BEST ARTICLES, TIPS AND TOOLS

COMPILATION

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www.nonprofitcenter.com
2016
Meetings of the board can be dreaded or difficult to endure. Listening to reports, watching individuals promote personal agendas, a lack of focus on outcomes, and bad behavior leaves some board members wondering if it’s worth their time. (It is no wonder it’s hard to get a quorum.) How do you create a consistent pleasant leadership experience?

A national association described their meetings as “painful.” The chair insisted on monthly conference calls. They decided Sunday evenings would work best. Because of time zones the call started at 9 and discussions rambled past midnight. The staff were told they too had to join the call.

Another association met quarterly but felt they had to maximize the board’s time so they worked eight to ten hour days. The agenda expanded to fill the time. The board did plenty of committee work and talked “shop.” Reading subsequent minutes one might wonder what was accomplished.

The Volunteer Experience

Few associations have perfected a formula for the ideal board experience where directors are genuinely governing and visioning. The aim is a meeting characterized by positive experiences and achievement.

“We have to transform the volunteer job to be a positive leadership experience if we want to sustain leadership,” said Bill Pawlucy, CAE, of AssociationOptions.com.

**PREPARATION**

**Expectations** – Clarify expectations of the board at orientation and at the start of meetings. The board’s chief elected officer should set the tone and work to include all directors in the discussions. John Boyd, DDS, vice president of the Fort Worth Dental Society in Texas says, “We open meeting by explaining the need for trust. Since we created our mission statement and strategic plan together we should be on the same page. We remind members that the agenda is about the plan and any discussion should start with the premise that each board member is there to make the society better. It is ok to disagree in a respectful healthy way – remembering that the plan drives the goals of the society.”

**Orientation** – The annual orientation is an opportunity for board members to get to know each other, as well as build their confidence in governing processes. Mix in some fun discussions about the interests and hobbies of directors. Late
in the year offer 15-minute board development topics, for example membership trends or technology advances. In general, be sure the first board meeting isn’t the first time board members meet.

✓ **Venue** - Find a unique meeting venue. Look for access to a museum, sports arena or college. Possibly the president or president-elect wants to host a meeting at their home or at a site in their home-town. (Be sure parking is adequate to avoid frustrations upon arrival.)

✓ **Rotate** – Plan meetings geographically for opportunities to visit local members. “We use our board meetings as an opportunity to greet local members. Directors split them up into small groups to visit members. Their task is to ask members and prospects, ‘What issues keep you up at night,’” explains Margaret Herriges, CAE, IOM, at the Montana Society of CPAs.

✓ **Camaraderie** – Facilitate interaction to strengthen camaraderie. Arrange fun activities that might pleasantly surprise directors (find an Italian restaurant that allows them to make their own pizzas, for instance.) Plan a “speed dating” session where directors get to know each other, or a contest rewarding volunteers who best know the association. At least once during the year include spouses, partners or family.

✓ **Agenda** – Organize the agenda by putting the most important items at the start to allow for adequate time. Add time-markers so the board can gauge the anticipated amount of discussion and closure.

✓ **Consent Agenda** - Circulate reports in advance by using a consent agenda or distributing information with the meeting notice. Directors should submit their questions before the meeting to allow for preparation and to avoid surprises. “We have a rule that we don’t spend board time discussing something that could have been written in a report,” said Debbie Trueblood, MSW, IOM, CAE, executive director at the Illinois Park and Recreation Association.

✓ **Frequency** - How often should the board meet? The norm is quarterly. Some plan only three meetings a year, respecting and minimizing the time of volunteers and staff. Postpone meetings if there is not a good reason meetings. (Be cautious of “we’ve always done it this way” by planning 12 monthly board meetings and 12 meetings of the executive committee.)

✓ **Right Size** – The larger the board the less engaged directors feel. Volunteers begin to realize they don’t have to attend or be accountable because their absences won’t be noticed. The IRS suggests the size of the board should allow for meaningful discussions – the national average is 15 directors.

### PROCESS AND OUTCOMES

✓ **Visioning** - Engage the board in visionary discussions; find opportunities to let their ideas soar. Directors should think beyond their term of office, positioning the association for 2020 and
beyond. Allow time for board members to tackle an assigned challenge.

✓ **Strategy** – A strategic plan keeps the board focused. Have it on the table so directors consider it before making recommendations. Include the plan’s goals on the agenda; when someone offers a “good idea” be sure it fits within one of the association’s goal; if not, offer to put the idea in a “parking lot.”

✓ **Inside Access** - Provide opportunities to hear from experts outside the board’s usual realm. Invite an author, elected official or publisher to share insights exclusively with the board. Directors appreciate access to inside-information.

✓ **Data Reporting** - Diminish the dependency of listening or reading reports by transforming them into dashboards to concisely depict information. The board should be steering the organization based on knowledge and outcomes, not listening to historical reports.

✓ **Committees** – Appoint only necessary committees. Replace standing committees with task forces and quick action teams. Be sure committees do their work in advance of board meetings and not at the board table. “When committee actions require board approval we have the chair of the committee appear to present the recommendation, provide the rationale, and to respond to directors’ questions. After all the questions are answered the chair is excused so the board can deliberate freely, eliminating the tendency to ‘send it back to committee,’” explains Chuck Michaels, CAE and CEO at the Pensacola Association of REALTORS.

✓ **Breakouts** - Make time for small group breakouts. Assign the big-question issues to teams. “Nobody ever said all the board’s work must be done at the formal board table,” offers Melissa Andrews, president and CEO of LeadingAge in Virginia. Break outs encourage directors to contribute who remain quiet in front of the big board.

✓ **Staffing** - Include integral staff at meetings to provide support. During meals have the staff spread out to get to know the directors or have them host table topics so leaders can learn more about the organization.

✓ **Technology** - Use technology so directors are looking up at the screen (or on their computers) to ensure information is accessible and understood. Avoid a packet full of pages where directors get lost in the paperwork. If documents are distributed in advance, have a few extras at the board table for directors who may not have brought theirs. For conference calls be sure the technology includes features such a mute button and “raise your hand” to be recognized.

✓ **Transparency** – No group likes it when a subgroup or the executive officers go into a closed door session, making directors and staff wait outside. Reject behavior that supports secrecy. Consider inviting future leaders to view the board in action; it nearly always puts the board on their best behavior.

✓ **Executive Session** – Frequent executive sessions become breeding grounds for gripes and rumors. Use the sessions only for business items that need attention and not open ended.
discussions. Don’t allow an executive committee, (usually composed of the officers) to usurp the authority of the board.

☑ **Guests** – If guests are invited to attend board meetings be sure they understand they must respect the same protocols as the board. A guest with a personal agenda or who interrupts or thinks they have a vote is a significant distraction.

**CLOSURE**

☑ **Rating** – Before adjourning ask directors to rate the meeting and suggest ways to improve it. At year end have the board conduct a self-evaluation. The purpose is the process of continuous improvement in governance.

☑ **What’s Next** – Possibly the most important question before ending a board or committee meeting is “what’s next?” A quick way recap the commitments and deadlines expected before the next meeting.

