Encouraging Visionary Board Leadership
By Frank Martinelli, The Center for Public Skills Training

Are you interested in building an active and strategically oriented board of directors? You are not alone. According to a recent survey of regional and national studies regarding challenges facing nonprofits, this once again was cited as the most frequent concern.

For a nonprofit to succeed, it must have a board that is passionately committed to the mission, possesses substantial leadership skills and expertise, and is organized for strategic leadership. Nothing less will do at a time when boards are facing the challenges of building long-term financial sustainability, weighing strategic restructuring options, planning for leadership succession, and more.

The unrelenting pace of change challenges nonprofit boards to look and act differently. Some boards have already made the transition. They possess a number of qualities and characteristics that together define a new profile of board effectiveness.

The New Profile

The boards that fit this new profile possess the following characteristics: They are visionary and future-focused, spending most of their decision-making time looking forward. They possess an entrepreneurial spirit, understanding that their organizations operate in a fast changing marketplace seeking products and services to meet emerging customer needs. The new-thinking boards’ leaders are risk-takers, balancing the need to take chances with the traditional stewardship responsibilities of board service. They are strategic decision makers who, in partnership with staff leadership, utilize a range of planning approaches and tools. They are effective communicators, understanding the importance of good communication at all levels; and, they organize the board and its committees accordingly. They are systems thinkers, seeking to understand the root causes and forces that shape the issues and challenges they will face in the boardroom. They look for courses of action that will exert the highest possible leverage as they respond to those issues. In these “new” boards, leaders also look for creative ways to connect their organizations to the world around them, exploring and imagining new forms of partnership and alliances that will support their missions and advance their strategic plans. The new boards’ leaders also have a deep appreciation of the strength of diversity, understanding that diversity helps to assure a higher level of responsiveness to customers and also promotes creativity, innovation and organizational learning.

These qualities and characteristics that define effective nonprofit boards equip their members to exercise a more visionary and strategic leadership style. However there are a number of barriers that get in the way of boards acting in this way.

Barriers to Boards Playing a Visionary Leadership Role

There are a number of factors that prevent boards—maybe yours?—from exercising the kind of visionary leadership described above. Taken together, these factors provide a checklist for assessing your board and identifying areas to target for improvement. Examining these barriers to visionary board leadership can be the first step in revitalizing an existing board or building a powerful board from scratch. Let’s look at some of them now:
Lack of time

In order to play a visionary leadership role, board members need the time to do the work of the board: attend meetings, serve on committees, read materials and maintain contact with each other in between meetings. This puts pressure on the board to do everything it can to organize for maximum effectiveness and avoid wasting time on trivial matters. This also challenges the board to recruit leaders who are able and willing to make the required time commitment.

Avoidance of risk-taking

To be innovative and creative in its decision making, a nonprofit board must be willing to take chances, to try new things, to take risks. This risk-taking flies in the face of the conventional wisdom about board stewardship responsibilities. Success in new programmatic ventures is never guaranteed. Boards need to acknowledge this tension point and discuss it with funders, donors and other key supporters. Board leaders must strike a balance between taking risks and remaining true to their traditional stewardship role. It will also help to remember that holding on to the status quo can be a greater risk than trying something new.

Lack of board involvement in strategic thinking, planning and decision making

More than any other activity, strategic planning offers boards an opportunity to closely examine the changes and trends that will have the greatest impact on their nonprofits and their ability to make a real difference in the lives of the people and communities they serve. Based on this analysis, boards are then able to devise strategies to effectively respond to new challenges. This opportunity to reflect together on the big issues facing the organization leads to new vision and a sense of future direction, as well as the energy to move forward. Some boards are not involved in strategic planning at all. Some are involved but only superficially. When this happens, the board loses an important opportunity to hone and exercise its visionary leadership skills. And we’re not just talking about the formal structured planning process but rather all of the opportunities the board has to engage in strategic thinking and decision making on an ongoing basis.

Lack of knowledge in an increasingly complex world

The world is much more complex today for nonprofits. Busy board members frequently lack a deep understanding of critical changes, trends and developments that challenge fundamental assumptions about how they define the work of the board and what success looks like. Today, we see this shift most dramatically in the fields of health, education and economic development. Often, this lack of knowledge results in a lack of confidence on the part of the board to act decisively and authoritatively.

Micro-management

There is the story about the city council of a major American city spending almost an entire meeting deciding what color to paint the seats in the new stadium. Think of the seemingly intractable problems facing this and other cities today - unemployment, low student achievement, crumbling infrastructure. A time for bold, decisive action, if there ever was one. Where was the leadership!

