CompassPoint
NONPROFIT SERVICES

Executive Director 101:

Leadership, Management, and Strategy Intensive

October 2018

ABOUT US

CompassPoint helps leaders, organizations, and movements committed to social justice realize their full power.

We are a 43-year-old national nonprofit leadership practice based in Oakland, CA. We believe that nonprofits are powerful vehicles for positive social change and that creating a world free of oppression means practicing liberation inside and out.

We view leadership development and capacity building as means to accelerating social justice.

Our diverse team and key partners draw from a toolbox that includes facilitation, teaching, coaching, consulting, and peer learning. Through intensive cohort leadership development programs, we connect people with essential skills and knowledge, create powerful communities of leaders, and create time and space to explore the emotional dimensions of leadership.

CompassPoint's Learning Environment Manifesto

We Believe…

We believe in Gratitude. This means extending our gratitude to our participants, our clients, our partners, our CompassPoint staff, our caterers, and anyone else who enters our doors.

We believe in our Values. We are a deeply value driven organization, our values of Equity, Racial Justice, Multiculturalism, Integrity, Relevance, Learning, Partnership and Humor must show up in everything we do.

We believe in Deep Respect. This means respecting the collective contribution of all the people who have worked together - and in different ways - co-created this learning space.

We Are Committed to…

We are committed to interrupting oppression in the spaces we convene. We cannot work to counteract systemic oppression while also allowing interpersonal manifestations of oppression to occur without being acknowledged and interrupted.

We are committed to equitable treatment of our staff. This means listening to those who have traditionally been unheard, viewing work with dignity that has often been unvalued and making visible all the work that often goes overlooked.

We are committed to creating a transformative space. This means we ask that people who enter our space come with a willingness to address their habits, perspectives, opinions, and stances that may limit the possibility of personal and collective transformation.

We Affirm…

We affirm that we will lead from a place of love. When conflict arises in our space, out of love for everyone involved, we must address it and acknowledge when harm is done.

We affirm that decolonization of our learning environment is imperative as we deepen our practice of centering Racial Justice and Equity.

We affirm that all are welcome in our learning environments. We invite you to please join us in upholding the sanctity of the space we are co-creating.

My commitments for the next four days.

Table of Contents

Team Bios

. . . .

Berty Arreguin is responsible for ensuring that our workshop trainers and participants can fully engage in a welcoming and transformative learning experience through CompassPoint's Training Program. Prior to joining the CompassPoint Team, she interned in both the San Joaquin Central Valley and the Bay Area at the Central Valley Health Policy Institute and Prospera, which are both committed to helping low-income minority communities. Berty is passionate about helping underserved communities of color, and raising awareness of the health disparities among at-risk groups. A transplant to the Bay Area, Berty enjoys exploring both the East Bay and the San Francisco Bay during her free time, while also making time to visit her hometown of Fresno to visit her family and friends. Berty has also volunteered as a tutor to Social Science students taking Social Class and Inequality and Sociological Theory courses at California State University, Fresno, and as a facilitator for the Summer Lunch Program at the Central California Regional Obesity Prevention Program. Email her at BertyA@compasspoint.org.

Jeanne Bell, MNA is the co-author of *Nonprofit Sustainability: Making Strategic Decisions for Financial Viability* (Jossey-Bass) and *Financial Leadership for Nonprofit Executives: Guiding Your Organization to Long Term Success* (Turner). She was a member the CompassPoint team for 18 years—serving as CEO for 10 of those years and leading our practice through multiple periods of deep change. She now consults to progressive leaders actively adapting their organizations to better reflect the needs and values of their constituents, including their staff, board, and volunteers. As one of her anchor projects, she directs Practice Advancement at Nonprofit Quarterly (www.nonprofitquarterly.org), which entails seeking out and sharing broadly with NPQ's readers the most relevant management and leadership practice shifts to strengthen social change organizations. Jeanne is a former board member of the Alliance for Nonprofit Management, the Nonprofit Insurance Alliance of California (NIAC), Intersection for the Arts, and Nonprofit Quarterly. Follow her on Twitter: @JeanneBellNP and email her at JeanneBell1069@gmail.com

Nelson Layag's current responsibilities include the design and management of CompassPoint's leadership and management workshops, networks, and conferences; strategy and implementation of organizational communications and marketing; and design and delivery of training focused on people/performance management and project management. He understands and enjoys seeing the power a group of individuals can have when they find a way to work effectively together. He brings this excitement to his work in performance management, project management and developing a training program that meets the needs of people working in the nonprofit sector. Since joining CompassPoint in 1995, Nelson has held numerous posts including Director of Technology and Director of Education. In 1997, Nelson was instrumental in developing the Young Nonprofit Professionals Network (YNPN) in San Francisco and currently sits on the board of Filipino Advocates for Justice. Email him at NelsonL@compasspoint.org

Steve Lew helps positional and emerging leaders increase their effectiveness in fundraising, governance, leadership and multicultural group development. Steve's work at CompassPoint has been deeply connected to building the strength of organizations, leaders, and networks in communities of color. He has co-designed and led the Fundraising Academy for Communities of Color and the Next Generation Leaders of Color Program and has been a fundraising and leadership coach for many of these participants for over a decade. He deeply appreciates and enjoys working with nonprofit leaders who are on a path to align their personal values, practices, and impact more closely to the change they are working toward in their organizations. Email him at SteveL@compasspoint.org

Liz Derias-Tyehimba is a project director at CompassPoint, where she leads our public training program. As project director for the public training program, Liz will lead the process to reimagine our public program so it can continue to evolve in deep alignment with our vision and values. Together with a team of CompassPoint practice members, she'll also design and lead a process to develop a core programmatic approach to our entire body of work. Liz is committed to economic and racial justice for all communities. She has over 15 years of national and international social justice, youth and community organizing, popular education training, and policy and advocacy experience. Liz has served as the Senior Manager of Health Policy with the Greenlining Institute leading advocacy efforts for affordable and accessible healthcare for California's communities of color. She served as a National Training Director with the Praxis Project; a Washington, DC based intermediary organization focused on economic and racial justice. Liz is an avid social justice writer and has been published on Feminist Wire and A-rab.net. Email her at lizdt@compasspoint.org

Emily Smizer coordinates logistics and produces materials for Workshops, Contract Trainings, and Cohort Leadership Programs at CompassPoint. She is a key team member in ensuring that participants in our programs have transformative learning experiences. Before joining the CompassPoint team, Emily worked for BRIDGE Housing, a nonprofit affordable housing developer in San Francisco, where she supported the compliance team in project management and annual reporting. She also holds many years of team leadership experience, both in a professional capacity as well as through volunteer work as the coordinator of the Queer Resource Center at Brandeis University. Through these roles, Emily also discovered her love for training and capacity building. She loves both working behind the scenes and connecting directly with nonprofit leaders to ensure that their learning experiences with CompassPoint help them to further their goals of equity and justice. Email her at emilys@compasspoint.org

Simone Thelemaque is responsible for day-to day operations of the office and assisting the human resource and customer service functions of the organization. Simone has over 10 years of experience in community engagement, emotional intelligence for organizational transformation, empathy based practice and policy analysis, with emphasis around housing and development in Oakland, CA. She is the founder of "Table 4 All" which is a food redistribution company fighting hunger in Alameda County. Simone sits on the board of Resilient Wellness, a nonprofit organization designed to address the prevailing cycles of intergenerational trauma within black and brown communities by working to decolonize systems and practices, while simultaneously building infrastructure that is sustainable at the core foundation. She is currently serving as the President of Black Women Organized for Political Action, and is working toward earning her Bachelor's in two areas of discipline: Organizational Psychology and Women's Studies at Cal State East Bay. She is a student, activist and mother who is a drum major for change. Email her at simonet@compasspoint.org

Welcome to Executive Director 101

. . . .

As an Executive Director, how do you powerfully lead your organization while facing complex leadership challenges? How do you align your organization, staff and board around impact and achieve financial sustainability? As daunting as these questions can seem, they are fundamental executive leadership responsibilities.

ED 101 offers an executive-level curriculum of frameworks and tools covering key leadership, management, and strategy content that give executive directors the confidence to deal with the challenges that face nonprofits. This 4-day program will draw on research, the experience and knowledge of CompassPoint's leading experts, and the collective wisdom of the participants to create a powerful space to think creatively, try on fresh ideas, learn new strategies, and identify action steps to confidently lead yourself and your organization.

The four days were designed to create a link between your organization's intended impact, organizational sustainability, and individual sustainability as a foundation. In addition, the curriculum was influenced and shaped by the following principles and philosophies:

- Leadership is a process.
- A focus on strengths unlocks more powerful possibilities.
- Leadership, management, and strategy development must include a power and privilege analysis.
- Change doesn't take root without attending to skills, systems, and culture in concert.
- Impact and financial health are intrinsically linked.

Throughout the program we will create the space to reflect, apply key concepts and skills, and learn from your peers so you can intensify the impact you desire to make as a sector leader.

We are excited that you will be spending the next four days investing in your learning and growth. This investment will not only benefit you, but also your board, staff, and community.
Thank you for joining us.

Useful Logistics, Information, and References

1- Arrival: please feel free to arrive early. We plan to have breakfast ready by 8:30am and there is WIFI. **Each day starts at 9am**.

