

# Ten Proven Practices for Strengthening Your Board

2012 NCCAE Annual Meeting  
October 17, 2012  
Williamsburg, VA

# Critical Governance Issues



# The Board's Role in . . .

- ▶ Assuring long term financial sustainability
- ▶ Alliances, partnerships and strategic restructuring
- ▶ Board and staff leadership succession planning
- ▶ Managing diversity







# Building Effective Boards: A Continuing Concern

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**"Perhaps it would help if I go over it one more time."**

# Board Governance: Fundamental Assumptions



- ▶ Distinction between governance and management.
- ▶ “Ends” and “means”
- ▶ Clarity and agreement about who does what.
- ▶ Speaking with one voice.



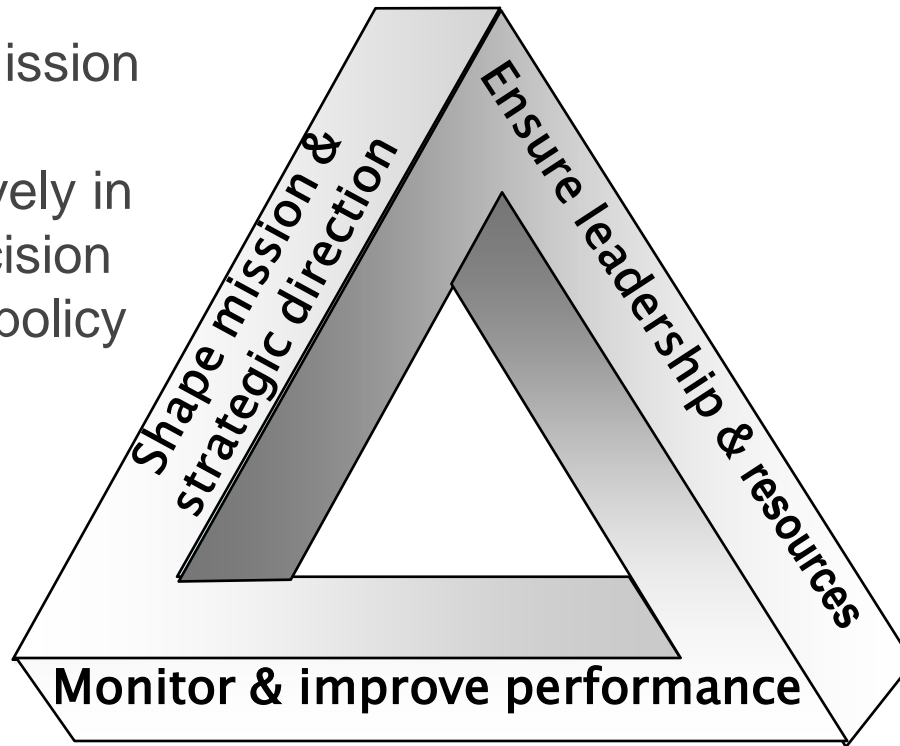


# The Dynamic Board

## McKinsey & Company

# 3 Key Roles Encompassing Nine Detailed Responsibilities

- Shape the mission and vision
- Engage actively in strategic decision making and policy decisions



- Select, evaluate, develop the President/ Executive Director
- Ensure adequate financial resources
- Provide expertise and access
- Enhance reputation of organization

- Oversee financial and risk management
- Monitor performance & ensure accountability
- Improve board performance




