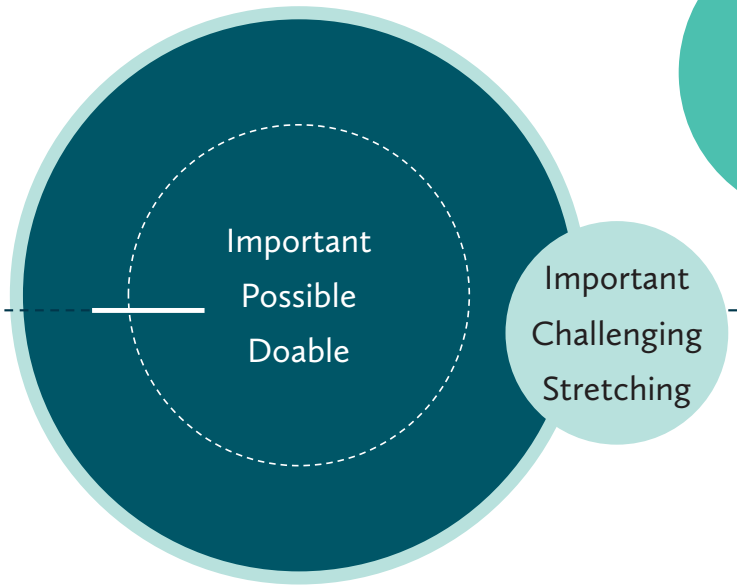
As you see the world today:

- 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.

Circle of Possibility

Things to Consider: *Think about the next 3 years.*



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

Center: Things that are possible and within your reach.

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

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

Strategic Planning Assessment

- Take assessment individually.
- Discuss the three lowest scores.
- Identify next steps for improvement/work with coaches.

Strategic Planning Assessment

Board Leadership & Development FAITH-BASED PROGRAM STRATEGIC PLANNING

Strategic Planning Assessment

	NEVER 1	2	SOMETIMES 3	4	ALWAYS 5
1. We have a plan.					
2. Our plan is up to date and relevant.					
3. Our plan is being executed well.					
4. Our plan guides all we do.					
5. Our plan is regularly assessed and annually updated.					
6. Everyone in our organization knows the plan.					

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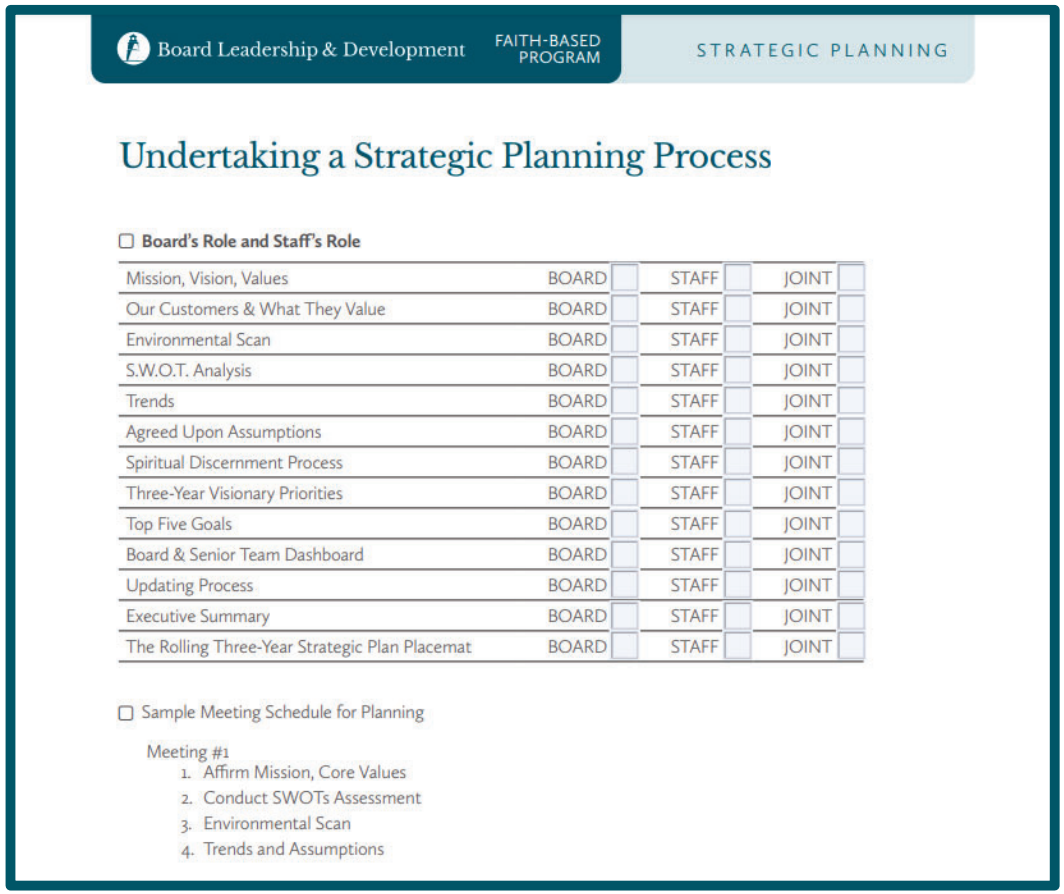
Board Leadership & Development
A MURDOCK TRUST PROGRAM