2- Please sign in all four days. **Sign in sheet** can be found near the training room door.

3- **Front door code** to re-enter the room is on the board.

4- **Name tags** (first name is fine). Please include your pronouns.

5- Roster: We will be sending around the roster for you to review and revise if needed. This will shared with your fellow participants. If you would not like us to share your information, you can indicate that on the roster.

6- We will provide breakfast, lunch and snacks during the four days. If you have any feedback please let us know.

7- **Restrooms** are down the hall past the elevators. The code to get in is 5003.

8- **WIFI** is available and the network is CPGuest. The passcode is CPWelcome.

9- **Download** electronic files, manual, resources at www.compasspoint.org/follow-up-resource/ed101

10- **Evaluations**: please fill out evaluations each day.

11- Compensation and Benefits Survey Report: We are pleased to share this resource with you so you can find nonprofit salary ranges (Northern California). Please follow the instructions on the survey report on how to get copies of up to 5 pages this week.

Schedule

All days 9am – 5pm. Breakfast at 8:30am.

. . . .

Day 1	• Welcome & Introductions • Getting Grounded • Impact
Day 2	• Fund Development • Finance & Capitalization
Day 3	• Performance Management & Staffing • Governance & Board Fundamentals
Day 4	• Board Dynamics: Power, Culture & Partnership • Taking Action and Making Change • Closing

Day 1: Impact

Learning objectives:

✓ Identify where your organization is thriving today.

✓ Gain understanding and confidence with the theory of change framework.

✓ Develop draft theory of change language to take back to your team and build upon.

What Is Your Organization Becoming?

"**Who are we now**?" is a query that keeps us noticing how we are creating ourselves—not through words and position papers, but through our actions and reactions from moment to moment. All living systems spin themselves into existence because of what they choose to notice and how they choose to respond. This is also true of human organizations, so we need to acknowledge that we are constantly creating the organization through our responses.

To monitor our own evolution, we need to ask this question regularly. Without such monitoring, we may be shocked to realize who we've become while we weren't watching.

– from "Bringing Life to Organizational Change"
by Margaret J. Wheatley & Myron Kellner-Rogers

EXERCISE: What has your organization left behind?

1. Think of something that used to be a standard part of your organization's work, or approach to the work, but isn't anymore. Or, shouldn't be in your opinion. Make some brief notes about this below.

    _____

    _____

    _____

    _____

2. Share the story of leaving this part of the work behind with a partner, reflecting on:

    ✓ Briefly describe the thing itself.

    ✓ How did you know it was time to leave it behind?

    ✓ Who was involved in the decision to leave it behind? Was their resistance?

    ✓ How is your organization different now for having left this part of the work behind?

3. Notes from the full group debrief on how we nurture impact in our organizations:

    _____

    _____

    _____

    _____

EXERCISE: Where and how is your organization thriving today?

What is thriving*?* "Thriving" includes three characteristics:

A. Preserving what's core;

B. Letting go of what's no longer needed; and

C. Organizing ourselves in ways that enhance our ability to flourish in new and more challenging environments.

– excerpted from The Practice of Adaptive Leadership by Ronald Heifetz, Alexander Grashow, and Marty Linsky

What are 2-3 ways your organization is thriving today? Make some brief notes about this below.

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

Theory of Change

A *theory of change* is a way to visually represent an organization's thinking about how it contributes to desired changes in the world. A theory of change represents a conceptual linkage among:

- ✓ an identified issue or problem,

- ✓ a set of desired changes,

- ✓ among whom the organization will focus its efforts,

- ✓ specific strategies that contribute to that change, and

- ✓ the underlying values that guide the organization's work.

Developing a *theory of change* helps stakeholders develop a commonly understood vision of long-term goals, identify the specific contributions that the organization will make toward those goals, and determine what will be used to measure progress along the way. Thus, it is a tool that reflects the most current sense of what the organization aspires to be and provides a strong basis for ongoing decision-making, evaluation, and communication with internal and external stakeholders. There are several benefits to using a *theory of change* as an anchor to organizational strategy formation:

- ✓ It reorients everyone to impact as the organizing principle rather than the preservation of a particular program mix.

- ✓ It gives everyone clarity—in just one page—about what organizational strategies they are supposed to be activating in all decision-making and program design.

- ✓ It keeps organizational values and guiding principles front and center and directly linked to organizational impact.

- ✓ It creates a rigorous framework for impact evaluation—moving away from solely counting inputs or client satisfaction, to measuring progress on anticipated changes.

- ✓ It stimulates learning and innovation, encouraging all staff to consider how they could refine existing programs to achieve even greater impact.

- ✓ It puts the organization's work in context since no one organization can solve the kinds of problems we are working on; this can lead to greater humility, clearer brand identity, and thoughtful partnership with allies.

- ✓ It serves as the screen through which all staff—including fund development staff—determine which opportunities are in fact aligned with the organization's approach.

- ✓ It is a bold, compelling way to recruit staff and board. (This is who we are; is this who you are?)

THEORY of CHANGE

PROBLEM or ISSUE STATEMENT

A concise and compelling description of the conditions we aim to change.

FOCUS of CHANGE

The people among whom we will focus our efforts and resources.

ORGANIZATIONAL STRATEGIES

The distinctive, cross-cutting approaches we take to our work.

ANTICIPATED CHANGES

Specific, observable changes that indicate that the problem is being solved.

VALUES & GUIDING PRINCIPLES

- □ VALUES: Fundamental, intrinsic beliefs that guide the work.
- □ GUIDING PRINCIPLES: How the organization expresses its values; the organization's character in action. Guiding principles describe the way the values manifest on a daily basis.

Your Logo HERE

THEORY of CHANGE

ANTICIPATED CHANGES

PROBLEM or ISSUE STATEMENT

ORGANIZATIONAL STRATEGIES

FOCUS of CHANGE

VALUES & GUIDING PRINCIPLES

Naming the Problem

We believe that strong strategy rests on getting clear and concise about the *problem* the organization exists to resolve. At first blush, this can seem perfunctory: *Of course, we know what we're here to do, just read our mission statement*.

But if behaving strategically as an organization is about making and acting upon a clear set of choices, we need a deeper analysis to ground the work. Within the big umbrella of the problem (domestic violence, environmental degradation, and educational inequity, for example) what are we actually trying to achieve and how well are we doing that? We have seen this kind of inquiry net deeper insights and create a more profound look at programming in the context of the specific results we are trying to achieve.

Underlying this work is an understanding that:

- ✓ Problems are dynamic and change over time – both as the *conditions* around us change, and as our *understanding* of the issues change.

- ✓ Having a shared analysis of the problem helps focus our efforts.

- ✓ Clearly articulated, compelling problems can be motivating and inspire people to collective action.

Your First Problem Statement Draft:

_____

_____

_____

Your Revised Problem Statement Draft:

_____

_____

_____

Naming the Focus of Change

The focus of change refers to the <u>people and/or systems</u> amongst whom you will focus your efforts.

Things to consider in articulating the focus of change:

- ✓ Do we focus on a particular subset of the population, e.g. mothers, immigrants, or emerging artists?

- ✓ Are we focused on a particular place or geography, e.g. Oakland, the U.S. South, or oceans?

- ✓ Are we working to change systems, e.g. public education, farming, or reproductive health?

Your First Focus of Change Draft:

_____

_____

_____

_____

Your Revised Focus of Change Draft:

_____

_____

_____

_____

Naming the Strategies

In this framework, strategies are the <u>distinctive cross-cutting approaches</u> the organization takes to its work because it believes these particular approaches drive impact.

Things to consider in articulating strategies in this framework:

- ✓ What is our "special sauce"? What are we known for in how we do our work, e.g. trauma-informed, youth-led, or applying a racial justice frame?

- ✓ Are their specific methodologies we employ that are central to our impact?

- ✓ Strategies cut across multiple programs and activities; they are what others can expect from your organization across the board.

Strategy #1 Draft:

_____

_____

_____

Strategy #2 Draft:

_____

_____

_____

Strategy #3 Draft:

_____

_____

_____

Naming the Anticipated Changes (Intended Impacts of Our Work)

In this framework, anticipated changes refer to what will be different because of the work your organization does---in other words, your intended impacts.

Things to consider in articulating the anticipated changes:

- ✓ There will likely be changes on this list that your organization alone does not create. You do though need to be designing toward these changes and collecting evidence that your work is contributing to them.

- ✓ These changes refer to your focus of change, NOT to your own organization. Do not list internal capacity-building goals or organizational growth targets here.

- ✓ Word these changes in the finished state rather than as in process, and again, refer to the focus of change not the organization.
  NO: More women are accessing our services to get assistance in pursuing degrees in STEM.
  YES: Women graduate with degrees in STEM.

Anticipated Change #1 Draft:

_____

_____

_____

Anticipated Change #2 Draft:

_____

_____

_____

Anticipated Change #3 Draft:

_____

_____

_____

REFLECTIONS & NOTES

Day 2: Fund Development

Learning objectives:

- ✓ To apply key fund development terms and concepts to your organizations income model and ways that you currently raise money.

- ✓ To understand the characteristics of fundraising and philanthropy in organization culture, leadership orientation and practices.

- ✓ To better lead and participate in your organization's fund development activities.