# Governance As Leadership

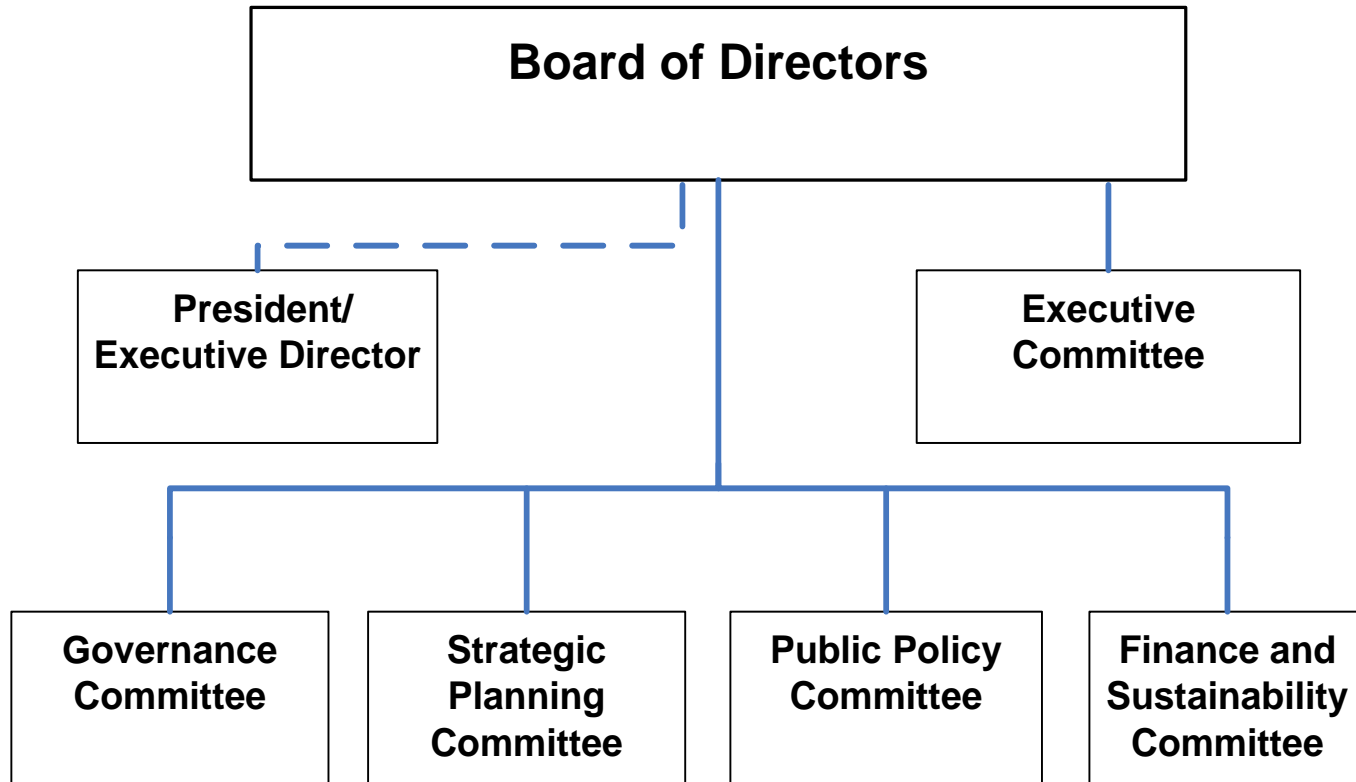
Richard Chait, William Ryan & Barbara Taylor



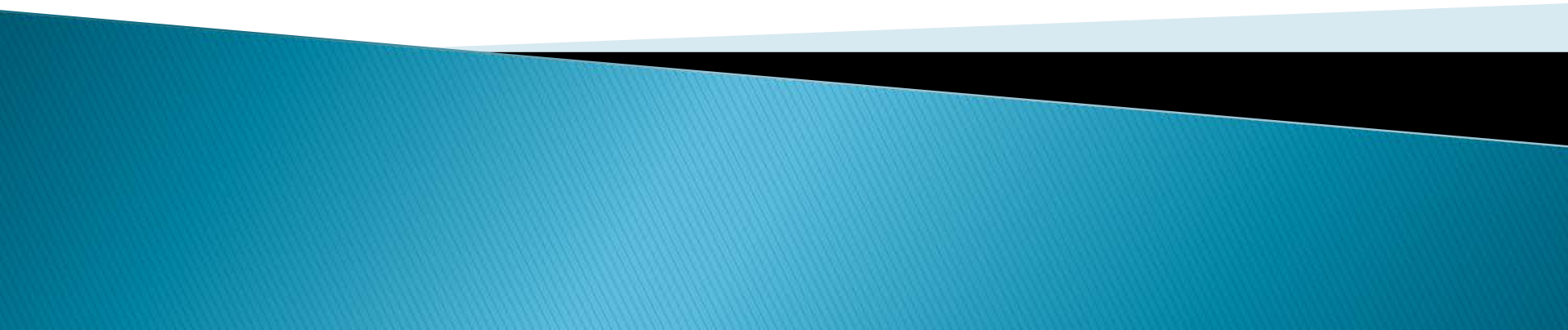
# 3 Modes of Governance

- ▶ **Fiduciary Mode -- key questions**
    - "How are we doing to date?"
    - "Are we in compliance?"
    - Anything wrong?
  - ▶ **Strategic Mode -- key questions**
    - "What should we be doing?"
    - "Where are we going?"
    - What's the plan?
  - ▶ **Generative Mode -- key questions**
    - "What are the new possibilities?"
    - "What's coming next?"
    - What's the new question?
- 