☑ **Executive Summary** – Shortly after board meetings circulate an executive summary that directors can share with chapters and members. The process provides directors consistent messaging to answer, “What did you do at the board meeting?”

☑ **Celebrate** - Finally, celebrate the achievements of the board. Include their photos on the website and let the community know these are the leaders and visionaries working to improve the profession, cause or community.

Janice Wachtler, executive director at the American College of Osteopathic Emergency Physicians sums it up best, “The secret is that you have to keep the board meeting from being a bored-meeting.”

# # #

Note: Bob Harris, CAE, provides free governance tips and templates at www.nonprofitcenter.com.
Boardroom Courtesies

Bob Harris, CAE and Rosalinda Randall

How can you avoid a boardroom meltdown --- when voices are raised, fingers pointed or directors leave mad?

The board meeting is a setting that brings together diverse volunteers for the purpose of governance. Discussions can be passionate and frustrating, and the environment unique to new directors.

Observe boardroom courtesy to enable a more effective governing process.

**RSVP** – The purpose of an RSVP is to ensure a quorum will be present to conduct business, to be certain sufficient seating and documents are available, and to prepare or provide an accurate count for food and beverage.

**Prepare** – Nothing is more frustrating to board and staff than to have a director arrive who reads the agenda or opens the packet for the first time at the board table. Preparation should start upon notice of the meeting and receipt of the agenda.

**Brevity** – Make points succinctly. Read the micro cues of directors to determine if the message has been understood or it included TMI – too much information. Remember that brief is better and appreciated in most instances.

**Digital Distractions** – Turn off cell phones and other communication tools, or set them on vibrate. Unless it is a personal emergency a director should not bolt from the room upon receiving a call. Remember board meetings are confidential – don’t be texting information to outsiders.

**Devil’s Advocate** – Some directors feel like they are responsible for playing the role of the “devil’s advocate.” They are not shy about announcing it. The underlying reasons for the approach should not be to make another director look bad, provoke, or prove them wrong.

**Respect Boundaries** – Directors are responsible for governance. Do not wander into the realm of management which is a...
staff responsibility. An organizational chart depicts lines of communication and hierarchy. Relationships with staff should remain professional, collegial.

**Board Seating** – Before rushing for a seat, allow the officers and staff to select where they feel most effective in their roles. Respect seat assignments if they’ve been made. Generally any guests sit apart from the board table. Guests don’t have the floor unless called upon by the president officer.

**Time Management** – Respect the time of others and allocate sufficient time to fulfill the responsibilities of board service. Don’t be the person who walks in late and asks, “Can you just catch me up?”

**Guiding Principles** – Organizations develop values or guiding principles over time, often reflecting the vision of the founders. For example, diversity, a spirit of transparency, member-driven or a professional image.

**Listen** – There is merit to the saying, *we have two ears and one mouth to listen twice as much as speaking.* Avoid being the person who interrupts with, “I just have a question.” It characterizes a director who has not prepared or hasn’t been listening. To reduce interruptions jot down any points and reserve them for the appropriate discussion time.

**Property** – Protect the resources of the organization. When making a spending decision ask, “How will the members perceive this?” At the end of one’s term the organization’s property (stationery, credit card, loaned items) should be returned.

**Confidentiality** – Things will be read or said at meetings that should remain confidential within the board, for example contracts or grievances. The meeting is a place for open discussion so long as confidentiality is assured. There will be designated spokespersons to communicate important points after the meeting.

**Authority** – Directors must not assume they have more authority than comes with the position. Unless explicitly appointed, volunteers, committees or chapters don’t have authority to speak for the board.

**Unity** – Support the decisions of the board; don’t start a firestorm by telling or writing emails or letters against board actions. Be careful about rehashing the board meeting in the parking lot.

**Gender Neutral** – Respect is an important aspect of board meetings. Avoid singling out people or groups. Addressing everyone with respect ensures that no one is discriminated against (unintentionally or intentionally) nor treated differently. Try to use gender neutral language in making motions and long-lasting policies.

**Attendance** – The bylaws expect directors to be in attendance at duly called meetings. Missing a meeting is seldom acceptable, and whether or not a director attends, they are still liable for the decisions of the board. The board as a team is “only as strong as its weakest link.”

**Posture** – Slouching, head resting on hand, leaning back while stretching out, standing up to engage in yoga poses are all distractions.

**Decorum** – Directors are “agents” of the organization; maintain the decorum that reflects well on the organization. (Directors who wear an organization nametag or logo shirt should remove it before celebrating a
night on the town.) Be careful with the casual attitude and language heard at home or work but not appropriate at the board meeting. Things cannot be unsaid. If someone has crossed the line, an apology may be in order.

**Hoodwinked** – Nobody likes a director who tries to pull a fast one on the board. Be open and honest with ideas and the rationale for proposals.

**Process** – Respect established processes associated with the organization. There will be a need to adhere to rules of order, read and comply with governing documents and to honor protocols.

**Personal Stories** – Using board time to share a personal challenge or drama is not the purpose. Directors are there to advance the mission and goals, not discuss personal issues.

**Body Language** – Read the body language of the board, especially the officers. The board has an agenda to complete in an allotted time. One good at reading body language can tell when there is anxiety in the meeting, things are behind schedule or discomfort is apparent.

**Disagreement** – Anticipate misunderstandings to arise, fervent opinions and passions. Displaying anger, tears or storming off mad is inappropriate. If necessary, politely request a *moment* to gather oneself, displaying one’s maturity and respect for others and the processes. Some discussions may be more appropriate by a closed door executive session.

**Meals** – Some meetings will require working through a meal. Table etiquette should apply. Nobody wants to listen to or watch someone chew ice, gum, chomp, lick, or crinkle wrappers. Adding onions and some other items permeates throughout the room.

**Pitch-In** – Someone was responsible for setting up the meeting. By adjournment there may be beverage containers, notes and food wrappers on the table. Before departing, offer to help staff clean up and reposition the room for the next meeting.

# # #

Use Board Orientation to Refresh and Blend
Bob Harris, CAE

Boards often scoff at the idea of an annual leadership orientation. They say, “We had a good one three years ago,” or “there are only 2 new members on the board – we’ll do something for them next year.”

Annual orientation is the platform and catalyst for good governance. Besides imparting knowledge of the association and director duties, it has subsequent benefits.

Refresh
While directors may say they don’t need to sit through another orientation, things evolve. An environmental scan will disclose opportunities and threats. Directors should take a fresh look at resources (especially limitations) such as financial statements. Similarly, a multi-year strategic plan should be reviewed annually to highlight achievements and next year’s priorities.

Blend
Orientation is a way to integrate newer directors with those who have experience. There is value in having discussions with directors having different levels of experience. Some organizations ask senior directors to mentor new board members. The organic sharing of information is invaluable.

Comply
The IRS suggests that directors disclose conflicts of interest on an annual basis, and more frequently with their Form 990 question, “Did the organization regularly and consistently monitor compliance with the policy?” Orientation is an opportunity to discuss potential conflicts and how they should be handled. The FTC urges trade associations to have a measure in place to avoid antitrust violations; orientation is a chance to educate directors.

Documents
For effective governance directors should receive or have access to the association’s governing documents (bylaws, policies, articles of incorporation as well as financial reports and strategic plan.) They may be provided in a leadership manual or accessible in a password protected online board portal.