Introduction

Most executive directors possess several of the talents and skills needed to raise funds for their organization. They are passionate about the mission and they effortlessly reach out to people to enlist their support. EDs often have the entrepreneurial spirit that seeks new ways to bring resources, people and ideas together. What is missing then, for most EDs, is having a working understanding of the fund development and donor development processes, and of healthy organizational practices for raising funds, renewing annual support and deepening donor and funder relationships. Recent research on nonprofit development practices underscore the importance of building a "culture of philanthropy" (UnderDEVELOPED, 2013)[1].

Culture of philanthropy: While familiar to fundraising professionals, the term culture of philanthropy is not yet well understood nor commonly used across the sector. Not to be confused with institutional grant making or the act of giving money as a donor, a culture of philanthropy refers to a set of organizational values and practices that support and nurture development within a nonprofit organization.

Your organization might lack fulltime development staff, yet it can mount and sustain a successful donor development campaign each year when your activities, your people and systems are aligned to a culture of relationship building, asking and giving. The very first step is understanding your own relationship with philanthropy (voluntary action and giving)… what you care about when you give money and time, and incorporating your awareness as a donor into who you are as a fundraising leader.

What fundraising leadership can you model for others? How can you make the best use of your time and talents within a work week to cultivate new supporters (individual and institutional) and to ask for money? Integrating fundraising work into your own calendar on a daily, weekly and monthly basis is essential for becoming familiar with supporters of the organization and the ways the organization can best raise funds. And being aware of your "resistance" to fundraising

Bell, Jeanne and Marla Cornelius, UnderDeveloped: A National Study of Challenges Facing Nonprofit Fundraising (San Francisco, CA: CompassPoint Nonprofit Services and the Evelyn and Walter Haas, Jr. Fund, 2013).

and asking for money is the first step towards becoming an effective fundraising leader. This chapter offers a few ways to develop your own personal approach to fundraising, through "trying on" the mindset of philanthropy and development. Philanthropy through annual and major gifts may not be the best fit as your organizations' *primary* income, yet is often the most strategic source of funds to grow and sustain as the secondary income that is unrestricted. If you have a strong practice of cultivation, asking and stewardship with individual donors as an executive director, you'll find that this framework and set of skills will support your leadership and management of foundation development, corporate giving and government contracts as well.

Being clear about your own role in fund development will enable you to enter into planning with staff and board members. Sometimes you will have the benefit of an existing fund development plan and giving program, to oversee and build upon. If you don't (and many groups do not have fundraising programs and plans), then this is an opportune time to gather key staff, board and supporters to create the rationale for development, develop a plan, establish distinct and clear roles, and develop a fundraising system. As much as EDs hope that their board will do this, it won't get done without your leadership and initiative. Board members as well as staff and volunteers can rise to the challenge of asking and thanking donors when there is a plan, support systems, and leadership.

Almost **everyone** in your organization can benefit from practicing donor cultivation, stewardship, and how to ask for money because of the social taboos and fears that are attached to talking about and asking for money. This session is an introduction to those practices, which you may wish to pursue further- through practice, coaching, and additional training on major gift development. There are several online resources for understanding current strategies, tactics, technologies and performance benchmarks for raising funds, and we list some useful sources at the end of this section. We believe that the fundamental challenges that most organizations face in creating and sustaining contributed income is shifting the mindset or perspective of leaders in developing philanthropic relationships as they raise funds.

Development Reflection

Think of the time and energy that you devote towards raising funds…

What are the things you do during your week to build philanthropic & funding relationships?

Who are you building those kind of relationships with? Think of actual people, institutions and the kind of support & involvement you are nurturing.

Fundraising Terms

What is fundraising?
Fundraising is the process of securing donations (also called 'gifts') and grants which financially support a nonprofit groups' ability to meet community needs.

What is development?
Development is the process of cultivating relationships with people who will support a nonprofit agency. *You can apply many of the principles and practices of development to starting and building effective relationships with governmental and foundation funders as well.*

What is cultivation?
Cultivation is communication activities with prospective donors that build awareness and connection with your organization, and, that increase your understanding of why someone might give to your organization.

What is stewardship?
Stewardship is building the trust and confidence of current donors that your organization is worth continuing their support and deepening their involvement each year. Annual reports are the traditional way; authentic conversations, sharing important news, involving a donor as an advisor, volunteer or solving a problem for the organization are excellent stewardship strategies.

What is an annual campaign?
The series of fundraising activities your organization implements each year to secure new donors, renew and increase gifts from donors is an annual campaign. The 'campaign' requires structure, timeline and leadership for successfully completing the activities and achieving goals.

What is philanthropy?
Voluntary action and giving to advance the common good. Root meaning is love of humanity.

What is a philanthropist?
Not necessarily foundation staff or trustees, nor is it exclusive to the wealthiest people who give money away. Think of all kinds of people who volunteer a significant part of their time to a cause, people of all means who give a % of their annual income to improve communities, society, the environment. Think of yourself.

Self-Reflections on Money & Your Role in Fundraising

Review & highlight what questions are most relevant to you.

1. **How confident am I in discussing money?** (For example: discussing the organizational financial picture, how much it costs to support the various elements of the work).

2. **How comfortable am I asking for money? What barriers stop me from asking?**

3. **Can I cultivate real philanthropic relationships with people who have much more wealth and social status than myself? What, if anything will get in my way of authentically representing the organizations' values and stance?**

4. **Can I make a significant gift to my organization? Can I expect my board members to do so?**

5. **What is most compelling to me about the organizational mission- how do I communicate this when asking for support?**

6. **What do I want to learn about the donor when I ask them for money?**

7. **Can I accept "no" graciously and not feel rejected?**

8. **What personal talents and skills can I apply to fundraising? What talents and skills reside on other staff, board and volunteers?**

Consider using a fundraising coach to explore the relevant questions and build your fundraising skills.

Beliefs & Behaviors about Money

First round: Please make sure everyone in your group has a chance to share…

- What did you learn about money when you were young?
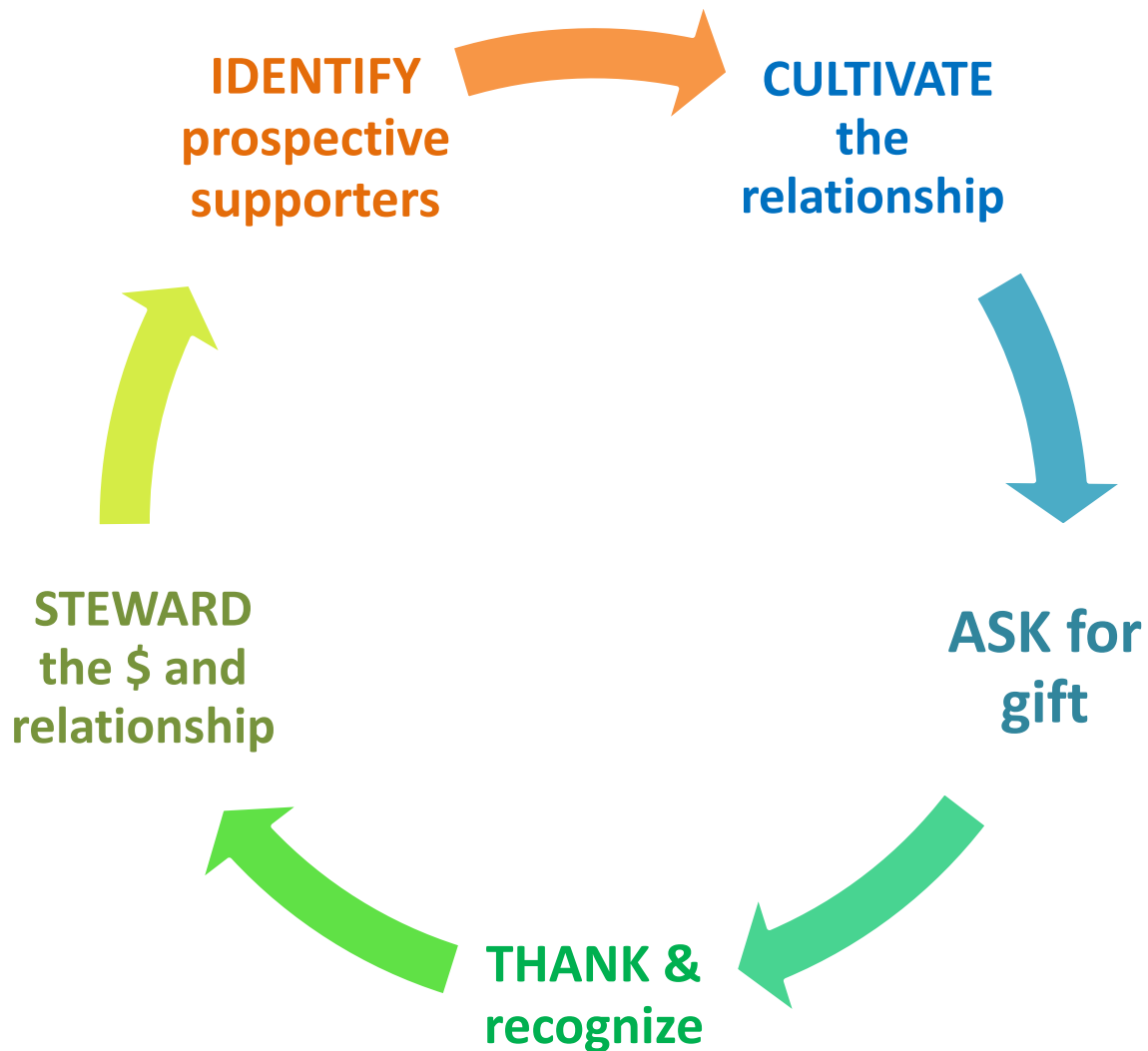- What was talked about? What didn't people talk about?