# Governance Landscape



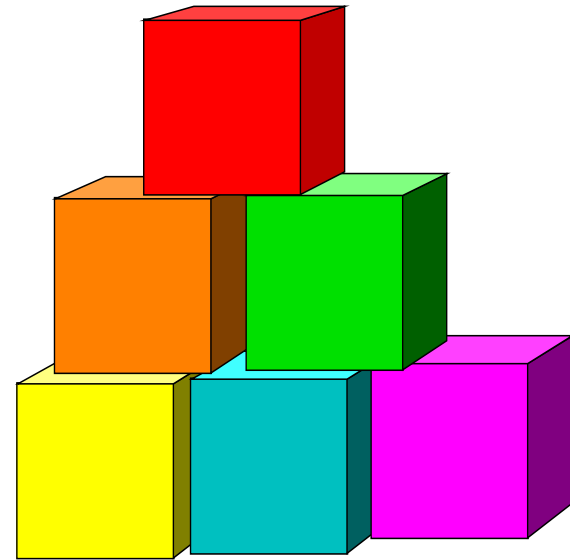
# Ten Proven Practices for Strengthening Your Board



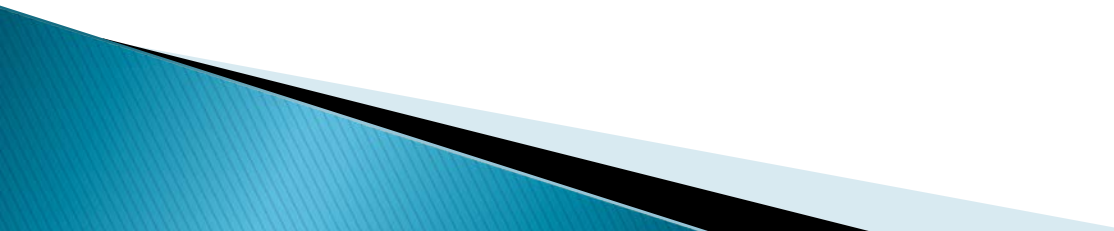


# Proven Practices

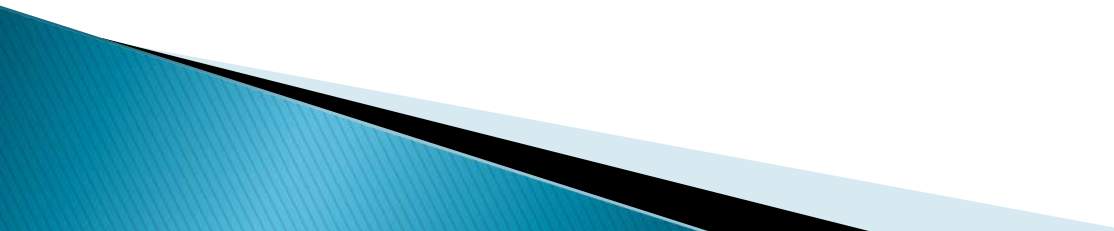
1. Clearly define roles and responsibilities.
2. Align key board processes with strategic plan.
3. Just-in-time board orientation.
4. Effective meetings:  
Consent agenda and other tools.
5. Committee effectiveness.



# Proven Practices

6. Organizational dashboards.
  7. Board leadership succession plans.
  8. Board assessment.
  9. Board governance committee.
  10. Incorporating strategic deliberation into every board meeting.
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# #1 – Clearly Define Roles and Responsibilities

- ▶ Clarity re: management and governance.
  - ▶ Written individual board and committee descriptions that are current.
  - ▶ Maintain clarity re: board policy and oversight functions.
  - ▶ Ensure that current job description is in place for the President/Executive Director.
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# Board Member Job Description

- ▶ Attend all regular board meetings.
  - ▶ Serve as an active committee member.
  - ▶ Support public policy agenda/initiatives.
  - ▶ Prepare in advance for board policy and decision-making.
  - ▶ Attend the annual board planning retreat.
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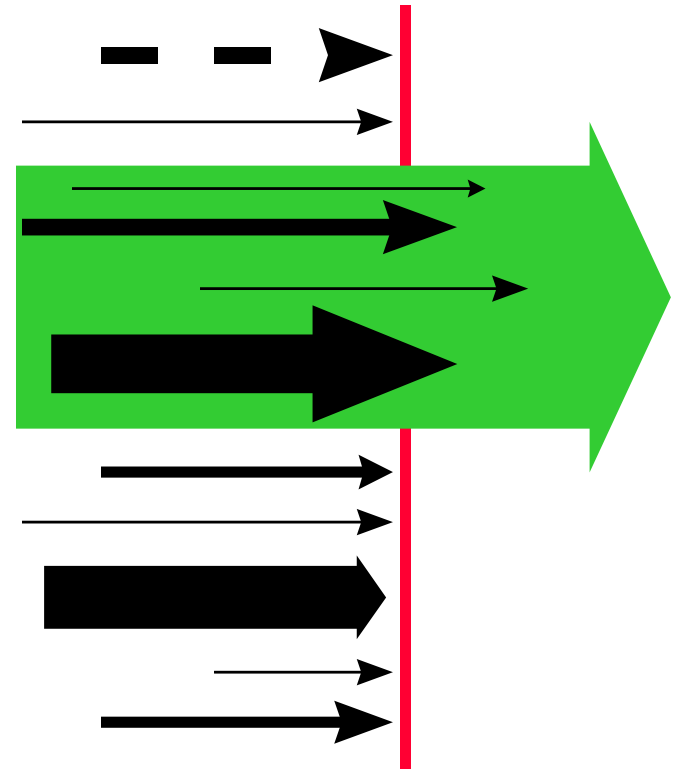
# Responsibility Matrix