Undertaking a Strategic Planning Process



Board Leadership & Development FAITH-BASED PROGRAM STRATEGIC PLANNING

Undertaking a Strategic Planning Process

☐ **Board's Role and Staff's Role**

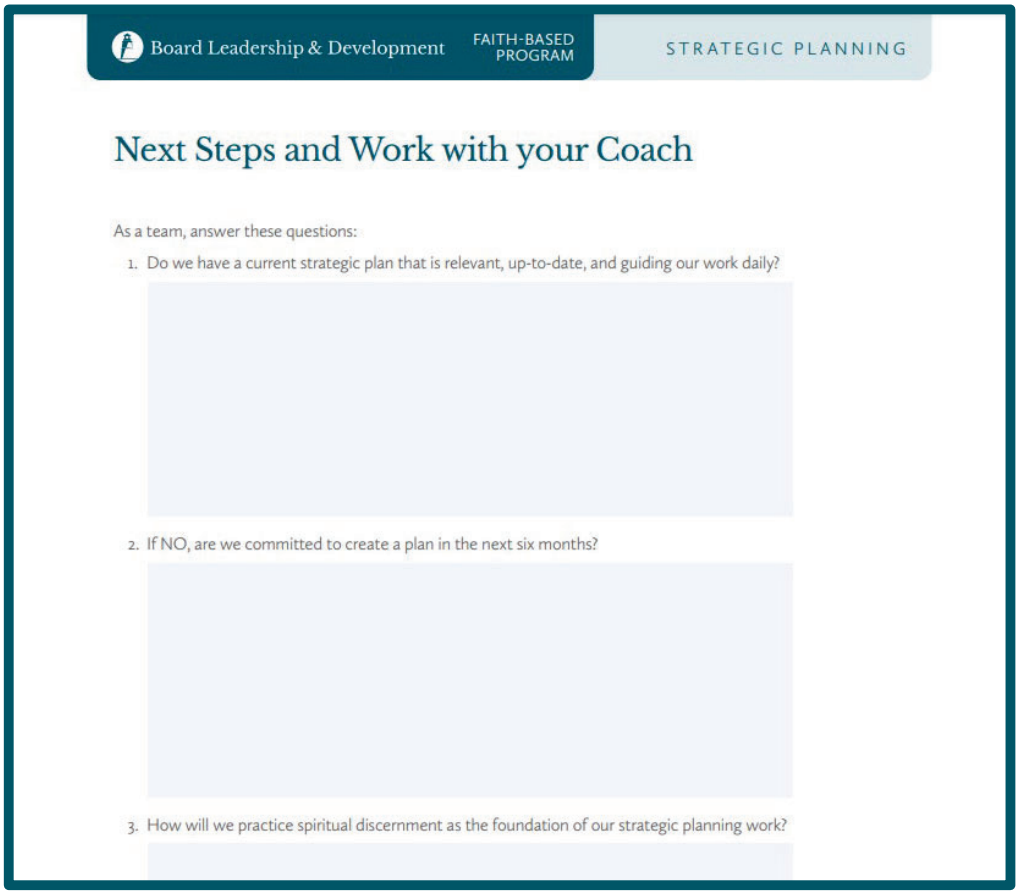
Mission, Vision, Values	BOARD	☐	STAFF	☐	JOINT	☐
Our Customers & What They Value	BOARD	☐	STAFF	☐	JOINT	☐
Environmental Scan	BOARD	☐	STAFF	☐	JOINT	☐
S.W.O.T. Analysis	BOARD	☐	STAFF	☐	JOINT	☐
Trends	BOARD	☐	STAFF	☐	JOINT	☐
Agreed Upon Assumptions	BOARD	☐	STAFF	☐	JOINT	☐
Spiritual Discernment Process	BOARD	☐	STAFF	☐	JOINT	☐
Three-Year Visionary Priorities	BOARD	☐	STAFF	☐	JOINT	☐
Top Five Goals	BOARD	☐	STAFF	☐	JOINT	☐
Board & Senior Team Dashboard	BOARD	☐	STAFF	☐	JOINT	☐
Updating Process	BOARD	☐	STAFF	☐	JOINT	☐
Executive Summary	BOARD	☐	STAFF	☐	JOINT	☐
The Rolling Three-Year Strategic Plan Placemat	BOARD	☐	STAFF	☐	JOINT	☐