Signature
Use the meeting to affirm that directors have received the information and are willing to abide by the rules. Ask directors to sign a form indicating they received and will read the governing documents; will work to advance the mission; will disclose conflicts of interest; will avoid antitrust violations; and will support the decisions of the board.
**Time Frame**
Orientation can be conducted in a period from 90 minutes to a more relaxed half day. The content and delivery should be efficient and effective (reflecting how meetings will be conducted through the year.) Frequently a professional facilitator is brought in every few years to leave a lasting impact. Orientation may be enhanced with a team building exercise or an outing such as golf.

**Instructors**
Sometimes the association’s executive director conducts the orientation. However, that is a little like an employee telling their boss what to do. Many organization use a respected executive from a nearby association or the national office. Multiple presenters can lead orientation, including an accountant (finances, Form 990), attorney (risk avoidance) and insurance agent (coverages.) While the incoming elected president may offer to do the orientation, it may be best if they offer only a portion and leave the governance and fiduciary discussion to professionals.

**New Directors**
For the newest directors, some executives conduct a one-to-one orientation by inviting leaders to the association or by visiting their offices. A thorough review of the leadership manual, finances and rosters are a worthy investment in time.

**Proof**
Record in meeting minutes that the orientation was held and who attended. There may be a time, related to a legal case, when an attorney or judge inquires whether or not the board received an orientation. The minutes will serve as proof.

**Future Leaders**
Orientation is an opportunity to broaden the leadership base. Consider inviting committee chairs and vice chairs, as well as the organization’s young professionals and future leaders.

View orientation as an annual investment of just a few hours that results in improved understanding, performance and outcomes.

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Note: Bob Harris, CAE, provides governance tips and templates at [www.nonprofitcenter.com](http://www.nonprofitcenter.com)
Rate this Meeting

Board and committee meetings are called for the purpose of achieving results. Not every board meeting is a success.

Through continuous evaluation the meetings can be improved. Before adjourning or immediate after, ask directors a simple question:

“How would you rate this meeting? On a scale of 1 to 10 (ten being the most effective, best) circle your number. Anybody rating below 7 should explain why the meeting did not seem effective.”

If you scored seven or lower, please offer a reason why the meeting was not a 10 and suggestions for improvement. For example:

- Meeting was too long or too short.
- We meet too often.
- We don’t meet enough.
- The room set up was wrong.
- The meeting environment was not conducive to getting work done.
- The format of the agenda could be improved.
- The behavior of persons hampered our outcomes.
- Our discussions did not advance our mission or strategic goals.
- Other____________________________________________________________
Does anybody know what the association of the future looks like?

At the Institute for Organizational Management\(^1\) offered by the US Chamber of Commerce Foundation I have the opportunity to teach – or facilitate – a class entitled \textit{Strong Associations for the Future}.

The elective is described as an environmental scan of challenges, opportunities and resources to better position organizations.

After presenting smart practices and progressive examples, the executives offer their input about the association of the future.

Here’s a summary from the class at the University of Georgia program this summer.

\textbf{Start with a Strong Mission} – The mission frames everything ---- be sure it is clear, powerful. Examples included \textit{The Voice for Visual Journalists} (NPPA); Hopkins Regional Chamber’s \textit{Champion for Business – Advocate for Community}; Florida Medical Association’s, \textit{Helping Physicians Practice Medicine}. (Can you tweet your mission?)

\textbf{Business Acumen} – Align with the terminology of business – “nonprofit” is only a designation. Transform members into \textit{investors and shareholders}, and work to increase member equity.

\textbf{Don’t Let Borders Limit} - Think beyond boundaries; develop products and license them to the other 49 states or to allied organizations. Do members have to be the \textit{only customers}? 

\textbf{Intensify Collaboration} - Find new collaborative partners. For example, a local component or chamber partnering with rural health or rural water organizations to focus on adequate resource accessibility into the future.

\textbf{Global Benefit} – Members and businesses may be expanding marketing share with an eye on \textit{global} interests. Build relationships, insights and knowledge of global opportunities. Integrate international affairs into programs and services. For example, what is the potential impact of the enhanced Panama Canal on members, businesses and communities?

\footnotetext{\(^1\) The program is offered at five university sites to foster individual growth through interactive learning, resources, networking and introspection.}
**Technology Investment** – Build technology platforms to reduce reliance on staff and improve member access to education, membership, mentoring, connectivity, etc. Invest adequately for the long-term, potentially up to ten percent of the budget.

**Intellectual Property** – Use the expertise of the board, staff and volunteers to create documents that position the organization as an expert in the field. Copyright the intellectual property to increase stature and credibility.


**Kick Ass Problem Solutions** – *Innovation* must be a guiding principle for board and staff. Members foremost want answers, solutions and resolution to their problems (KAPS).

**Right Size Board** – State laws allow corporate governance with less than five persons. Does a board of 40, 50 or 70 directors make sense? Analyze costs associated with convening a large board, insuring them, keeping them informed, providing documents, food and beverage.

**Fair Share Dues Model** – What would members pay for dues based on a fair-share or value? The model comes from the restaurant promotion: “Pay only what the meal is worth.” Would members increase or decrease what they pay your organization? Upsell with tiered dues offering added access and value.

**The Right Structure** – Build subsidiaries to enhance revenue and opportunities in the form of a for-profit and/or foundation. Use the organization’s knowledge and equipment to create a management company for other organizations.

**Trustees** – Referencing the board members as trustees of the corporation should characterize the directors as having the trust of members to fulfill their fiduciary duties and governing responsibilities. A transition from, “I’m just a volunteer on a board.”

**Revamp Staff Titles** - Empower staff with titles that position them as experts. The Education Manager may be the *Director of Knowledge*; the Membership Director may be the *Director of Shareholder Relations and Engagement*; the CFO may be the *Asset and Equity Building Manager*.

**Purposeful Abandonment** – Evaluate everything that has been added to the to-do list over years and decades. If it doesn’t fit the mission or money criteria, revamp, drop or give away to another organization. Ask a task force to bring programs and resources back in line with the mission. Too many organizations simply describe their benefits
and services as a “long list without much value.” Work towards creating a “golden
d handcuff,” a benefit so valuable members are eager to join and renew.

The Energy of Emerging Leaders – Invest in an Emerging Leaders and Young
Professionals Forum and give them responsibilities in the organization; they can be a
powerhouse of energy and ideas.

Too Many Organizations in the Space? - Explore mergers to strengthen the
community instead of divvying up the resources among multiple organizations. If not a
merger – explore serious collaborative efforts.

Member Care and Wellness - If the organization positions itself as the lifelong home to
members – consider a role in offering wellness services. Be ready with services when a
member is stressed, addicted, etc. Don’t ignore problems when members are hurting
and need a place to turn.

Regional Thinking – Enlarge footprint, stature, issues expertise with regional thinking –
avoid working in a silo. Find new and unique collaborative partners.

Customer Base – Focus less on “the member” but more on a broader customer base
for the organization.