<b>Responsibility</b>	<b>Board Of Directors</b>	<b>President/ Executive Director</b>
Finance and Accounting	<ul style="list-style-type: none"><li>• Approves annual budget.</li><li>• Reviews periodic financial reports (balance sheet, income statement, changes in financial position).</li><li>• Ensures that proper internal controls are in place.</li></ul>	<ul style="list-style-type: none"><li>• Prepares annual budget with input from finance committee</li><li>• Oversees preparation of periodic financial reports.</li><li>• Implements proper financial controls.</li></ul>

## **#2 – Align Key Board Processes With the Strategic Plan**

# Link Board Recruitment with Strategic Plan

- ▶ Review the strategic plan.
- ▶ Identify the skills, knowledge and relationships needed by the board to advance the strategic plan.
- ▶ Set clear recruiting priorities.



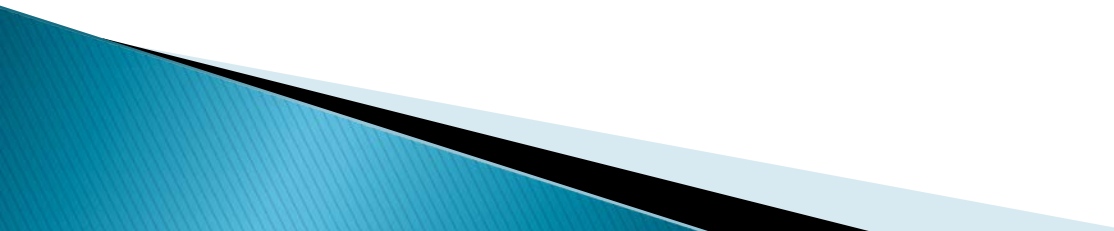
# Align Committee Structure with Strategic Plan



- ▶ Review committee structure as part of strategic planning.
- ▶ Align committees with plan.
- ▶ “Leaner is better”.
- ▶ Use task forces and workgroups in place of standing committees.



# #3 – Just-in-Time Board Orientation

- ▶ Advance program of orientation and training to prepare new board members.
  - ▶ Focus on the strategic plan.
  - ▶ Build relationship between new board members and Executive Director.
  - ▶ Speed up the learning curve.
  - ▶ Increase confidence and productivity of new board members.
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# Ongoing Board Education & Training



- ▶ Incorporate training into board meetings.
- ▶ Study groups.
- ▶ Committee rotation.
- ▶ Publications and conferences.
- ▶ Online resources.
- ▶ Mobile learning.


# #4 – Use of Consent Agendas And Other Meeting Tools

# New Thinking About Board Meetings

## Traditional Approach

- ▶ Board meetings emphasize transmission of information and reports
- ▶ Same agenda structure
- ▶ **Focus on the past and present**

## New Approach

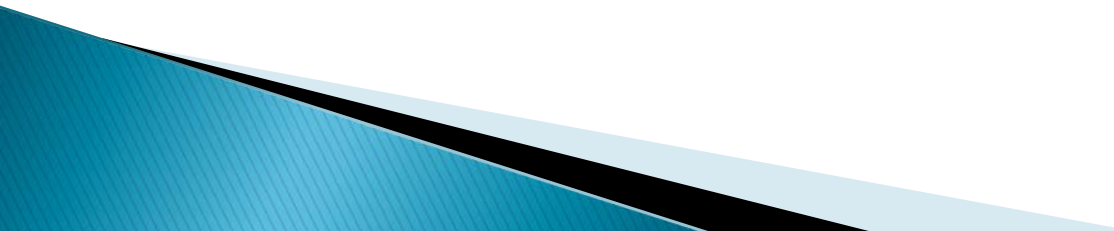
- ▶ Emphasis on participation and action
  - ▶ Use meeting for strategic and generative thinking
  - ▶ Consent agendas
  - ▶ Meetings are outcome driven
  - ▶ **Focus on the future**
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# Consent Agenda

- ▶ Bundle routine items together
- ▶ Eliminates the need to vote separately on many of the routine items
- ▶ Expedites routine business at a board meeting
- ▶ Frees up time to address critical matters