Second round: Please make sure everyone in your group has a chance to share…

- How is money talked about in your organization?
- Who is trusted with money management?
- Are you confident in talking about money & making the case for fundraising in your organization?

What needs to change in your organizational culture related to money & fundraising?

Development is a Process that Organizations Conduct Year Round…

IDENTIFY prospective supporters

CULTIVATE the relationship

ASK for gift

THANK & recognize

STEWARD the $ and relationship

How does your organization do this?

Cultivating Support

Cultivating a donor relationship encompasses lots of activities and opportunities to communicate. Just remember that the process is 'two way"- you need to see interest, motivation and eventually commitment from the prospective donor in order to create a relationship of regular giving or major support. So cultivation is not just telling people why they should care about your work. The ultimate goal of cultivation is to determine "fit' between your organization and the person's values, and focusing time on the people who care a lot and want to see your work succeed.

Competitive Marketplace
- Many worthy causes
- For-profits compete with nonprofits for government contracts; public entities like schools, libraries, parks compete with nonprofits for private donations
- The nonprofit sector continues to grow, and public confidence is declining

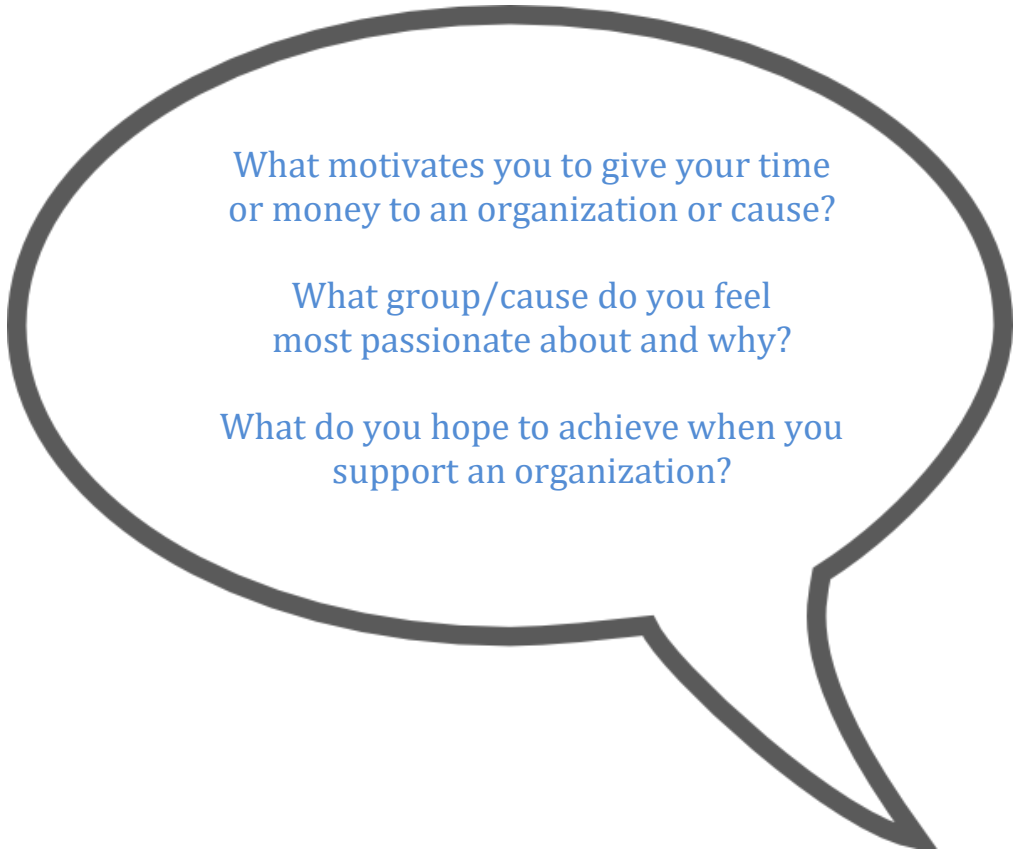**The Exchange Principle**
- Organizations create social value that most individuals can't create on their own
- Individual donors pay your organization to achieve things that they don't have time or abilities to do
- There has to be a "match" in the donor's values for the exchange to be real, and for a donor to keep giving.

What donor really cares about → ← Social value from your org's work
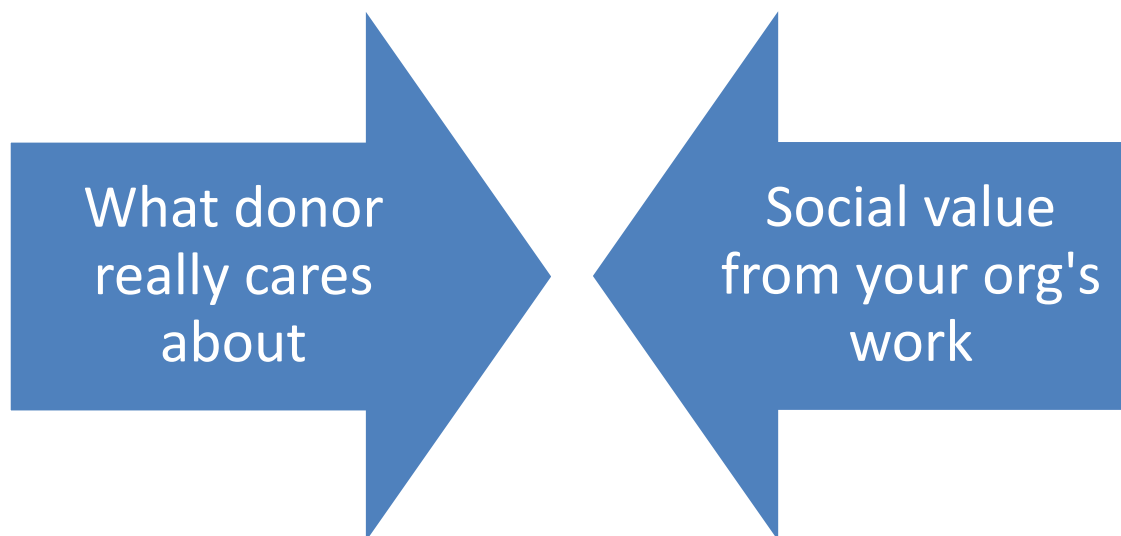
Inquiry and Listening Are Core Skills in Development
Practice a cultivation conversation by interviewing & being interviewed.

What motivates you to give your time
or money to an organization or cause?

What group/cause do you feel
most passionate about and why?

What do you hope to achieve when you
support an organization?

Instructions: In pairs interview each other, one at a time.

1. Person A asks Person B the questions, and tries to learn as much as possible in the time given to understand Person B's values.
2. Turn up your listening skills and curiosity in Person B's values.
3. After signal to end, Person A shares what they learned about Person B.
4. Switch role and turn.
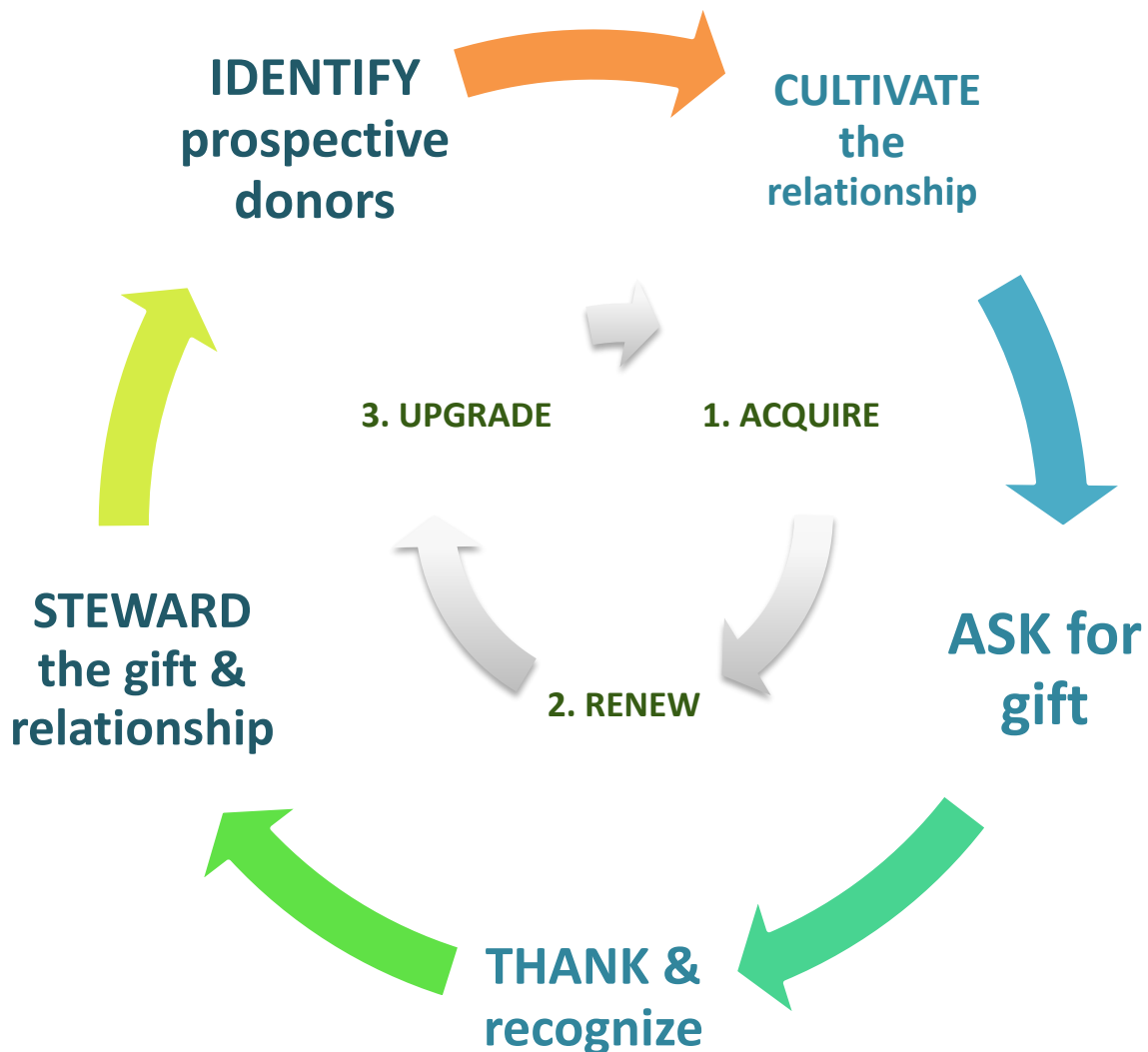
What values did you hear?