Issues Ownership – Consider adopting in-depth issues that impact members and
community, for example Drug Free Workforce Alliance (resulting in insurance savings),
the Water-Economic Impact Nexus, or the Business Infrastructure Alliance? Take up
issues that impact members and position the organization as a respected resource and
visionary.

Is the Name Tainted? – The word association or chamber denotes, “pay your dues.”
Create an organization less reliant on dues, broader in services and focused on a
bigger vision. Consider replacing name with council, alliance, or forum. Examples
discussed included Forius (NACM North Central), Global Cold Chain Alliance, and
Corenet Global. Could an association of CPAs transform to the Alliance for Business
Success and Accounting; can an Economic Develop Council be the Economic and
Global Development Forum?

The leadership and staff should constantly scan the environment and adapt for the
future.

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Note: Bob Harris, CAE, provides governance tips and templates at
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 board should select a dozen or so core areas to monitor that have significant impact.”
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](http://www.nonprofitcenter.com)
I met a young woman in the Middle East who volunteered as a trainer for her association. We discussed the goals of the organization and she asked what I thought of the mission and vision statements.

“Why don’t you run for a seat on the board of directors,” I asked after observing her passion and dedication. I was thinking, “She would make a great president.”

Then I realized I probably should not have asked the question. Don’t get me wrong; when I see talented people I am quick to encourage a leadership role in their association.

My mistake was to ignore the culture of the country. The bylaws did not allow women to serve on the board, although a growing part of the membership are women practitioners. To amend the bylaws would require the unlikely approval process of the country’s government.

Not many countries encourage the development of associations. In the USA they are a platform for advocacy, economic growth and employment.

**The Need for Leaders**

The US has more than 1.5 million nonprofit organizations; about 150,000 of them are associations and chambers. Every organization has a board of directors.

The average size board is 15. Multiply that by 1.5 million and there are at least 22 million persons serving in leadership roles. Each of these organizations is working to improve a cause, community, trade or profession.

But not everyone steps up; generally less than ten percent of the membership volunteers to lead.

When volunteers are asked if they would consider a leadership role, many respond: “I think other people have more time than me,” “I didn’t know they needed leaders,” “Nobody asked me,” and “I don’t believe I have the skills.”

**The Gift**

The rights to join, participate and volunteer in an association should be recognized for what it is — a gift.
The privilege to associate and serve as a leader are afforded in the US Constitution. These include freedom to assembly, speech and the right to petition government.

Other laws supporting association sustainability in America, include:

- Exemption from federal income tax.
- Tax incentives for contributions.
- Volunteer immunity.

Members in the USA should recognize these unique rights to assemble, join, volunteer and lead their associations, chambers and nonprofits. An understanding of these unique rights might encourage more members to volunteer to lead.

If Not YOU, Then Who?

I often ask potential volunteers to imagine what their community or profession would look like if there was no association or chamber. Organizations, many decades or a century old, have tirelessly worked to improve their interests. If the founding and successive leaders had not stepped up there is a possibility that the sector would be in bad shape.

When I ask leaders why they volunteered, I hear many selfless replies:

- My family has been a part of the organization’s leadership for years; it is our responsibility to give back to the community we serve.

- I have invested heavily into my career (or company) and by giving back to the organization through leadership I am protecting my investment or assets.

- I consider it an opportunity to be a part of shaping my profession or community.

Inviting Young Leaders

I said to a young man in another country, "You should consider being the first leader of the association's Young Professionals’ Network,"
My suggestion enlightened him to the opportunities he had not considered.

I reinforced the suggestion by giving him a key chain with the sentence: “Failure is not an option.” The quote comes from the 1970 Apollo 13 mission. The theme guided NASA in launching a mission to the moon.

It only took a day for him to say “yes” to the leadership opportunity.

In summary, the freedoms to associate, to lead and to advance a cause or community is a right and responsibility that should not to be dismissed.

# # #

Bob Harris, CAE, provides governance tips and templates at www.nonprofitcenter.com.
The problem was serious, the executive director was under fire. He explained, “The board thinks membership should grow faster.”

Since he’d worked there for 9 years the net growth of membership averaged 5 percent per year.

Through a tough economy and significant environmental threats, the growth continued with the hard work of staff and committees. But the board still pressured, “grow the membership.”

**Evidence**

As “evidence” of the growth under his watch, the executive pulled a file from his desk drawer. He had 9 years of data. He updated the spreadsheet quarterly by plotting increases in membership, sponsorships and new income.

He carried the folder to every board meeting. Anticipating the directors would again suggest that membership must grow --- he was ready to cite the numbers in his file.

When the board meeting ended, the file went back into his desk. No matter how many times he said it, or showed them the spreadsheet, there were directors who insisted on more members.

**Visual Reports**

The disconnect in this situation is that only the executive was armed with the impressive figures. While the staff drove the numbers, they didn’t see the trends his spreadsheet documented. The board had heard his reports but they too had not “seen” the growth.

Adults generally learn in three ways.

- Some are listeners; they can digest an oral report well.
- Others are experiential; they learn by doing or touching.
- Others are visual; they need to see an image or a graphic to comprehend.
Today’s volunteers are busier than ever\(^1\). Convening a board meeting to primarily read or listen to a series of reports might waste time. Communicating with graphics is an efficient way to keep board and staff apprised of performance.

**Dashboards**

Use a visual approach to presenting information. Transforming data and reports to a graphic communicates the most important information. The use of dashboards clearly depicts trends, successes and omissions.

Imagine if the executive had transformed his report on the impressive membership growth from a spreadsheet to a couple of graphs. The graphs could be charts with arrows and bars to visually show progress over a number of years. Seeing the information would have helped the board understand the successes and reduce cry for “more members.”

Before creating dashboards, ask the board of directors what they would like reported as a graphic. Discuss with officers how the information synchs with the strategic plan and may improve performance. Create dashboards for consistent presentation as board packet inserts or projected on the screen for discussion.

**Data Walls**

The data wall is a collection of dashboards so the office staff and visitors are aware of trends and successes. A scan of the visual data should show how membership is up or down, progress on trade show booth sales, or funding raising for the foundation, and economic impact, for example. (Nearly every aspect in an association can be converted to metrics and transformed into a graphic.)

\(^1\) Thus the adage, “If you want a job done give it to a busy person.”
The staff or departments benefit by collaborating on projects. Nobody should work in a silo; concerned only with their own efforts. The data wall, whether posted neatly in the hallway or on a bulletin board in the break room, improves awareness and promotes collaboration and ownership.

In the example of the executive director keeping the data on a spreadsheet in his desk drawer, he missed the opportunity to engage staff and leadership with impressive data. The board heard the reports at each meeting but didn’t seem to comprehend the successes. Though the association was growing at a good pace, there was a disconnect between the board’s understanding and the executive’s success.

#  #  #

Note: Bob Harris, CAE provides free governance tips and templates at www.nonprofitcenter.com
Noun: A person who takes advantage of others' generosity without giving anything in return.

In economics, the free rider problem is described as a situation where some individuals in a population either consume more than their fair share of a common resource, or pay less than their fair share of the cost of a common resource.

In membership organizations working to advance or protect a profession, community or cause, a free rider benefits from the organization’s work but makes no investment in dues or volunteering.

Excuses

Free riders have a host of reasons why they don’t join their professional, trade or community organization.