# #5 – Committee Effectiveness

- ▶ Committee participation as an expectation
  - ▶ Help the board do its work
  - ▶ Aligned with strategic plan
  - ▶ Standing committees – “The fewer the better”
  - ▶ Use of task forces and workgroups
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# #5 – Committee Effectiveness



- ▶ Capable chair
- ▶ Written committee descriptions
- ▶ Matching member interests and assets with committee needs
- ▶ Annual meeting calendar

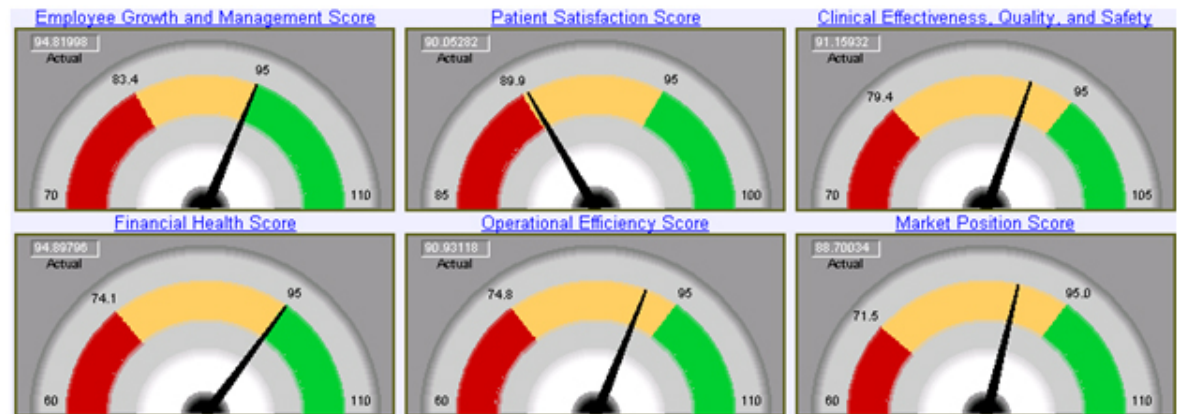
# Annual Committee & Board Meeting Calendar

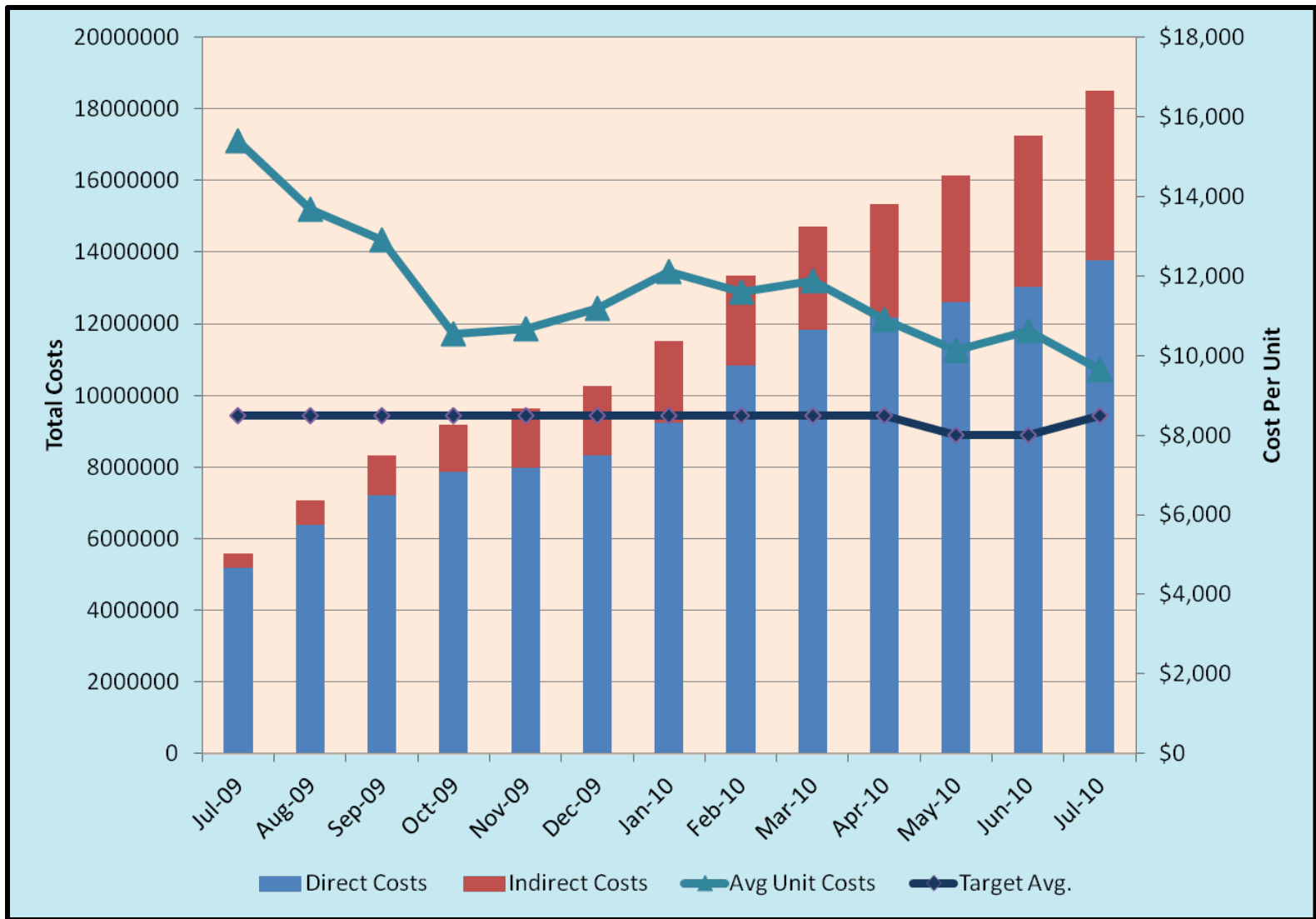
- ▶ Fosters attendance and participation.
- ▶ Improves decision-making.
- ▶ Promotes coordination and increases productivity.