What was it like to talk about your own values of giving?

The Development Cycle & Annual Fundraising

Your fund development activities, information systems segment donors in important ways:

1. Newly acquired donors – welcome & introduce – retain 20 – 35%
2. Annual donors – engage & renew – retain 50 – 75%
3. Frequent donors – involve and ask for additional gifts
4. Those who give through events- encourage sponsorship & table captains
5. Other donor preferences- note and honor requests

sources: 2014 Fundraising Effectiveness Project; Blackbaud white paper 2013

IDENTIFY prospective donors

CULTIVATE the relationship

3. UPGRADE

1. ACQUIRE

STEWARD the gift & relationship

2. RENEW

ASK for gift

THANK & recognize

9

Response rates for different strategies (recent benchmarks)

- Direct mail to acquire new donors bulk: 0.5 – 1%

- Email fundraising message: 0.05- 0.10%

- Direct mail to renew an annual gift from current donors: 6 – 12%

- Email, letters & calls to renew annual gift from current donors: 15 – 20%

- Personal calling: 25%

- Face to face asking: 50%

Source: Grassroots Fundraising Journal, NTEN/M+R Benchmark study 2015.
For loads more stats and cool infographics on online giving and advocacy: www.mrbenchmarks.com

Want to get better results?
Track your response rates each ask, each year.

# of gifts / # of people asked **= response rate**

# of annual donors who gave last year who gave again this year = **retention rate**

Total dollars raised   _____ in 2015   _____ in 2016   _____ in 2017

Average gift amount   _____ in 2015   _____ in 2016   _____ in 2017

Donor Segmentation is also tailoring development approaches based upon what you know about 'types' of donors.

Major Donor Profiles
Used to create outreach & communication strategies based on profile

The Close Ally	The Best Friend	The Working Professional	The Investor Donor	The Elder
Current & former board members, other people that know our work close up.	Have a strong emotional connection us, our work ranks high as a giving priority to them.	Tend to be busy, middle aged people who have little spare time or energy to engage.	Business and community minded, interested in tangible results, they support many groups including ours.	Retired possibly over the age of 75. May be cutting back on annual giving, want financial decisions to be simplified.
Make opportunities for detailed conversations by phone or email about programs or context of the work where they could give ideas, advice, contacts.	They are happy to read detailed print information about our work because they are sincerely interested in knowing more.	Offer straightforward, punchy stewardship, ideally no more than 1-2 times/year. Do not try to call because they don't have time.	Avoid long handwritten cards, and personalized mailings which may be viewed as wasteful. They may go to website, financial statements to make decisions.	Could be interested in a conversation with staff. Cards and information about programs works well. Thank you calls might be welcomed.
Interested in informative events and may be open to hosting gatherings, could be approached for special major gift asks.	Most but not all are happy to meet with staff, attend events and being ambassadors. They may not necessarily want to organize a donor gathering.	Be honest about whether these individuals actually want a relationship with group, events or meetings is rarely possible.	Would not go out of their way to attend our events, if they say yes to a meeting, they will have questions. They might consider a special gift with a budget and proposed results.	They have free time, but not a lot of energy for further engagement, events. May be interested in a visit. Less interested in making a major gift other than bequest.

Excerpted from *Surveys and Segments, Building Your Major Donor Strategy* by Jack Hui Litser, Vol. 35, Grassroots Fundraising Journal, 2016

1. Determine who and how many people you can segment with different approaches (eg, Recency – Frequency- Longevity- Monetary score)
2. Create the profiles from a survey, donor records, informal interviews, or your best guesses.
3. Use this example to spark your own hypothesis and ideas for working with your major donors, and keep refining as you get more results.

A full case study and tips for implementing this approach is available in the *Grassroots Fundraising Journal* is included in the post ED 101 training email.

Try it Out: **Write down the names of 3 people you want to cultivate for a major gift, and see what profile they most closely fit within.**

Stages of Engagement & Moves Management

Introduce   Educate/Understand   Involve/Participation   Invite/ Commitment   Recognize

Think of someone you are currently cultivating to support your organization…

Their Name: _____

1. What do you know about this person's giving interests?

2. What do they know about your organization?

3. Which of the stages of action would this person be needing in order to give, or to increase their giving?

4. What is your next action with this person?

Bright Spots Research – A look at what's working

So much of how we approach improvement in our culture and in our organizations is by focusing on what's not working. With **UnderDeveloped:** A National Study of the Challenges Facing Nonprofit Fundraising, we heard from more than 2,700 executives and development directors across the country a lot about what hasn't been working: the short, frustrated tenures of development directors, the lack of engagement in fundraising by executives and board members, and the unclear expectations among them all about who is supposed to be asking people for money.

For many, these challenges seemed endemic and insurmountable. But, of course, there are organizations enjoying success in raising money from individuals. And it isn't only universities and other large, mainstream institutions enjoying the success. There are progressive organizations with limited budgets and small staffs that nonetheless have robust individual giving programs. In the spirit of what's called "positive deviance,[2]" we decided to study 12 of them. In addition to reviewing their individual fundraising performance over the last 3 years, we did in-depth interviews with their staff, board, and donors to glean the essential ingredients to their success. We are calling them *Fundraising Bright Spots*. None of these organizations is perfect and there are many more we could have studied, but they are diverse in size, issue area, and geography and their stories, taken together, inform and inspire us. Instead of focusing on what doesn't work in individual fundraising, with this report, we are learning from their tireless efforts what does.

FINDINGS

What we observed across the entire set of fundraising Bright Spots is captured in four large themes:

- Fundraising is core to the organization's identity.

- Fundraising is distributed broadly across staff, board, and volunteers.

- Fundraising succeeds because of authentic relationships in every direction: with and among staff, board, volunteers and donors.

- Fundraising is characterized by persistence, discipline, and intentionality.

---

[2] **Positive deviance** (PD) is an approach to behavioral and social change based on the observation that in any community, there are people whose uncommon but successful behaviors or strategies enable them to find better solutions to a problem than their peers, despite facing similar challenges and having no extra resources or knowledge than their peers. (Wikipedia)

Brightness Self-Assessment

Consider how your organizational fundraising operates- the common behaviors, attitudes, and roles and accountabilities that you see currently. Rate how much they align or 'agree' with these Bright Spot mindsets.