Practically all of us have hair-raising stories about boards that spent untold hours discussing trivial subjects while neglecting major governance issues deserving more thoughtful deliberation. It is essential that boards focus attention on the roles they are called to play in order to maximize mission impact. This means the board must avoid the temptation to micro-manage or meddle in areas that are more appropriately handled by staff or its own committees. The average board, meeting monthly for one and a half hours, has approximately 18 hours of meeting time per year to make all of the major
governance decisions and still find the time to address new critical issues that are sure to emerge. It is simply impossible to do an effective job within those 18 hours of meeting time if precious minutes are devoted to non-governance matters. In addition, a habit of board micro-management can adversely affect the morale of staff and the board's own committees as well.

**Holding on to the old ways**

In their book *The Accelerating Organization*, authors Arun Maira and Peter Scott-Morgan state that one principle of survival scientists have observed in natural systems is the continuous shedding of operating rules that cease to be relevant because of changing environmental conditions. Organizations, they surmise, "can hold only a small number of rules and operations at anytime so they must have the ability to shed old rules to make room for the new. Shedding becomes more complicated in systems involving human beings because their sense of self worth is often attached to many old rules." This all-too-human tendency to hold on to what we know can prevent boards from considering and pursuing new opportunities that conflict with some of the old rules.

**Failure to see strategic thinking as the board's primary governance responsibility**

Sometimes boards assume that it's the job of the executive director to do the visionary thinking. While boards rightly expect executive directors to be visionary, strategic and decisive, this doesn't mean that the board sits and waits for direction and inspiration. This lack of clarity can result in boards that don't exercise visionary leadership because they don't think it's their job. But it is! In fact, it's at the very heart of what it means to govern.

**We didn't have to be visionary in a less-competitive past**

Time was when clients, members, donors and consumers would just walk in the door on their own—or so it seemed. Viewing things in this way, boards didn't consider marketplace pressures, or for that matter the existence of a competitive marketplace. Those days are gone forever. For many boards, however, their leadership style hasn't kept pace with these new realities.

Some of these barriers will be familiar. All can be overcome. What is really required is a fundamental reorganization of board structure and process in order to position the board for strategic leadership. Let's look at five strategies that can help your board adopt a visionary leadership style.

**Strategies for Becoming a Visionary Board**

**Strategy 1—Focus on the Ultimate Ends of the Organization**

Taking our inspiration from John Carver, author of *Boards That Make a Difference*, boards must concentrate on the ultimate ends of the nonprofits they govern and avoid any tendency to micro-manage. Stated another way, they should focus on the mission, vision and overarching strategic priorities contained in the strategic plan. Recognizing that strategic leadership is a shared responsibility, they should leave the means—the daily management of the organization—to the executive director. This approach will help the boards structure board meeting time to address more pressing governance matters. Key practices include:

- Designing board meeting agendas to focus attention on the ultimate ends and avoid micro-management. This includes the use of consent agendas to minimize time on routine matters of business and to maximize the time spent on matters that are directly related to governance.
• Utilize an organizational dashboard to monitor the organization’s performance on key success factors that are linked to the nonprofit’s strategic plan. By paying close attention to these indicators, boards are more likely to maintain a focus on priority areas of governance.
• Aligning the board’s committee structure with its strategic thinking and decision-making responsibilities. Doug Eadie, a governance expert, talks about board committees as “powerful engines of governance.” Beyond core committees such as governance, finance, and fund development, any other board committees, workgroups and task forces should reflect current strategic priorities requiring the board’s focused attention in the coming year—attention that will move the vision forward.
• Conducting an annual assessment of the board’s capacity for strategic leadership. Such an assessment would include an examination of how well the board is maintaining a focus on the “ultimate ends” questions.

Strategy 2—Build a Board Leadership Talent Pipeline for the Future

In contrast to the typical short-term recruitment process that focuses narrowly on filling anticipated board vacancies for the current year only, boards need a long-range plan for developing future leadership. Such a plan centers on the following questions: Who will be serving on and leading the board over the next five years? What is our plan to scout board leadership talent for the future? How will we go about fostering and developing this future board leadership? What we’re talking about is board leadership succession planning. Key elements of this approach include:

• Creating a standing governance committee to replace the traditional nominations and recruitment committee. The governance committee will use the key questions listed above to devise an ongoing process that includes prospecting, recruiting, selecting, orienting, training and assessing the performance of board members.
• Developing a written board member job description that reflects the future needs and expectations of the board with an emphasis on strategic leadership.
• Linking board development to your strategic plan. Identify the new skills, knowledge, personal contacts and other attributes future board members will need to possess in order for the board to do its part in advancing the strategic plan. Based on this analysis, develop targeted board recruitment and leadership development priorities.
• Developing a just-in-time board orientation program to speed up the learning curve for new board members so that they can hit the ground running in their first meeting. Beyond this initial orientation, foster a continuous learning environment for all board members. Again, it is important to link this advance program of orientation and training to the strategic plan.