# #6 – Organizational Dashboards

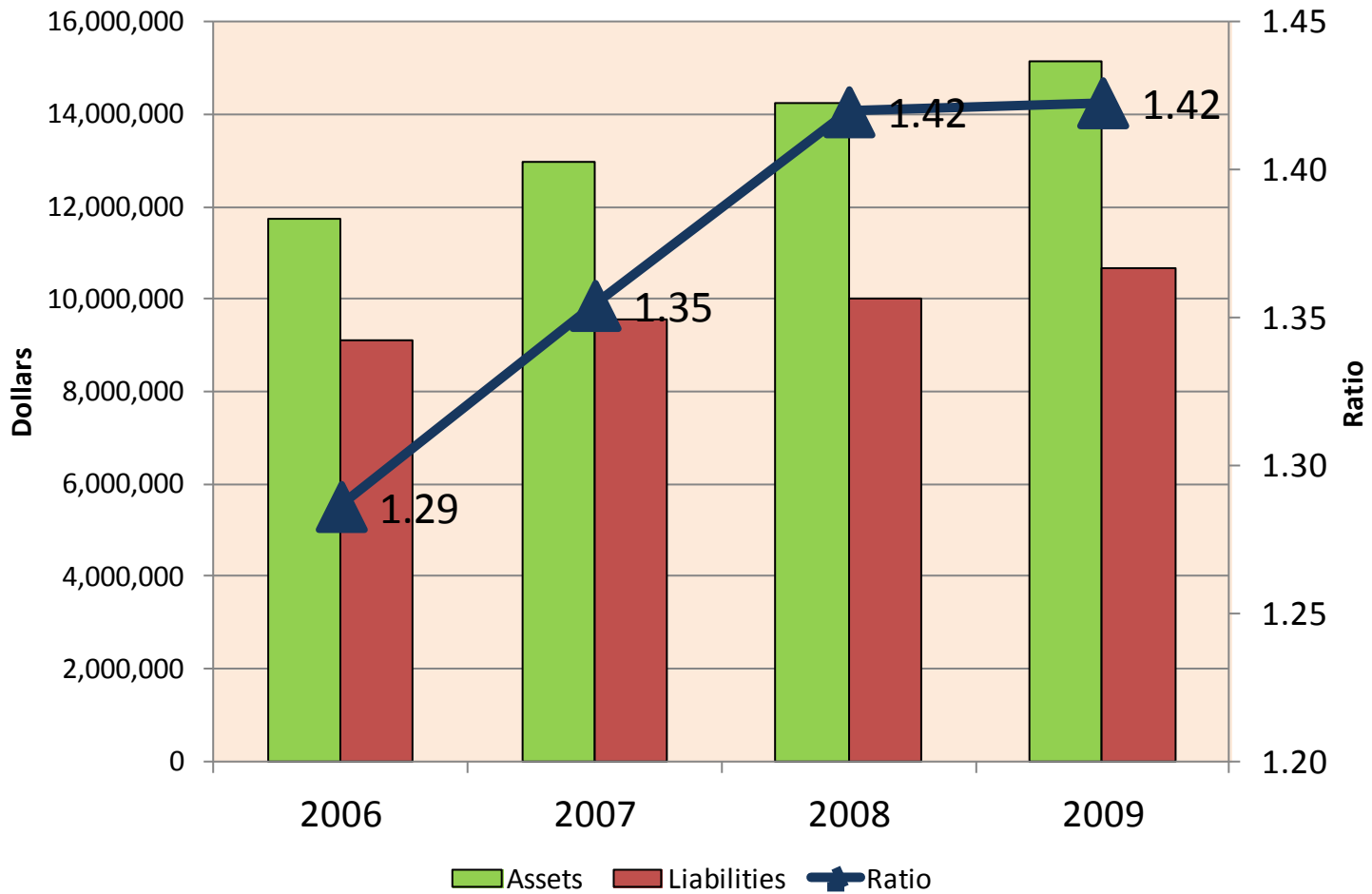
- ▶ Up-to-date information about key success factors
- ▶ Increase effectiveness of board decision-making
- ▶ Maintain board focus on governance
- ▶ Corrective action before a crisis erupts