Fundraising is Core to the Organization's Identity

Mindsets	Strongly Disagree	Disagree	Agree	Strongly Agree
1. The decision to raise money from individuals—as well as the approaches used to do so—are steeped in existing organizational & community values.	1	2	3	4
2. Being genuine about who we are and what we stand for as an organization is core to fundraising success	1	2	3	4
3. Fundraising is a form of organizing and power-building, not merely a strategy for financing the organization's work.	1	2	3	4

Fundraising is Distributed Broadly Across Staff, Board and Volunteers

Mindsets	Strongly Disagree	Disagree	Agree	Strongly Agree
4. Fundraising is not the purview of a select group of professionals, but a process, if well-supported, that anyone can engage in.	1	2	3	4
5. Development directors are organizational leaders focused on skill building, work culture change, and systems development to support others in fundraising.	1	2	3	4
6. The conversation about fundraising goals and progress belongs everywhere. It's not contained in a single department or confined to a single team.	1	2	3	4

Fundraising Succeeds Because of Authentic Relationships with Donors

Mindsets	Strongly Disagree	Disagree	Agree	Strongly Agree
7. "Donor" is only one aspect of the many relationships that committed supporters forge with our organization.	1	2	3	4
8. Authentic relationships with donors are part of a larger organizational culture that values relational rather transactional interactions with everyone.	1	2	3	4
9. High trust and accountability among staff and board members allow leaders to weather fundraising's inevitable ups and downs together.	1	2	3	4

Fundraising is Characterized by Persistence, Discipline, and Intentionality				
Mindsets	Strongly Disagree	Disagree	Agree	Strongly Agree
10. More important than having a perfect system is working whatever system we have with a stance of rigor and continuous improvement.	1	2	3	4
11. Development and communications are inextricably linked; compelling communications are a powerful way to acquire, engage, and retain donors.	1	2	3	4
12. The use of data is not just about having a donor database. It's also about surveying our donors; getting feedback from our fundraisers on what messages are resonating; and studying the performance of every fundraising campaign and event.	1	2	3	4

Assessment Notes:

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

REFLECTIONS & NOTES

Day 2: Finance and Capitalization

Learning objectives:

- ✓ Understand the different kinds of capital needed to achieve your intended impact sustainably

- ✓ Build competency in reading and analyzing core financial statements

- ✓ Develop an approach to building a meaningful annual budget

EXERCISE: How Sustainable Is Your Organization Today?

RE-READ THIS PASSAGE FROM YESTERDAY'S SECTION:

What would it look like if we focused on the elements of sustainability in a more holistic way? One way of thinking about sustainability is when *we generate more than we consume*. There is a clear parallel here to organizational finances –this shows up as surplus or profit in a given year. Regular surpluses *are* an important component of organizational sustainability, but what might it mean if *all* of our resources – human, financial, organizational and otherwise – were aligned in a way that is designed to generate more than what it takes in? What happens when we stop thinking of organizational sustainability solely in the context of renewable funding and focus on fueling our overall efforts in an aligned – and energizing – way?

PAIR'S DISCUSSION:

A. Last year, did your organization generate more financially than it consumed?

B. Why or why not? How?

C. What do you expect for the current year? Why?

PERSONAL REFLECTION:

On a scale of 1 to 4, with 4 meaning VERY SUSTAINABLE, where would you place your organization today? Circle the number and then list 3 primary reasons for your answer. And…no fractions!

(unsustainable)   **1**   **2**   **3**   **4**   (very sustainable)

Reason #1:_____

Reason #2:_____

Reason #3:_____

Capital: The Kinds of Investment Needed to Achieve Impact

Nonprofits capitalize their intended impacts with at least 5 different types of "capital," which at its most basic, means money or another form of asset (something you own or have title to). Sustainable organizations are constantly tending to their capital mix with a clear sense of what kinds of capital drive their intended impacts.

Financial capital: Wealth in the form of money or assets, taken as a sign of the financial strength of an individual, organization, or nation, and assumed to be available for development or investment.
Read more: http://www.businessdictionary.com/definition/capital.html#ixzz4126vW0yx

Human capital: Health, knowledge, motivation, and skills, the attainment of which is regarded as an end in itself (irrespective of their income potential) because they yield fulfillment and satisfaction to the possessor. In an organizational context, human capital refers to the collective value of the organization's intellectual capital (competencies, knowledge, and skills). This capital is the organization's constantly renewable source of creativity and innovativeness (and imparts it the ability to change) but is not reflected in its financial statements.
Read more: http://www.businessdictionary.com/definition/human-capital.html#ixzz4127dOhHK

Social capital: The central premise of social capital is that social networks have value. Social capital refers to the collective value of all "social networks" [who people know] and the inclinations that arise from these networks to do things for each other ["norms of reciprocity"].
Read more: http://www.bettertogether.org/socialcapital.htm

Intellectual capital: Collective knowledge (whether or not documented) of the individuals in an organization or society. This knowledge can be used to produce wealth, multiply output of physical assets, gain competitive advantage, and/or to enhance value of other types of capital.
Read more: http://www.businessdictionary.com/definition/intellectual-capital.html#ixzz41295PfVu

Political capital: The capacity of an organization's staff or board to lobby local, state, or national government; to encourage favorable treatment from the media; to seek special considerations from the community or corporations; or to persuade skeptical stakeholders or donors and that a controversial proposal or decision deserves support.
Read more: Governance as Leadership Wiley, 2005

EXERCISE: Your Capital and Intended Impact

Reflect on one of your intended impact statements created yesterday. Which kinds of capital are you using now to achieve it? What kinds of capital do you need more of to increase your impact?

CAPITAL TYPE	CURRENT USE	MORE NEEDED
Financial		
Human		
Social		
Intellectual		
Political		

Income vs. Wealth

"I like to think of *income* as the amount of money someone receives on a regular basis, while *wealth* is the length of time that person (or family) could maintain their current lifestyle without receiving compensation for performing additional work." (http://www.moneycrashers.com/wealth-and-income-difference/)

"A much more useful topic of discussion—one that does a far better job of getting to the heart of what we really mean when we talk about economic inequality—is wealth inequality. Income inequality only matters insofar as it effects wealth inequality, anyhow. And if we're not careful, focusing on income inequality can lead us astray from the larger goal of creating a fairer and more economically equal society. Person A and Person B both have an income of $25,000 per year. But A has a net worth of $1 million, and B has a net worth of $0. Here we have no income inequality, and yet Person A flourishes, while Person B struggles to survive." (http://gawker.com/income-inequality-vs-wealth-inequality-1686329762)

Racial, Ethnic Wealth Gaps Have Grown Since Great Recession

Median net worth of households, in 2013 dollars
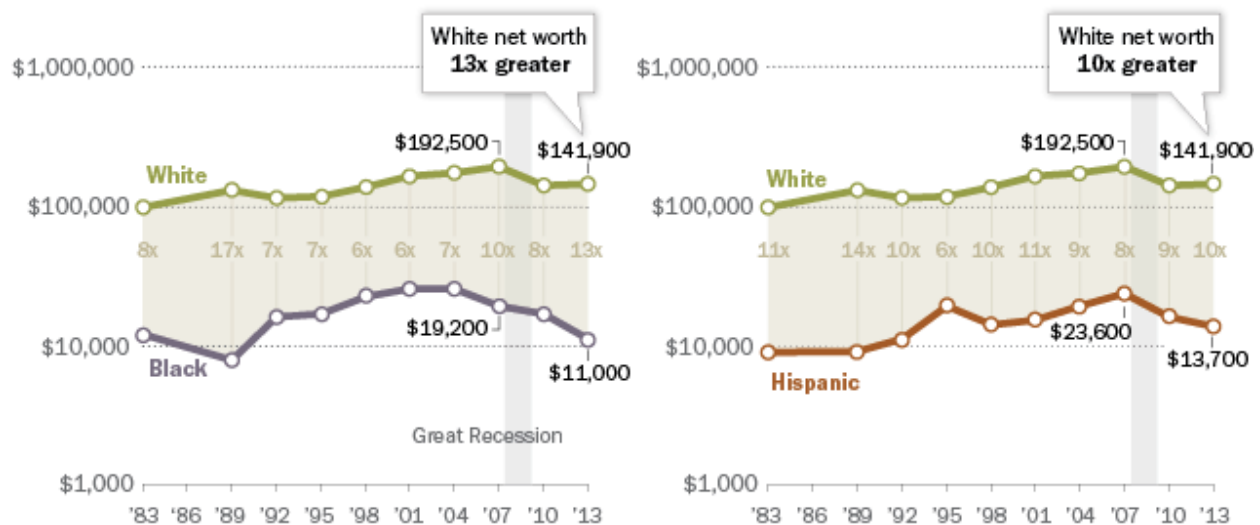
Notes: Blacks and whites include only non-Hispanics. Hispanics are of any race. Chart scale is logarithmic; each gridline is ten times greater than the gridline below it. Great Recession began Dec. '07 and ended June '09.
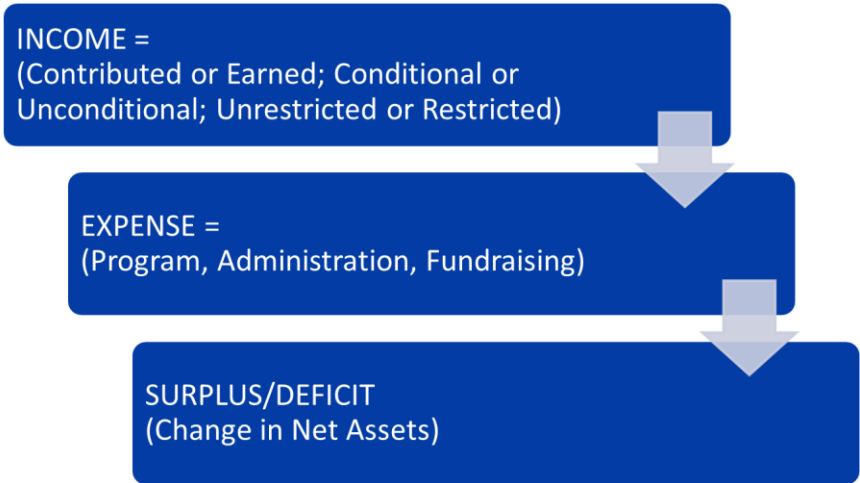Source: Pew Research Center tabulations of Survey of Consumer Finances public-use data
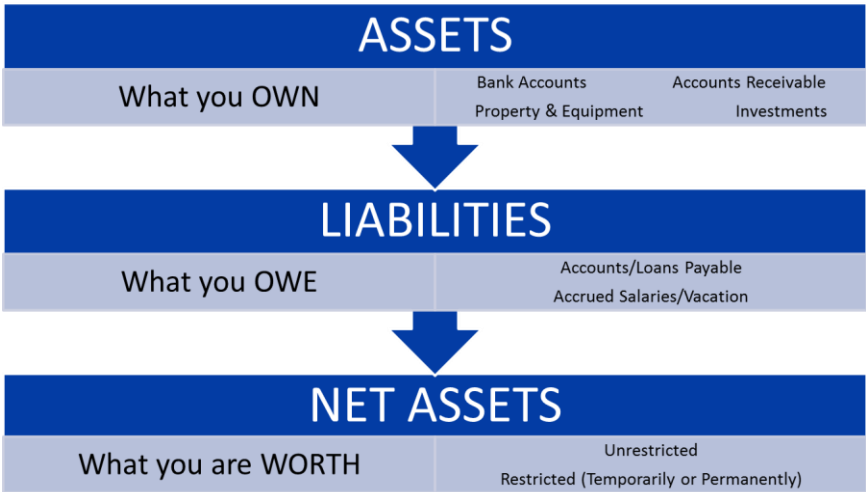
PEW RESEARCH CENTER

