

Bring Out the Best in Your Board

Too many trustees bog down in trivial pursuits. Here's how to cure micromanagement and encourage strategic thinking.

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Which does your nonprofit have: A blue-ribbon board? Or a blue-ribbon-or-red board?

A blue-ribbon board brings together the best and brightest minds to chart the future of your cause and prepare your organization for crucial challenges and exciting opportunities.

A blue-ribbon-or-red board, meanwhile, is hashing out which colors will distinguish trustee badges from everyone else's at the annual gala.

Micromanagement may be the No. 1 problem afflicting nonprofit boards today: Organizational consultants say 90 percent of boards are bogged down in trivia. Too many trustees fret over the carpet nap in the new wing while giving little thought to the vital operations that wing will house. These directors may fancy themselves stern guardians of your organization's best interests: After all, they devote hours to delving into the most minute details of operations and finances. But while the trustees are counting spoons in the galley, who's minding the helm to ensure that your organization doesn't run aground?

As a chief staff executive, you're likely to say, "That's my job." Secretly, you might even enjoy your board's fascination with minutiae. After all, when the board is focused on brushstrokes, a clever CEO can take control of the big picture.

If that's your attitude, you're cheating yourself, your trustees, and your organization. Even the most brilliant and far-sighted executive can be blindsided by new trends, emerging threats, and failed strategies. Many heads *can* be better than one — if they're the right heads, and they're thinking strategically. Ideally, your board will contain big thinkers and top practitioners who share an innate sense of where your cause is headed and can help you divine how best to position your nonprofit for the future. But strategic thinkers won't join a board that's known for wallowing in trivialities. Your organization loses the insights and direction they could bring.

How can you tell if you have a micromanaging board? One consultant likes to play the agenda game: She takes three old board agendas, marks out the dates, and asks the CEO whether he can tell which meeting they're from. (More often than not, he can't.) If you measure your board-meeting packets by the ream; if you can write the minutes of the next meeting a week before it occurs. If half your board is snoozing by lunchtime, you're looking at the symptoms of raging myopia. If you leave board meetings with pages of directives but no sense of direction, your trustees may have a terminal case.

Raising your board's sights requires two initiatives. You must eliminate the trivia that clutters your trustees' agenda and keeps them from thinking big. At the same time, you need to work with your volunteer leadership to shape a strategic board — one that's drawn toward the horizon.

How to Stop Thinking Small

When you look critically at the functioning of your board, you'll probably see that every element of its operations is geared toward micromanagement. That means you've got to break decades-old habits. Here's how to get started:

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Stop flooding your board with paper. Over the years, gimlet-eyed trustees have demanded that your staff provide regular reports on one subject after another. Trouble is, none of the old reports ever gets dropped. And risk-averse staffers cover their backsides by adding more paper to the pile. The result: an arm-stretching board packet that offers trustees every fragmented detail on your operations — but no big picture.

So start weeding out those reports. No one is reading them anyway. Draw up a list of perhaps a dozen key financial and operational indicators that best describe the state of your organization. Then chart those in a slim presentation that goes out in advance to directors. To focus your operational discussion on the most important concerns, highlight both the areas that are going gangbusters and the ones that are flashing red. (Needless to say, honesty requires that you track the same indicators consistently.)

Make sure your reporting relationships are clear, both within the staff and with board committees. Trustees won't be comfortable with summary data unless they're certain the numbers have been thoroughly scrubbed down the line. That means you've signed off on your CFO's reports, and she's done her homework on her underlings' output.

Empower committees to do their own work—and don't redo their work at the board meeting. If the chief fundraiser makes a 30-minute presentation to the development committee, he shouldn't be trotting out the same slides for the full board. If the finance committee decides that your treasurer needs enough cash on hand to cover a month's expenses, don't let the board waste an hour debating whether six weeks' worth wouldn't be a better standard. Top-notch trustees won't waste time on committee service if they're certain to be second-guessed.

Don't give your board time to micromanage. A detail-bound board often hews to the Law of Triviality: The time spent debating an issue is inversely proportional to its strategic importance. So ration the time that your board can spend in niggling debates.

Plan your meetings so that a majority of the schedule — eventually, up to 75 percent—is spent on strategic discussion. And block out prime time, at the start of the meeting or early each day, for brainstorming. If you postpone the big issues until you've cleared away all the operational underbrush, you can hardly expect your trustees to give you their best insights.

To streamline the brief time remaining for operational matters, consider adopting a consent agenda. Two weeks before each meeting, send trustees a report on routine decisions and committee actions that the board would normally review or ratify. Let them know that these items will be deemed approved unless a critical mass of trustees (say, one-third of the board) insists on venting an issue at the meeting. That will clear away much of the flotsam on your agenda while giving trustees the chance to single out and oversee red-flag matters.

How to Start Thinking Big

So — what will your trustees *do* with all that time you've freed up?

Ideally, they'll brainstorm about prospects for your cause, assess where your organization fits into its market (and where it *should* fit), identify key challenges and opportunities, and chart a course for the future. But you can't expect your trustees to shift overnight from nitpicking to strategizing: You have to make sure you have the right people with the right tools.

This transition takes time. Organizational consultants say an institution needs a CEO and three successive chief elected officers committed to the vision of a strategic board to complete the makeover. You'll also need to devote time and effort to training trustees and staff in open-ended thinking and scenario planning.

In many cases, organizations need to rethink the makeup of their boards. What constituencies do your trustees represent — and who *should* they speak for? National institutions often select directors by regions—one from New England, one from the Pacific Northwest—even though geography has little or nothing to do with constituents' needs or the group's challenges. Your goal should be to get the best, most representative trustees, even if that means throwing out old quotas or logrolling arrangements. The most important group in this effort is the nominating committee: Its members must buy into the vision of a vibrant board and devote themselves to finding candidates with skills to meet a new day.

In today's rough economy, it's hard to believe that any organization can feel complacent. Still, your trustees might need a jolt to make them appreciate the need for long-term planning. Scenario planning is one tactic you can use. A consultant, a staff group, or — best of all — an issues-management subcommittee of the board works through the implications of best- and worst-case futures for your organization. By realistically identifying threats and their ramifications, the committee can highlight the need for trustees to scan the horizon and anticipate new trends.

All this heavy intellectual lifting may take a toll on you. Face it: Most CEOs would prefer a compliant board that willingly signs off on staff-driven plans. To develop a trusting relationship with a strategic board, you've got to let go of your own omniscience and omnipotence. Facilitating a strategic discussion requires very different skills than rattling off reports. You need to learn when to be definite and when to be vague, when to provide answers and when to open doors for discussion.

And the payoff?

- ◆ Greater satisfaction, as your board meetings dwell on a higher plane.
- ◆ Greater comfort, as you and your trustees ensure that you've taken every step possible to eliminate unpleasant surprises and exploit new prospects.
- ◆ And greater accomplishments for your organization and your cause, now and in the future.

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