☐ Sample Meeting Schedule for Planning

Meeting #1
1. Affirm Mission, Core Values
2. Conduct SWOTs Assessment
3. Environmental Scan
4. Trends and Assumptions

https://murdocktrust.org/app/uploads/2024/01/BLD2023.pdf

Strategic Planning: Next Steps & Work with Coach



Board Leadership & Development FAITH-BASED PROGRAM STRATEGIC PLANNING

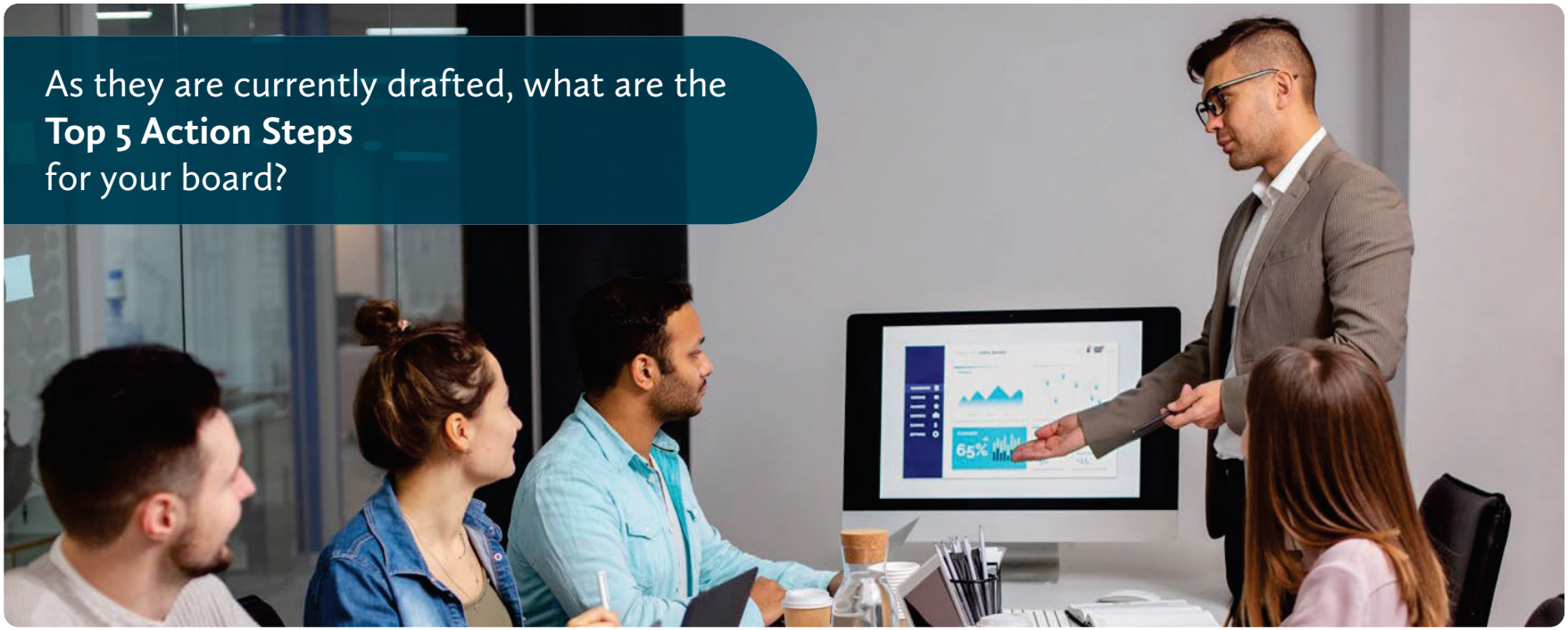
Next Steps and Work with your Coach

As a team, answer these questions:

1. Do we have a current strategic plan that is relevant, up-to-date, and guiding our work daily?
2. If NO, are we committed to create a plan in the next six months?
3. How will we practice spiritual discernment as the foundation of our strategic planning work?

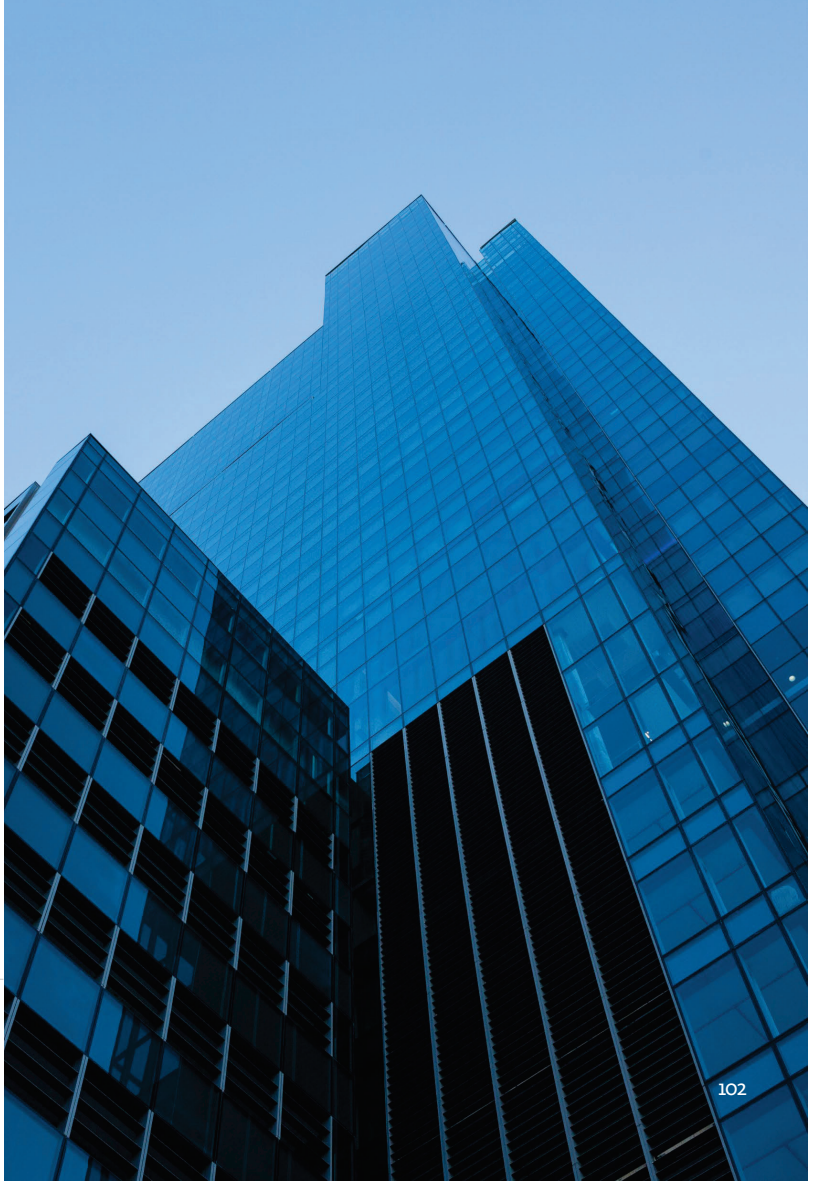
https://murdocktrust.org/app/uploads/2024/01/BLD2021.pdf

Stand and Declare



Thank you!

See you March 12 & 13 for Session 2!

Questions?

- Visit murdocktrust.org/boardleadership for more info
- Contact us at boardleadership@murdocktrust.org