Source: http://www.pewresearch.org/files/2014/12/FT_14.12.11_wealthGap2.png

Organizational Income vs. Organizational Wealth

Income Statement (Income & Expense Over 12 Months):

INCOME =
(Contributed or Earned; Conditional or
Unconditional; Unrestricted or Restricted)

EXPENSE =
(Program, Administration, Fundraising)

SURPLUS/DEFICIT
(Change in Net Assets)

Balance Sheet (Wealth as of the Date Issued):

ASSETS

| What you OWN | Bank Accounts | Accounts Receivable |
| | Property & Equipment | Investments |

LIABILITIES

| What you OWE | Accounts/Loans Payable |
| | Accrued Salaries/Vacation |

NET ASSETS

| What you are WORTH | Unrestricted |
| | Restricted (Temporarily or Permanently) |

FINANCIAL HEALTH AND REPORTING QUESTIONS:

- ✓ How much surplus will you generate this year?
- ✓ How liquid are your assets? Is your quick ratio comfortable?
- ✓ How many months of unrestricted cash do you have??
- ✓ Other than cash, what kinds of assets make up your wealth??
- ✓ How secure is your core funding? How related to your intended impact is it?
- ✓ How are you

Creating a Meaningful Annual Budget

Both the process and product of the annual budget can be meaningful when we are thoughtful about each of the 5 dimensions below.

1. **When the process starts.**

Notes: _____

_____

2. **Who on board and staff are involved and playing what roles.**

Notes: _____

_____

3. **How the budget structure reflects your true, internal understanding of the business.**

Notes: _____

_____

4. **How you capture impact drivers such evaluation and professional development.**

Notes: _____

_____

5. **How you monitor and adjust the budget as new information arrives throughout the year.**

Notes: _____

_____

EXERCISE: A Gameplan for Your Next Annual Budget

PERSONAL REFELECTION:

A. What's not in your budget this year that should be given your intended impact statement(s)?

B. What's not in your budget this year that should be given your organizational values?

C. What adjustments to your process and product of your annual budget are you planning for next time?

When the process starts.

Adjust: _____

_____

Who on board and staff are involved and playing what roles.

Adjust: _____

_____

How the budget structure reflects your true, internal understanding of the business.

Adjust: _____

_____

How you capture impact drivers such evaluation and professional development.

Adjust: _____

_____

How you monitor and adjust the budget as new information arrives throughout the year.

Adjust: _____

_____

REFLECTIONS & NOTES

Day 3: Performance Management & Staffing

Learning objectives:

- ✓ Be able to identify what needs can be met through performance management.

- ✓ Use competencies approach in staffing strategy.

- ✓ Know the roles and responsibilities of supervision.

- ✓ Create role clarity using a competencies approach.

A Sustainable Model for Performance Management:

The purpose of an organization's performance planning, management, and review process is to guide, support, and develop staff to **ensure both employee and organizational success.**

It is an ongoing and cyclic process that runs on an annual basis and is shaped by the organization's needs. The performance management system fosters ongoing two-way communication between employees and managers; supports the development of clear, consistent, and measurable goals linked directly to the organization's core values and competencies; helps to articulate and support training needs and career development; and establishes the criteria for making reward and recognition decisions.

Effective performance management begins with respect for one another and ends with excellence in performance. It is the responsibility of supervisors to communicate on an ongoing basis with their employees. These conversations should be grounded in honest communication and provide staff with clear role expectations, feedback, identify performance improvement, development opportunities, and career possibilities. Each employee has a responsibility to participate fully in these conversations, be sure they understand their role responsibilities and expectations, and communicate any obstacles or training needs in order to perform their role at an optimum level.

Performance management should be happening all year long and culminates with a summary review assessment that should bring closure to the performance period and provide a basis for performance management for the next period.

Performance Management Infrastructure

Core Competencies Approach to Staffing and Development

Definition

Competencies are observable and measurable characteristics of a person that include using knowledge and demonstrating skills, behaviors, and abilities that contribute to performing well. A competency can be a behavioral skill, a technical skill, an attribute (such as creativity and strategic agility).

Connection to Your Intended Impact and Your Strategies: *What skills, knowledge, and behaviors are "core" for organizational success based on the areas that comprise your theory of change – specifically your intended impact and your strategies?*

Based corresponding organizational priorities/goals what competencies do you need—system-wide—to ensure your organization's sustainability and success?

Limit your list to those that are essential; without <u>which your organization would be vulnerable</u>. These are not linked specifically to any one role, they are needed system-wide (staff, board, key volunteers or partners) to achieve your goals/impact.

Competencies are divided into four categories: leadership, management, strategy and field-specific (i.e., mental health, community theatre or early childhood education).

- Begin with the competency appendix attached and select those that are core for your organization.
- Tailor competencies that need modification.
- Add new competencies that are missing and those specific to your field.

Organizational Assessment

What competencies do you currently have across the whole system (organization-wide)?

Use this process for assessing your current talent—board, staff, volunteers and potentially other key relationships and partnerships—against the core competencies needed for organizational success.

Given the competencies you've identified as core to your organization's success, how prevalent are they in your organization *overall*; where do they reside?

Consider your organization as a whole system, including board, staff, volunteers and other external partners. Assess the degree of prevalence in each of the four areas. Examples from CompassPoint are in *italics* at the beginning of each section.

Identify the prevalence of each leadership competency you identified above using this scale.

STAR priorities areas:

1 = None/Extremely low	2 = Low	3 = Medium	4 = High

EXAMPLE Competencies	You/ED	Board	Senior Staff	Mid Staff	Entry Staff	Other/ Externals	Where prevalence most needed?	STAR priority need areas
Ex: Leading/Managing Teams	3*	1	2*	1*	1	2	*Need to focus some of our prof dev in this area as teams are growing.*	
Ex: Governance	3*	2*	2*	1	1	1	*Board, ED and senior staff priority, Need to do some development at the board and ED level*	
Ex: Financial Literacy	2*	1*	4*	2	1	1	*Want base-line across the entire staff and board. Focus on board, but possibly some basics for other staff.*	
Ex: Diversity, Equity, Inclusion	2*	2*	3*	4*	3*	3	*This is a priority across the whole organization. Our external contractors are hired with this in mind.*	

The number one resource for a great social sector organization is having enough of the right people willing to commit themselves to mission. The right people can often attract money, but money by itself can never attract the right people. Money is a commodity, talent is not.

-- Jim Collins, Good to Great and the Social Sectors

EXERCISE

Write-in 4-6 core competencies and make your best assessment.

Competencies	You/ED	Board						Where prevalence most needed? STAR priority need areas

Competency Development

What actions will you take to ensure leadership continuity? Utilize a combination of these three strategies**:** develop the team you have, acquire new talent (hiring and board recruitment, and leverage external volunteers, partners).

The place to begin is to develop the team you've got: **Use the 70/20/10 rule.**

Most learning and development doesn't come from training. Rather, sustainable development comes from on-the-job learning—actually doing the work while learning how to do the work. Learning from training, unless applied immediately, is lost shortly after the class is over. Development efforts should use the following strategies and ratios of effort.

70% On-the-job learning
20% Through relationships
10% Formal learning

70% On-the-job learning

Create conditions within the organization that support development and growth and hold leaders accountable for the development of their people. Some ideas:

- Role conversations: Discuss with people the connections between their work and developmental needs by revealing learning opportunities in their day-to-day experiences.

- Stretch opportunities: Assigning additional projects, committee work, new tasks. Think about upcoming opportunities that provide people a chance to work on "next level" job responsibilities.

- Shadowing and job rotations: Think about a temporary job or work rotation to provide someone with a range of experiences. Allow people to job shadow others.