Strategy 3—Develop a Shared Vision of Future Intended Impact

The key question for nonprofit boards is: "If we could have the impact we have always desired in advancing our mission, what would this success look like in 5 years?" The board's answer to this question captures the organization's strategic vision.

Strategic vision reflects the institutional and community impact we intend to create and the kind of organization we will need to be in order to achieve this impact. “Vision of Intended Impact” has also been defined as a clear, measurable statement of what the organization will hold itself accountable for and align activities around.

As mentioned earlier, it is critical that the board be involved in the development of a shared vision—the centerpiece of the strategic plan. Once your board has developed a vision statement, look for ways to live the vision in your organization. For example:
• Using the strategic vision as a framework for board decision making in every meeting—not just during an annual planning retreat.
• Sharing your vision with the community. Once you go public with it, it's hard not to live up to the vision.
• Asking board members what they think is most exciting and inspiring to them about the wording of the organization's vision statement and tapping this energy to increase board performance and accountability.
• Using the vision as the basis for regular dialogue in meetings on emerging issues and challenges.
• Seeking major media coverage when strategic plan milestones are reached, and using this as an opportunity to promote your vision both inside and outside of the organization.

Strategy 4—Keep up with the Rapid Pace of Change

Another strategy for nurturing visionary leadership is to help the board keep up with the rapid pace of change. Provide information that helps the board think about these key questions: What external changes and trends will have the greatest impact over the next three to five years on the organization and the people it serves? How can the organization effectively respond to these changes and trends? How are other organizations responding to these changes and trends?

Let's remember, however, that busy people will have difficulty finding time to read a lot of material. So, if you intend to share information with the board, whether printed or online, make sure that it is timely, relevant and well-summarized. Here are some suggestions for helping board members stay abreast:

• Schedule time during the regular board meetings for discussion about the impact of key external changes and trends, as well as emerging critical issues.
• Encourage individual board members to read, listen and look for information about emerging trends and bring this information to the attention of the rest of the board.
• Periodically send board members short readable articles summarizing relevant future trends.
• Involve the board in ongoing strategic thinking and planning as a way to expose it to new external trend data.

Strategy 5—Stay in Touch with the Changing Needs of Your Customers

The fifth strategy for transforming the leadership style of the board is to provide members with information to enable them to stay in touch with the changing needs of the customer. Key questions include: What do our constituents and stakeholders think of the organization—e.g., What is their perception or image of the organization? What are the most important future constituent needs and service expectations of the organization? For the new needs and service expectations most likely to emerge among constituents, are there other organizations well-positioned to meet these needs?

Consider the following activities:

• Create opportunities for board members to "meet the customer." One organization schedules an annual town hall forum to provide board members with a face-to-face opportunity to listen to constituents talk about their emerging needs.
• Tap staff experience and knowledge of clients to deepen the board's understanding of emerging customer needs.
• Establish a strategic marketing information system to supply the board with data to enhance its governing role. Access to such data helps to assure that the voice of the customer is reflected in
major board decisions while avoiding any temptation to micro-manage. In most instances, such
an information system can draw from data gathering activities that are already in place and
which support staff efforts in program development and grant writing; for example, focus groups,
secondary market research, surveys, key informant/expert interviews, community forums,
internal reviews, online literature searches, and more. Develop summaries that employ
communication techniques such as infographics—visual representations of sometimes complex
information, relationships or knowledge that make data more accessible and usable by the
board.

Next Steps

To summarize, an effective board of directors that can exercise visionary leadership is built upon a
number of key strategies. These processes, structures and practices reinforce each other and lay the
groundwork for board and organizational effectiveness in this time of continuing rapid, profound
change. Here’s how to use them to transform your nonprofit board:

1. Characteristics. Review the seven attributes of visionary leaders. Use these factors as a
checklist to assess your board. Identify areas that need improvement. Consider use of the
Visionary Board Leadership Assessment which can be found on our website.

2. Barriers. Scrutinize the seven barriers to visionary board leadership. Some will be familiar. All
can be overcome. Begin work now to remove these barriers.

3. Strategies. Remember, an effective, visionary board is built on five key strategies that lay the
groundwork for board and overall nonprofit effectiveness in this time of rapid, profound change.

For more information, contact:

Frank Martinelli
The Center for Public Skills Training
2936 N. Hackett Avenue, Milwaukee, WI 53211
Voice: 414-961-2536
Web: http://www.createthefuture.com/About_Us.htm
Email: frankmartinelli@createthefuture.com
Twitter: http://twitter.com/frankmartinelli
LinkedIn: http://www.linkedin.com/in/frankmartinelli

Helping Determined Nonprofits Harness the Power of Shared Vision . . .