“Why join when I can find everything I need on the internet?” “You’ll lobby for me whether I join or not.” “If I want to attend I’ll just pay the non-member price one time.”

The problem is so prevalent that boards of directors have simply accepted the fact that free riders will never change --- no matter how valuable the work of the organization.

The Gift

What they refuse to acknowledge is that the rights to belong or associate should be seen as a gift. Around the globe, the majority of countries have no rights to freely convene, speak openly and to lobby government. In the USA these privileges are afforded in the Constitution --- and we have a responsibility to exercise them with care and understanding.

Beyond freedom to assemble, free speech and the right to petition government, there are other laws supporting the purpose for associations and chambers, they include:

- Exemption from federal income tax
- Volunteer immunity
- Deductions for charitable giving
The opportunity to join and lead a nonprofit organization is a right that should not be taken for granted.

**Joiners**

Maybe President Teddy Roosevelt said it best, “Every man owes a part of his time and money to the business or industry in which he is engaged. No man has a moral right to withhold his support from an organization that is striving to improve conditions within his sphere.”

In every case, a strong membership yields the best results. The purchasing power and political clout are enhanced if all potential members are represented.

**Improving Communities**

It is said that associations and chambers of commerce do what regular people think “just happens.” A few examples include standards of excellence, favorable public policy, scholarships and community festivals. Little thought is given to the work of the Rotary Club for example, or the festival that increases tourism planned by the chamber, or the standards of safety proposed by an association.

Behind the scenes of improvement is a cadre of volunteers and staff, strategy and resources to get the job done. I’ve never met an exempt, nonprofit organization that was not working to improve communities – whether they be a community of professionals, trades, causes or geographic region.

**Financial Stability**

It would be inaccurate for free riders, or the public, to think these private sector organizations receive government funding. They diligently raise funds through programs and membership.

Most associations and chambers rely on two broad streams of income. The funds raised through membership investments, and events and education, are used to improve the community, profession or trade.

If 100 percent of the potential members joined the organization the costs would be shared equally. But free riders refuse to lend support leaving the burden on those who are committed to protecting and advancing their organization and community. In other words, the smaller the membership market share of potential members, the greater the burden for those who support organization.

**Leadership**
Free riders benefit from their colleagues who voluntarily work in the organization. The free riders give up their rights and responsibility to shape the future of their community through leadership.

The opposite of a free rider would be a shaper - a person committing their personal time and resources to ensure a healthy and vibrant community. The shapers occupy seats on committees and the board of directors.

In closing, the right to associate to advance and protect a community is a gift somewhat unique to western countries. Those who withhold their support can weaken its impact.

# # #

Note: Bob Harris, CAE, provides free governance tips and templates at www.nonprofitcenter.com.
Govern More, Manage Less

The board settled in for a productive meeting. The agenda listed several significant items including the approaching legislative session, a fund raising campaign, and selecting the site for the 2018 conference.

The initial 60 minutes entailed listening to a dozen committee reports which actually took an hour and a half. Then came the first item requiring a motion --- selection of the 2018 convention city and hotel. The convention committee was thorough in its recommendation: “To contract with [XYZ] Hotel and Conference Center.” They explained it is the only venue large enough to accommodate growing attendance and trade show booths.

The agenda allotted 15 minutes for convention discussion. The first director offered thanks to the committee and made a motion to accept. At that point a director said, “I just have a question, do you know if I will receive hotel loyalty points if I book a suite?”

That conversation took 20 minutes. Another director commented that he thought last year’s convention registration desk was understaffed and asked what could we do about it? Fifteen minutes grew into an hour (even though the committee report was excellent and had been provided in advance.) Finally the recommendation was accepted by a motion of the board.

The board slipped from governance to management when they began asking about the loyalty points and staffing.

Governance

Governance is defined as the board making decisions on behalf of members or stakeholders. Note that the definition does not include management discussions.

The board is guided by the governing documents, including bylaws, articles and policies. The mission and strategic plan should frame nearly every discussion.
Though conversations about staffing, office practices, and the banquet menu may be interesting, it is not governance. Management discussions doing committee work distracts from an agenda crafted on priorities.

**Micro-Management**

It is easy to slip from governance to management. However, management is the role of staff; governance is the role of the board of directors.

Directors should avoid the temptation to manage. Ironically, nearly everyone on the board has management experience and there is a natural temptation to go there. Fewer directors have been oriented to their governance roles. Micro-management would be considered interference.

**Balanced Partnership**

It requires a partnership of governance and management to advance the mission. Staff is charged with the day to day operations and administrative details. The board is responsible for advancing the mission and protecting the resources.

The IRS defines the roles of staff as implementing the decisions of the board. Let the staff do their work in accordance with job descriptions, policies and procedures. They should not be second guessed by the board.

Directors should refrain from commenting on staff performance. Asking a staff member if they are happy with their job and how long they plan to stay with the organization could be inferred that the director is suggesting they leave or are dissatisfied with performance.

**Verify and Trust**

Directors do have responsibility for oversight of the organization. This is best accomplished by hiring the right staff, relying on policies, and safeguards in place to protect assets.

There will be times when directors have questions. Although a deep dive at a board meeting into management is a dangerous road.

---

"Trust, but verify."  
-Reagan
Good board members should practice the concept suggested by President Ronald Reagan in his dealings with the Soviet Union, to “trust, but verify.”

For example, a director might ask, “Is the board covered by directors and officers insurance?” Staff will provide an answer like, “yes, we have a $2 million policy.” If a director wants more information, ask for it after the meeting through proper channels of communication. The temptation to follow up with questions at the board meeting about the cost and seller of the insurance will distract from governance.

**Govern More, Manage Less**

A high performing board stays focused on governance. Delving into management at the board table will derail the more substantive discussions and desired outcomes.

# # #

Note: Bob Harris, CAE, provides governance tips and templates at [www.nonprofitcenter.com](http://www.nonprofitcenter.com).
Transparency on the Board

Bob Harris, CAE

Last year a member of the board gave his entire meeting packet to a vendor associated with the industry. It included a financial report, roster of members, a member grievance and confidential proposals. When asked why, he said, “We’re nonprofit, we have to share the information.”

Faulty Thinking

Associations and chambers of commerce have minimal public records (documents and information that must be disclosed upon request.) They are not-for-profit entities recognized by the IRS as exempt from federal income tax.

In contrast, governmental bodies must reply to public record requests. These laws are referred to as “government in the sunshine,” “open records” and “freedom of information. (FOIA)”

The public records for most associations and chambers are generally limited to three documents: 1) IRS Information Return, 2) IRS Letter of Determination and the 3) IRS Application to be exempt. State laws may prescribe additional public records. Further, acceptance of public or governmental income may broaden requirements for public records.

Directors sometimes confuse the transparency required of governmental bodies with that of associations and chambers.

Guiding Principle

In membership organizations one can expect that requests for information will be made. We want to accommodate the requests without advocacy, governance and management, for instance. Without.

Confidential Discussions

Meetings of the board of directors should be viewed as a safe place for discussions. There should be no fear that statements would be disclosed inappropriately or documents distributed beyond their intended purpose.