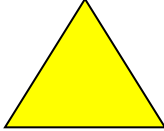
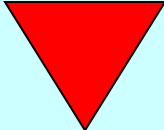

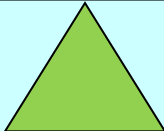
Total Cumulative Costs/ Average Unit Costs  
Compared to Target Unit Costs

## End-Year Ratios



*“Can we cover current obligations?”*

# Key Board Performance Indicators

	Status	Actual	Goal	Key	
Attendance at Board meetings		80%	90%	Green Yellow Red	90% 80% 70%
Participation in committees, work groups, task forces		70%	90%	Green Yellow Red	90% 80% 70%
Board meeting time devoted to strategy and generative issues		75%	75%	Green Yellow Red	75% 60% <50%
Board action follow-up completed		80%	80%	Green Yellow Red	80% 70% <60%



# #7 – Board Leader Succession Plans

- ▶ Identify critical leadership positions.
- ▶ Scout board leadership talent for the future.
- ▶ Written plan for fostering and developing future board leadership.
- ▶ Building “leaderful” organizations.

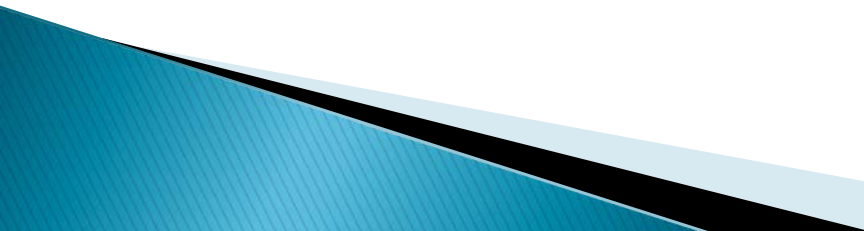


# What is Board Leadership Succession Planning?



Succession Planning is the use of a planned program to ensure that board leaders are developed to successfully replace board leaders whenever needed to carry out the mission, vision and goals of your organization.

# Critical Questions To Ask

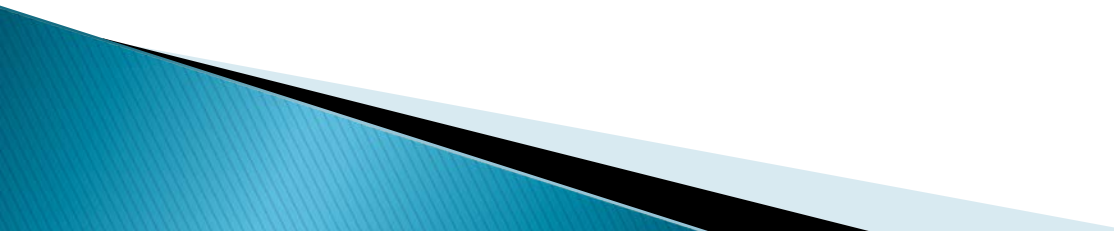
- ▶ How would we carry out our responsibilities if a key board leader position suddenly became vacant?
  - ▶ Do we select people to the board based on tactical and strategic thinking?
  - ▶ Do we know TODAY who will replace current board leaders when terms end?
  - ▶ Do current board leaders feel they have benefited in a meaningful way from their board service?
- 

# #8 – Board & Committee Assessment

- ▶ Periodic assessment of board member and committee performance.
- ▶ Board meeting feedback form.
- ▶ Board follow-through.
- ▶ Relate findings to board nominations process.



# #9 – Governance Committee

- ▶ Continuous focus on identifying, preparing and recruiting future board leaders.
  - ▶ Plan board education including new member orientation, ongoing training and board retreats.
  - ▶ Assess board, chair, individual directors, and board meetings.
  - ▶ Annually review governance practices and recommend changes.
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# **#10 – Incorporating Strategic Deliberation Into Board Meetings**

Meetings that Advance Effective Governance





# Strategic Deliberation

- ▶ Use mission and vision as the basis for dialogue and decision-making.
- ▶ Read, listen and look for future trends.
- ▶ Provide opportunities to share strategic information at board meetings.



