

EXECUTIVE DIRECTORS NETWORK

FY15: EDs & Their Boards

EXECUTIVE SUMMARY

TWO CONVERSATIONS

Jennifer Herring & Juanita James; Holly Hotchner & Liz Morten

1. Clarity of Roles: ED and board members have to be very clear about their roles.

a) *Board member* roles are: 1. Fiduciary responsibility for the organization; 2. Hiring the CEO; 3. Driving strategy for the organization. However, while the board should govern, not manage, when the organization is in crisis, the board may need to step up to navigate through difficult situations - when there's a leadership change or when there are serious funding or legal issues.

b) *The Board Chair* has to engage the board, ensuring connection and continuity between old and new members and determining what makes each of them tick.

c) *The ED's role* is to be responsible for the program of the organization and its budget and to "manage up," to work with the board. The ED should engage each board member, focus the board on financial and strategy issues, and shape the agendas of board committees.

d) *Advisory Boards* are generally not recommended as their role is hard to define. Better to use field experts, who can't commit to being on a board, as advisers on specific issues, or projects.

2. Strategy, Strategic Planning & The Board Retreat

Boards are most engaged when working on strategy. At a **board retreat**, the board can focus on strategic questions through well-structured and well-prepared discussions. Retreats also serve to bring board members closer to create a "community of acquaintanceship."

3. Training

Train your board on their responsibilities: recommend (or require) board training workshops (for example from FCCF's [Center for Nonprofit Excellence](#); the [BoardSource](#) or others). Strongly recommended is BoardSource's *Governance as Leadership: Reframing the Work of Nonprofit Boards*, that thinks strategically about the role of the board.

4. Building a Board

Build a matrix of your organization's needs (lawyer, accountant, marketing expertise etc.) and ask the best in your community for advice (a good way to build relationships). Be creative and analytical about the board composition you need (it will change over time) - but be sure you recruit for your precise needs. Ensure you have a good mix (young+old; those with subject knowledge and those without; those with stature and connections, etc.). Use current and retiring board members to help discover

good talent. Also when bringing on younger board members, it is generally better to bring them on as a group. Encourage mentoring of younger by older board members (although be aware that younger board members may “mentor” older board members with specific expertise).

5. Board Types and Structures

Find the board structure that fits the type and life-cycle-stage of the organizations. If government funding or earned income are fiscally critical then you might not need the kind of engagement for an organization that is primarily dependent on major gifts. A young organization needs an “early board,” depending on its members for quasi-staff support and management - in development, programming and marketing. As organizations transition, the board also should transition into more of a governing board - providing knowledge, skills, and oversight - but not the kind of management that the professional staff can provide. Its key roles should be fiduciary and governing.

6. Rotation, Self-Assessment & End-of-Year Interviews

While James and Herring maintained that term limits are key, Hotchner and Morten said it was more important to find the structure that was best for the organization’s situation. Hotchner recommended the ED know “who is here, what are they doing and why are they here?” for each member. The Nominating Committee (or Governance Committee) has a key role in reviewing which board members should be kept and which not (generally a board chair should not also be chair of the nominating committee). Always give board members a) a document outlining expectations for the year ahead; and b) a self-assessment form at the end of the year. The Governance Committee typically reviews the self-assessment with each board member. JH has used *Measuring Board Effectiveness: Questionnaire - A Tool for Strengthening Your Board* which is now out-of-print - but see other [BoardSource assessment tools](#). Either with or without the self-assessment, Hotchner recommended the governance/nominating committee chair have a heart-to-heart talk at the end of a year (or a term) about what they’ve achieved, what they would like to have achieved - are they happy? Such an end-of-term interview gives you the opportunity to really listen to what board members think, and gives you the chance to evaluate and listen to what they want to do.

7. Fundraising: Relationships

The board should be the single biggest source of fundraising - both through their own giving and through introductions to potential major donors. The board chair should ensure that giving expectations are clearly understood by all board members. There should either be a **minimum** donation level, or an **average** gift level for the entire board. The ED should develop strong relationships with all board members, getting to know their passions, and calling them when something comes up that is relevant to their interests. The relationship is the base to build from. Potential donors’ “capacity to give,” should be discovered not through wealth screening tools, but through developing relationships with them - and board members are invaluable in making those key introductions. Build relationships to the point where potential donors will clearly WANT to give. Once they give, ensure donors keep closely connected to the organization. Hotchner spoke about a successful series of “brown-bag lunches” she devised for donors - with the ED, perhaps some artists and new potential donors

8. Fundraising: The Elevator Speech

EDs, Board Chairs and all board members should develop their “elevator speech,” succinctly capturing the value of the organization. Getting board members to develop their own can be a motivating tool.

9. Fundraising: Making “the Ask”

The key for success in asking a donor for a gift is to prepare a script (working with the development director who has cultivated him/her), ideally with assigned parts for each person in the room, and to rehearse it religiously. Ideally, the ED should be accompanied by the board chair or a board member that has a connection with the donor. The hardest part is to ask for the dollar amount. The donor will usually give clues (sometimes phrases to describe the project) that they are ready to be asked.

10. Fundraising: People Want to Give

An ED should always be teaching potential donors and board members (in every conversation and board meeting) how they can change the world through the organization. Develop a VISION to compel people to feel it's important to get involved - people give because they want to make an impact beyond their daily jobs. An ED should get to know board members well enough to know which of their passions intersect with the organization's activities and to channel them to serve the organization.

11. Cooperate - Don't Compete

Juanita James said that as a community we had to leave behind the assumption that we're all in competition for donors. If a donor is interested in arts and culture, they will give and be interested in multiple organizations. We need to collaborate more to lift up the entire sector. Donors respect organizations that work together. **“It's important to get out of the mindset that I have to get all the information on donors and keep it to myself: not so!”** Sharing resources is key. If you collaborate, sharing back-office staff and time, a donor sees more money is going to program and less to duplicate operations.

12. Launching Capital Campaigns

For a capital campaign, you need a strategic plan, a financial plan to back it up, and a campaign plan that flows from both. The board should be involved in all three plans. EDs should select board members for campaign committees based on their knowledge of their capabilities and interests.

A feasibility study, conducted by an outside firm that interviews board members about their giving capacity is recommended. Get a leadership gift of the right size out front to inspire your board and others to give. Develop challenge mechanisms for the Board to meet. If you go public, determine how much you want committed before you make an announcement.