Do not let transparency affect the greater need to protect confidential information.

The concept of transparency should not be interpreted as a decree to disclose every document upon request. There will always be a need to maintain confidentiality in areas such as personnel matters, positions, grievances, contracts or negotiations.
Balance

There is a cost associated with efforts to be transparent, including consistent application, allocating staff time, copying, summarizing, legal, security, etc. Most agree this is a small investment to support openness.

Policy Sample

Start with a policy that the organization complies with all laws regarding public record laws; and promotes openness with its members. The policy will be used to guide leadership and staff when requests are made for information.

If a policy on transparency exists, apply it consistently.

If one should be developed, consider including these elements.

- Timeliness in responding to requests.
- Official channels for receiving and responding to requests.
- Compliance with public record laws.
- Bearing the costs for responding.
- Items never to be disclosed.
- Violations of transparency policy.

Responding to Requests

There are smart practices and concerns when responding to information requests. For example, if a member requests:

Define the Question – Often a request for more information from members is based upon confusion. Listen carefully to the request, discuss the reason or purpose, and try to answer the concern. For example, they may not want a copy of an entire budget when they are really asking, “was our educational program profitable this year?” Be careful not to provide (overwhelm) more than was requested.

Financial Information – Direct them to IRS official tax returns for the most accurate information. If they are seeking a budget, offer to provide a pie chart that can answer general questions about income or expenses.

Personnel Information – Anything related to staffing must remain confidential for a variety of reasons.

Meeting Minutes – Meeting minutes are a document to record actions in accordance with laws, i.e. Quorum, disclosure of conflicts, due diligence. They are not a newsletter. When requests for minutes arise, determine the reason and offer to provide insight by defining the concern and having the right persons (officers, CEO) respond. Many organizations create an executive summary of meetings but do not release the minutes.

Open Meetings – The board has governing duties. Some organizations allow or encourage guests and members to attend. Define in policy whether or not guests may view or participate in board and committee meetings. If guests are allowed, prescribe that they adhere to the same standards of confidentiality, rules of order, etc. that the board follows.

Finally, be sure to rely on legal and accounting counsel regarding organization documents and requests.

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Laminated Board Responsibilities
$12 for 1 or $10 each + s/h
Questions to Ask at Board Meetings
Bob Harris, CAE

The board is convened for the purpose of governance. However, meetings often deteriorate into administrative discussions and committee work.

When you think about it, convening leaders can be costly. The average number of directors is fifteen.

To calculate the cost of governance, assign an hourly value (i.e. $200 each) and multiply by the number of directors, staff and the number of hours at the board meeting (i.e. 15 people x $200 ea. x 5 hours = $15,000). Then add the costs of preparation, staffing, travel, food and beverage.

Asking the right questions can go a long way towards meaningful outcomes.

The Right Questions

Few directors come with governance experience. While they do their best, some find it easier to dwell on tactics, history, and personal business, rather than being visionary leaders.

Directors should be encouraged to ask the right questions.

How does this item fit within our mission statement?

Directors should be intimate with the mission statement. Include it on the meeting agenda so it is always in front of directors. When passionate discussions and ideas come before the board, ask whether they fit within the framework of the mission and vision statements.

Isn’t that the responsibility of our executive director, not the board?

The board’s governance responsibilities are distinct from management duties. Directors must focus on governance and leave the management to staff.

Will this advance our strategic plan?

Directors should be familiar with the strategic plan. When proposals are offered,
directors should ask whether or not the program fits in the plan. New ideas can be “parked” (delayed) for future consideration.

Are we doing committees work?

Committees supplement the work of the board. Projects are assigned and the committee chair or liaison report progress to the board. Too often directors do committee work at the board table.

How will we measure success?

Good boards make knowledge based decisions and rely on performance measures. They frequently ask, “Why are we talking about it if we cannot measure success? What metrics or performance indicators will we monitor? Have we set a timeline, do we know the cost, can we expect to see measurable outcomes?”

Do we have the resources?

Every proposal, program and idea requires resources (time, people and money.) Will adoption of a new program divert resources from existing programs? Will this idea generate income? Is it perpetual, a trial or one-time event?

Is this discussion in the weeds?

Governance requires the board to be visionary, often described as discussions at the 50,000’ level. Discussions at lower levels can be characterized as committee work (25,000-35,000’ level) or staff work (10,000’ level.) Directors should halt discussions that drop below governance by asking, “Are we in the weeds?”

Will this add value for members?

Some boards try to be all things to all people. Too many projects exhaust resources and staff. Rather than responding to recommendations with, “we should probably do that,” encourage the board to focus on core competencies that add value or equity to the organization. This requires board discipline and a willingness to say “NO.”

Is there another organization that could do this instead of us?

Over time an organization takes on more and more projects. To divest or avoid adding work, ask if there is another organization that can better manage the program or event. Don’t be fooled by the phrase, “this won’t take much time.”

Are there any risks?

Directors have a role in risk avoidance. Some activities include an element of risk, for instance liability, loss, or legal violations. Directors should consider if the risk is worthwhile, can be delegated, or if safeguards and insurance are in place.

Is that a personal agenda?

Directors are charged with serving the interests of the organization and stakeholders. They should avoid personal agendas and stick to representing the member concerns. They have a duty of loyalty to the organization.

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Group Think at Board Meetings
Bob Harris, CAE

Eager-to-contribute board members often voice their ideas with great passion.

Quite often boards, directors and committees (mistakenly) believe that “adding” projects and programs will be their legacy and measure of success. (Many organizations are purposely abandoning outdated programs to better align resources' and programs.)

So, when a charismatic director proposes an idea, anticipate that the enthusiasm will build. The motion gains support as more directors ask questions and seemingly reach agreement. The perception is that the proposal is popular and merits a favorable vote.

But wait! Enthusiasm may mask good judgement.

Duty of Care
Directors must uphold the fiduciary principle of Duty of Care. It can be characterized as asking the right questions at meetings. For instance:

Is there genuine backing for the idea ---- or momentary zeal? Will the proposal strain resources? Does it advance the mission? How will progress be measured? Is it a single event idea or perpetual activity?

When a good idea advances without careful and strategic consideration it may be a sign of “group think.”

Group Think, a term coined by social psychologist Irving Janis (1972), occurs when a group makes faulty decisions because group pressures lead to a deterioration of “mental efficiency, reality testing, and moral judgment.” A group is especially vulnerable to group think when its members are similar in background, when the group is insulated from outside opinions, and when there are no clear rules for decision making.

What starts with, “I have a good idea…” may not fit within the strategic plan and budget. Directors should recognize the difference between enthusiasm versus knowledge based discussions.
Take the Temperature
How can the board determine what is a wise motion or simply a fervent discussion?

The meeting chair is encouraged to ask, “We know this is an interesting discussion but how many of you are certain that the idea fits inside our strategic plan and mission? Are we willing to divert resources for this new program?”

Group Think
When enthusiasm outpaces knowledge-driven discussion it becomes dangerous.

This principle is frequently used to describe the space shuttle Challenger disaster. The NASA team was so enthusiastic to launch the shuttle they may have failed to recognize the impact of the weather on the ship’s O-rings.