# Development of Board, Committee and Member Action Plans

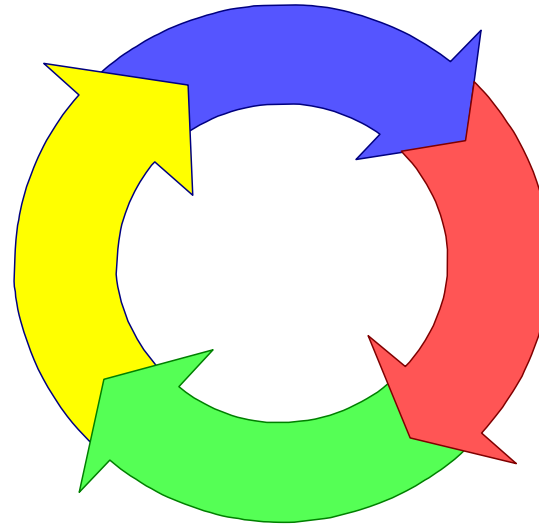
# Board Development: Core Activities

## CONTINUOUS:

- Team Involvement
- Education and Learning

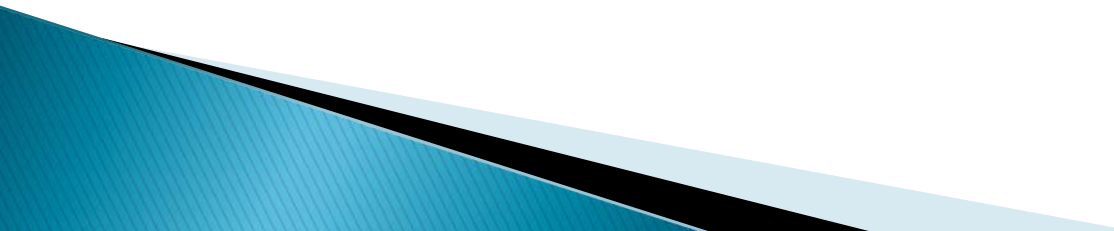
Board Development  
Plan Implementation

Board Assessment  
(or Reassessment) &  
Benchmarking



Board  
Development  
Action  
Planning

# Preparing for Action Planning

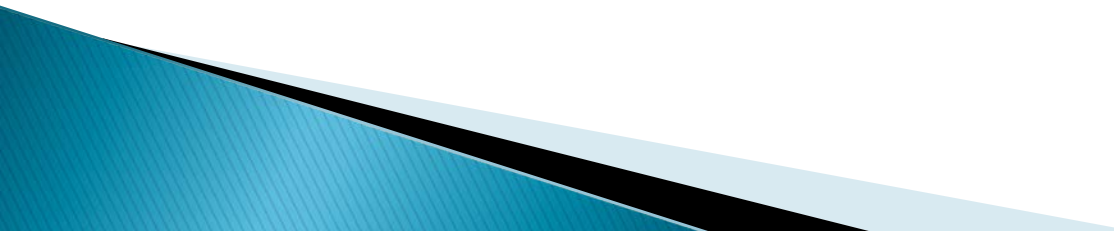
- ▶ Assure board understanding and commitment.
  - ▶ Governance Committee in place.
  - ▶ Board assessment.
  - ▶ Retreat event to analyze assessment results and develop action plan.
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# Board and Committee Action Plans

<b>What Change or Practice</b>	<b>By When</b>	<b>Who Responsible</b>	<b>Evaluation Measure</b>

# Board Member Action Plans

Use of a board engagement form:

1. Actions I will commit to in order to increase/sustain my individual level of board performance.
  2. What I would need from the organization.
- 



# Resources

A Starter List

# Resources: A Starter List

- ▶ BoardSource – [www.boardsource.org](http://www.boardsource.org)
- ▶ The Center for Association Leadership  
[www.asae.org](http://www.asae.org)
- ▶ The Center for Public Skills Training
  - Board Development Resources –  
[www.createthefuture.com/past\\_articles.htm](http://www.createthefuture.com/past_articles.htm)
  - Visionary Board Leadership Assessment –  
<http://bit.ly/SPpGs6>



National Council of County Association Executives  
**NCCAE** 

The text "National Council of County Association Executives" is in a dark blue, sans-serif font. Below it, "NCCAE" is in a larger, bold, dark blue, sans-serif font. To the right of "NCCAE" is a graphic consisting of three wavy, horizontal lines in a dark red color, resembling stylized waves or a ribbon.