The motion on the board table had enough momentum to pass without much discussion. Then an astute director asked, “How will we measure performance? How will we know if we have been successful?”

Often boards adopt programs and pass motions without considering performance expectations. The motion might sound like, “I propose that we direct staff to increase student memberships.”

Does this motion suggest 100 new students? Is it a plan to create student chapters? The board did not define any performance metrics in the motion.

**Process for Selecting Metrics**

A board has a duty to evaluate organizational effectiveness as it sets the vision and advances goals. When a motion is so general it may be impossible to gauge success.

By discussing the metrics *before* passing the motion, awareness of the intended outcomes and how to monitor success is improved.

Everything can be measured. It may take some thought and discussion.

Begin by identifying metrics that have the most value to the organization. For example, the number of website visitors, budget aspects, membership growth or legislative wins. The board should select a dozen or so core areas to monitor that have significant impact.

Next develop a methodology for reporting the information. Rather than oral or written reports and spreadsheet presentations, consider using dashboards, they are a way to depict performance visually on a chart.

By presenting the same dashboards consistently at board meetings, directors begin to recognize gaps, trends, strengths and weaknesses. Corrective actions can be taken as appropriate. Some organizations post the information on a board portal where directors have access at will.
The measures should be associated with the strategic plan; nearly every metric can be tied to the goals. During the annual retreat, a focus on the plan and performance will improve outcomes.

**Areas of Performance**

Thought every organization is unique here are some common performance measures and their descriptions:

**Membership** – Retention and growth rates are monitored; percentage of market share is satisfactory (number of members compared to the total number of potential members); member satisfaction is gauged; member participation is increasing.

**Financial Fitness** – Sufficient saving established; the ratio of dues to non-dues income is satisfactory; investments yield desired results; income streams are reliable and diverse; independent accountant advises board.

**Exposition** – Booths and space outpace prior trade show; attendance is up; exhibitor satisfaction is high.

**Sponsorship and Advertising** – Number and income of sponsorships and advertising is growing.

**Government Relations** – Consider the number of issues being tracked; how many members are involved in grassroots; the number of contacts with lawmakers; and the number of political wins.

**Political Strength** – Majority of the members engaged in PAC funding; size of the PAC is sufficient to influence lawmakers.

**Professional Competency** – Association supports enhancements in member competency through education and certification programs; opportunities for research and publishing; noted reduction in consumer complaints and grievances.

**Governance** – Right size board; all directors proficient in governing duties; pipeline of future leaders in development; periodic board self-evaluation conducted; board meetings produce substantive results.

**Technology** – Investment in technology platforms supporting association functions; providing member access 24/7 and reducing reliance on staff; ratio of investment in technology may reach 10 percent of budget.
Education – New topics and speakers added; total number of CE hours required are growing to be a respected resource in education marketplace; programs are well-marketed, attended and produce profit.

Chapters – Performance of components are effective with growth in membership, programs, leadership, etc.; chapters are compliant with laws, policies and bylaws; underperforming chapters are addressed.

Staffing – Staffing is sufficient for a growing organization and to advance the strategic plan; adequate investment in professional development; compensation is comparative with similar roles and responsibilities; methods of performance evaluation are effective.

Committees – Committees are aligned with goals in the strategic plan; sufficient number of volunteers to support committees; ineffective committees are addressed by eliminating, merging or revamping.

Strategic Plan – Plan guides board and staff for 3 to 5 years; reasonable number of goals (3 to 7) supported by sufficient resources (funds, staff, time, technology); program of work or business plan tracks assignments, deadlines and metrics.

Internet Presence – Search engine optimization (SEO) draws visitors; social media strong with postings, likes, retweets, etc.; internet presence is considered a benefit by members.

Diversity – Composition of board and staff reflects diversity of the membership and community; programs designed to serve varied audiences; diversity is a guiding principle; collaboration with groups representing diversity.

Board members frequently rely on performance measures in their work settings, thus it should be instinctive to apply the concept in associations.

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Note: Bob Harris, CAE, provided association governance tips and templates at www.nonprofitcenter.com