The Parking Lot
“Is this a discussion important enough to continue or should we ‘park it’ and get back to our agenda,” may be the best question by directors.

Rather than seeking unanimous agreement and courtesy within the board, it may be ok to recognize the director and suggest the proposal be considered in next-year’s program of work --- or placed in the parking lot.

Abilene Paradox
Another example of a group being swayed by the momentum of the conversation is evidenced in the Abilene Paradox. The concept describes a group of people who collectively make a decision when in reality, nobody really agreed. The group seeks harmony and does not question the merit of the discussion.

The paradox comes from an anecdote in which a family in Texas, on a sweltering, dusty afternoon, agrees to drive 53 miles to Abilene in an old car for a meal. Everyone voices that it is a “great idea.” The 106 miles roundtrip are unbearable. The meal is not much better.

After the exhausted family returns home, the mom voiced that she would have preferred to have stayed home. Others said they wished they had avoided the trek but felt they had to agree in order to satisfy the rest of the group.

Advice
Be prepared for meetings when the enthusiasm of the discussion (group think) or a desire to agree (Abilene paradox) replaces the sound judgment of the board.

Everyone should be empowered to ask: “Is this a discussion we need to have? Does it advance our mission? Does it fit within our strategic goals?”

If the answers are “no,” postpone the conversation, put it in the parking lot or drop it in order to get back to the substantive agenda items and to advancing the strategic plan.

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Resources include funds, in-kind, volunteer workforce and professional staff.
Got the Agenda – Now What?
Bob Harris, CAE

The purpose of an agenda is to ensure a meeting will be conducted in an orderly manner and discussions will lead to results. With an agenda, conversations stay on track and the meeting should end on time.

The agenda is prepared in advance through collaboration of the chief elected officer and the chief staff person (executive director). With sufficient timing, it is distributed well before the meeting with supporting information. For quarterly meetings, directors might receive it 30 days ahead; for monthly meetings one might expect it 7 to 10 days in advance.

Upon Receipt

What directors do upon receipt of the agenda to prepare for the meeting will impact discussions and outcomes.

The agenda is a vital board tool. From its development to execution at the meeting, it has value. Directors who are unfamiliar with how to use the agenda may simply save it, add it to a folder or read it the first time when they arrive at the meeting.

The executive director or board chief elected officer should communicate meeting expectations from the start. To guide directors, consider these applications upon receipt of the agenda. Make “agenda management” a part of new director orientation.

Date and Meeting Location
– Most agendas include the meeting date, time frame and location. Check to be certain nothing has changed since the meeting was
originally calendared. Make travel arrangements or determine if attendance is allowed via conference call. Your attendance does make a difference.

**Content** – An agenda will identify the substantive topics that need the attention of the board. In most cases it will identify priorities as well as goals and strategies from the organization’s strategic plan. Review the agenda to determine approaching concerns and discussions.

**Questions** – Upon early receipt of the agenda there is time to ask questions BEFORE the meeting. A director may want to query why something is on the agenda or ask for supporting reports. Why enter a meeting with questions that could have been answered earlier?

**Homework** – The agenda may jog one’s memory about an assignment or commitment. Use the advance notice to identify assignments that may need to be completed before the meeting convenes.

**Additions** – Most organizations have a protocol for adding items to an agenda. Be sure to have knowledge of when and the proper channels if items can be added. Nobody appreciates a director arriving at the meeting and adding surprise topics.

**Reports** – Most agendas reference reports that should be read before the meeting. Many agendas include access to a board portal, Dropbox, or attachments. Make time to read the documents before the meeting. Nothing is more disheartening than a director who arrives and opens the agenda packet for the first time as the meeting convenes. Many organizations use a “consent agenda” to cover the non-controversial, information-only reports; these require advance reading.

**Due Diligence** – A fiduciary role of directors is duty of care or due diligence. Board members should ask questions. Why are certain agenda items included? What research has been conducted? What impact will the item have on the organization? Should an attorney or accountant be involved? Are sufficient resources available? How will performance be measured?

**Copies** – Many organizations send the agenda and supporting materials electronically, expecting directors to print the agenda and bring the attachments. Don’t make an assumption that copies will be available.

**Strategic Plan** – Consider how the agenda incorporates the organization’s strategic plan, including mission and goals. How do the topics advance the mission and elements of the plan?

**Values** – Many organizations have values. These may include the guiding principles of transparency, diversity, innovation and integrity, for example. Consider how these values might frame discussions and decisions at the upcoming meeting.

**Protocols** – Agendas may also be used as a means to disclose conflicts of interest and notice to avoid antitrust statements. The organization’s mission statement is often included on the agenda.

In summary, the agenda is a tool to use before and at the meeting. **To be an effective leader, preparations for the meeting should begin as soon as the agenda is received.** The board will recognize those directors who did not take seriously their fiduciary responsibilities.

Bob Harris, CAE, provides free governance tips and templates for associations and chambers at [www.nonprofitcenter.com](http://www.nonprofitcenter.com) [2016] bob@rchcae.com
Hangover – A director at the board unable to let go of the past.

A hangovers usually refers to “discomfort from overindulging.” More recently it is the name of a movie about a bachelor party in Las Vegas.

A hangover should not describe a board or any of its directors. It can be recognized by a statement such as, “I don’t trust you because last year I remember what a problem we had.”

In governance, a hangover is caused by a bad experience, bad behavior or a bad year. For instance, the prior year of board service was characterized as distrustful and unproductive. Directors complained they had no power while others seemed to have too much power. Meetings were characterized by trivia rather than achievement.

Most directors are able to get over the past and focus on the future. For them, a bad year is chalked up to experience.

But some directors can’t let go. You recognize it in their emails, their body language at the board table, and in their comments about feeling “left out” or disheartened by the processes. They are the “hangovers.”

Remedies

In science there is little agreement on treating a hangover.

In governance, letting go of the past and addressing the behavior may use varied approaches.

Guiding Principles – Many boards agree on a set of principles or values to guide their actions. Check to see that they include values such as communications (avoiding secrets), transparency (access to information) and collaboration (working as a team.)

If there has been a breach of the principles, for example secrets kept by the officers or staff, encourage open discussion about the concerns. The principles should frame board decisions.

Listen – When directors feel an injustice, take time to listen. Their feelings can’t be “swept under the rug.” Convene a meeting – outside of a duly called board meeting –
in which directors and staff are invited to speak openly and address concerns. The process of venting may be what it takes to move past the hangover.

**Future Focus** - A board's job is to guide the future. If some directors insist on looking in the rear view mirror, basing decisions on the past, it will be injurious to progress. Reach agreement that directors’ focus should be on the future, not the past. Suggest the theme “Vision 2020” to drive discussions rather than talking about last year.

**Use Dashboards** – If distrust or misinformation is the problem, consider better reporting methods. Set some performance measures around the problems and commit to openly reporting. For example, if the board distrusts meetings of the executive committee, offer reports immediately following decisions. If finances were the concern, provide access to budgetary information. Identify a few areas the board wants improved performance and report on them with agreed upon metrics and dashboards.

**Call a Spade a Spade** – It’s possible that a director simply can’t let go. In that case they will be unable to focus on the future and to carry out their fiduciary duties. The board chair or officers should have a friendly chat about the problem. If the change in behavior seems futile, maybe there is a better role for that person or its time to let go so the leadership can move on.

Hangovers, directors who can’t move forward because of past digressions in the organization, need to be addressed. Transform distrust into an environment that embraces collaboration, communication and transparency to move forward.

# # #

**Note:** Bob Harris, CAE, provides free governance tips and tools at [www.nonprofitcenter.com](http://www.nonprofitcenter.com)
False Starts - 13 Ways to Blow Strategic Planning
By Bob Harris, CAE

Boards can be resistant to think strategically. Some finding it easier to focus on the short term thinking and safe topics.

A few boards consider planning an expensive process. Others fear the group hugs and games that characterize some retreats. Even the boards that have budgeted for planning often delay it a year or more.

Reports say that up to 50 percent of strategic plans fail. Here are 13 (unlucky) false starts and failures in the process.

1. **Annual Planning** – A strategic plan should span 3 to 5 years. If planning occurs every year it becomes a short term plan associated with the current chief elected officer. When directors know the organization plans annually, they seldom think beyond the year, “We don’t need to think long-term because we will be doing this again in 12 months.” The plan should be considered “rolling” for a period of at least three years to guide the board, and reviewed for progress annually.

2. **Too Many Planners** – The IRS suggests that the size of an exempt board of directors should facilitate meaningful conversations. Too few people may limit ideas. Too large may draw out meetings with so many people providing input. The dynamics are far different for a group of 15 persons versus 30 or 40. The right size planning team is usually 15 to 20 strategic thinkers. If the desire is more input, conduct advance focus groups or surveys. Every 4 extra people at a planning meeting tends to add an hour to the schedule so that everyone can be involved and heard.

3. **Meeting Environment** – From temperature to natural light, the room environment is critical. Squeezing too many people into a dimly lit room will have a negative impact on outcomes. Avoid basements, dark narrow rooms; be sure the room temperature can be controlled and there is space to spread out (people and breaks.)

4. **Table Arrangement** – An open-U arrangement allows everyone to sit at the same table, easily hearing and watching what is said. (Observing body language is key in strategy development as directors might have good ideas but their micro-cues indicate otherwise.) Place a flip chart or screen at the open end of
the table. Consider a room with enough space to accommodate several rounds in the back of the room for breaks, meals or small group work.

5. **Terminology** – Many of the participants may never have been involved in strategic planning, while others come from an environment that conducts planning but uses terms unique to their settings. Understanding and agreeing to the words associated with nonprofit planning is critical. Otherwise, directors provide input but don’t know whether they are offering a goal, strategy or tactic. Keep a terminology card on the table that defines: Mission, Vision, Values, Goals, Strategies, Performance Measures and Tactics.

6. **Wrong Season** – It would be unwise to conduct strategic planning in the middle of the current term of office when the chief elected officer’s year is underway. An ideal time for planning is as the current term comes to a close. This allows incoming officers to create a plan and then have a month or more to consider implementation (assigning committees, adjusting budget, etc.) Or conduct planning immediately at the start of the new term. There should be linkage between planning and budgeting.

7. **The Right People** – The wrong people can doom the process. It is a responsibility of the board of directors. If the board is large or all directors are not strategists, pare down the number. Avoid an imbalance of past presidents or chairs – the meeting is about the future. Find ways to include visionaries, emerging leaders, representatives of diversity those who embrace technology.

8. **Plan Report** – The final plan should not be measured by the number of words or pages. Some of the best plans can be summarized on a business card. Be sure the report is drafted within a few days of the retreat and shared with participants so they can see results of their volunteer time. Avoid adding “fluff” to the report that includes pages of reports, the environmental scan (SWOT), agendas or survey results. Let the plan stand on its own as a report about how the organization plans to advance its mission and goals. (Remember that busy people seldom have time to read more than 3 pages before they are interrupted; shorter is better.)

9. **The Facilitator** – The facilitator is charged with keeping discussions on track and completing the task at hand – development of a multi-year, visionary, compelling strategic plan. Be leery of the board that asks their executive director to facilitate. The executive should be a participant at the table, not the note taker. Be cautious about the elected leader who wants to facilitate or has someone from his or her company lead the meeting; it is likely to be a conflict of interest and may diminish honest dialog. Identify a facilitator who fits your culture and understands your desired outcomes.
10. **Level of Discussion** – One might characterize board discussions at the 50,000 foot level --- visionary, strategic conversations that reach into the future. That would position committees at about 25,000 to 35,000 foot and staff at about 10,000 foot (defined by the IRS as “implementing the decisions of the board.”) At strategic planning, conversations should be 50,000 foot and higher. It is not the place to question the price of coffee breaks or whether the office needs painting.

11. **Number of Goals** – Most organizations can hone down their priorities and projects to just 3 to 7 goals. A wise director at the planning table once reminded, “None of us will remember more than four goals so we should stop now.” Nearly every organization can advance their purpose with 3 to 5 well considered goals. Each goal will be supported by several fresh and on-going strategies to which resources must be aligned.

12. **Realty Check** – Planning should be based on reality and capacity. Brain storming with limited resources (funds, volunteers, committees, technology and staff) is unproductive. Strategic planning can be described as the “disciplined allocation of resources.” Be sure the facilitator and planning group are familiar with resources before setting goals.

13. **Deployment** – Most planning retreats occur over weekends; Monday morning may be the death of the plan. There are a series of steps that must occur soon after planning for implementation; including: alignment of committees, stakeholder awareness, program of work, and periodic progress reports.

Understanding the false starts and traps will improve likelihood of success.

# # #

Note: Bob Harris, CAE, provide free governance tips and templates at [www.nonprofitcenter.com](http://www.nonprofitcenter.com).
Committees are an integral part of successful organizations. Their purposes include: supplementing the duration of the year, dividing work, creating subcommittees, and disbands after completing the specific goals. Similar to task forces but with a more focused specialty, geography or ethnicity, committees are appointed for a specific purpose often identified in the governing documents. Each has an explicit purpose identified in the governing document statements. The efforts of the committee should align with the organization’s strategic goals.

There are no “sacred cows.” Elimination of standing committees in favor of task forces is often necessary to maintain a realistic about what can be achieved. Organizational charts, strategic plans, budgets, and other resources provide context for the mission of the organization.

The annual report should inform members about the mission and goals of the organization. The mission statement should frame the role each member plays in achieving the goals. The most up-to-date content is the casual reference to Not-for-Profit organizations. (It does not imply IRS 501(c)(6) designation refers to trade or commercial organizations. The IRS 501(c)(6) designation most often is referring to organizations with a religious, scientific, literary, educational, political, or other similar purpose.)

The IRS 501(c)(3) designation refers to charitable, religious, and scientific organizations. The IRS 501(c)(4) designation is the casual reference to Not-for-Profit organizations. Boards are expected to maintain accountability and ensure legal and ethical integrity and trust. Good governance requires leaders to be explicit about what can be achieved and to align the purpose of the committee with the organization’s strategic goals.

Finances and information are important subjects for committees. Committees should produce minutes and waste hours. A board liaison may serve as a resource and champion. The staff liaison is needed to interface with other committees or board portal.

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