20% Learning through relationships

Ensure that individuals are learning from other people. In addition to staff, leverage board members and volunteers with specific skills or experience. Some ideas:
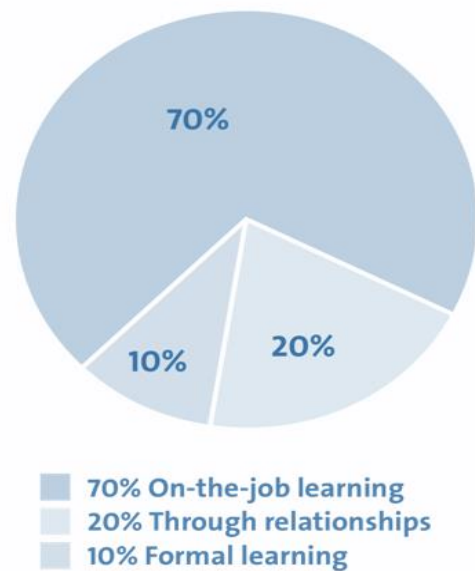
Develop an internal mentor program and match individuals with board members, staff, donors, external partners. Develop internal coaches; peer-to-peer or across functional areas and levels. Provide external leadership coaches.

- Ensure supervision and ongoing feedback as people work on their goals.
- Join affinity groups, networking groups, learning circles.

10% Learning through formal training and education

Some ideas:

- Classes and workshops
- webinars/online learning
- Regular reading of publications, journals, and articles
- Attending conferences

STRATEGY TWO: Acquire New Talent

Your second strategy is to acquire the talent that you need if development opportunities are insufficient:
- What do you need to prioritize for staff hires to fill any competency gaps or shore up areas of vulnerability? Within which staff levels or specific roles?
- What do you need to prioritize for board recruitment?

STRATEGY THREE: Leverage External Talent and Resources

Your third strategy is to leverage external resources to bring in the talent you need beyond board and staff.

Consider outsourcing possibilities to access competencies in creative ways (e.g., HR, evaluation, finance). Review your key relationships and partnerships.

Within your volunteer, donor or partnership base, who possesses one or more key competencies that you can leverage? Who could serve as an advisor, join a committee, provide mentorship to staff or temporarily fill a gap as you prepare to recruit or develop internally?

The *Supervisor Role** manages the relationship between staff and the organization so that each is successful through 3 key activities:

- **Expectation Setting**
- **Regular Communication**
- **Performance Review**

How all three key activities show up in the organization will be influenced by an organization's culture. In addition, issues of power and privilege will influence how any of these concepts will be activated between individuals and throughout the organization.

* A hierarchical structure is NOT a requirement for organizations to be able to fulfill the activities contained in the supervisor's role.

Developing a Workplan Using KRAs or Key Roles

1. **Identify and understand where expectations exist for that position.**

    - Formal – Job Descriptions, competencies, project plans, program goals, job standards

    - Informal – Feedback, meetings, discussions, org culture

2. **Decide the focus for that period of time the individual based on:**

    - Program/Organizational priorities

    - Individual development areas

3. **Key Result Areas (KRAs) or Key Roles**

    Key result areas are the major functions or areas of accountability that the person is responsible for accomplishing throughout the year. Within each KRA there are a set of specific job duties and tasks that need to be accomplished to achieve the desired result.

4. **Develop Accountabilities or Key Activities**

    What are the key accountabilities and activities for each role the staff person plays. Using action verbs.

5. **Understand the competencies (skills, talents, experiences) needed to be successful**

    This can be used to assess what professional development needs exist for the staff to meet and exceed expectations for the role.

6. **Develop measures of Success (Standards and Goals)**

    Performance standards state the conditions that will exist when the job is performed acceptably in terms of quality, quantity, time, cost, impact, and process or method of doing. Performance goals are time based.

Roles	Key Activities/Accountabilities	Competencies (skills, strengths). Rate 1, 2, 3 – Current level of individual	Measures of success and development (goals/standards)	Time Goals by %
EXAMPLE: 1. Lead/create/design and execute evaluations for programs and proposals.	• Develop evaluation plans for cohort learning programs, consulting, training, and field building. • Steward and oversee the implementation of plans. • Serve as lead and/or thought partner in making sense out of evaluation data and integrating back into ongoing program development. • Involved in all major program planning phases. Provide input on design. • Convene and facilitate program team debrief meetings to integrate learning from across business lines. • Write evaluation reports	• Program evaluation and data analysis (3) • Project management (2) • Meeting facilitation and design (2) • Racial justice informed (2) • Report writing (3) • Team management (1)	• All programs have evaluation plans that will measure the outcomes stated for the programs. • All programs complete evaluations as planned • Participate in program planning in all program planning meetings • Participate in program, curriculum design • Write evaluation reports for all programs, meet deadlines and quality measures: – reports are written with clear analysis of data; has highlights of major findings; is proofed and edited.	15%
EXAMPLE: 2. Financial sustainability and management of programs.	• Creating annual budget for program • Monitoring budget throughout the year • Recommending programmatic changes to support financial sustainability. • Deciding any fee based strategies for programs. • Recommending revenue strategy for all programs (including grants, fees, and individual donations). • Reviewing and approving all program grants.	• Budgeting (3) • Financial Analysis(2) • Grant management (2) • Business modeling (2) • Process & Systems Development (1) • Financial Reporting (1) • Team Management (2) • Strategic Decision Making (2)	• Draft budgets are created during the budgeting process for all programs with the descriptive narrative explaining major expense and revenue line items; meet with CFO to review/revise budgets. • Quarterly analysis of budgets are provided to management team with analysis of financial position and forecasting any trends near future issues. • All grants and grant budgets represent the true cost of the programs/projects. • Project and program plans are adjusted appropriately to meet "reality" of revenue and projected revenue. • Total programs have a 5% surplus at the end of the year.	20%

REFLECTIONS & NOTES

Day 3: Governance and Board Fundamentals

Learning objectives:

- ✓ Understand the definition and underlying principles of nonprofit governance

- ✓ Understand the purpose of a nonprofit board and legal obligations of nonprofit board members.

- ✓ Understand the board's role in the three domains of governance (fiduciary, strategic and generative).

- ✓ Understand the board's role in providing management support.

GOVERNANCE

Nonprofit governance is the provision of guidance and direction to a nonprofit organization so that it fulfills its vision and reflects its core values, while maintaining accountability and fulfilling its responsibilities to the community, its constituents and government with which it functions.

—The Alliance for Nonprofit Management's Governance Affinity Group

What words stand out to you and why?

✓ _____

✓ _____

✓ _____

✓ _____

✓ _____

PURPOSE

Purpose of a Nonprofit Board

All nonprofit organizations are legally required to have a board. Although the specific responsibilities may vary due to mission focus and different phases of an organization's existence, the basic role and purpose of all nonprofit boards remain the same. There are legal and ethical reasons that nonprofit boards are required and these reasons shape the foundation for good governance.

> The board is a surrogate public, representing the public's interest as it carries out its programs and activities. As a surrogate public the board's accountability is external and directed at the state attorneys general and the IRS.
>
> —Pamela Leland
> Embracing Interdependence: The Relationship Between the Board and the CEO

Legal Reasons

State laws explicitly indicate that nonprofit corporations need a board to assume the fiduciary role for the organization's well-being. These laws designate overall responsibility and liability to that board. In its role as representative of the public—its clients, donors, volunteers, and general public—the board must ensure that the organization uses its funds efficiently, as donors have designated, and in pursuit of the organization's goals. In sum, nonprofit organizations provide services to the public in lieu of taxes.

Ethical Reasons

One of the key ethical reasons to have a board is to create a structure that functions to assure the public and all individual stakeholders that the organization is in good hands. The board assumes the responsibility for the achievements, or lack thereof, within the organization. Its role in this capacity is to go beyond the legal requirements and ensure that the organization not only does things right, but does the right thing.

EXERCISE

In pairs, discuss:

Give a specific example of how the legal purpose of a nonprofit board is related to the earlier discussion of your intended impact.

Silent Reflection and Notes:

What questions/conversations do you want to bring back related to these questions?

LEGAL OBLIGATIONS OF THE BOARD

FIDUCIARY

A legal obligation of one party to act in the best interest of another. The obligated party is typically a fiduciary, that is, someone entrusted with the care of another party, property, money, or interests.

In addition to the board's responsibilities as a governing body, individual board members are bound by their legal obligations: the duties of care, loyalty, and obedience. These duties serve in the courts as the test for their compliance if a board member's performance or decisions ever become a legal issue.

Under well-established principles of nonprofit corporation law, a board member must meet these standards of conduct in carrying out his or her responsibilities. States typically have statutes adopting some variation of these duties which would be used in court to determine whether a board member acted improperly. These standards are usually described as the duty of care, the duty of loyalty, and the duty of obedience.

✓ Duty of Care	✓ Duty of Loyalty	✓ Duty of Obedience
The duty of care describes the level of competence that is expected of a board member and is commonly expressed as the duty of "care that an ordinarily prudent person would exercise in a like position and under similar circumstances." This means that a board member has a duty to exercise reasonable care when he or she makes a decision as a steward of the organization.	The duty of loyalty is a standard of faithfulness; a board member must give undivided allegiance when making decisions affecting the organization. This means that a board member can never use information or resources obtained as a member for personal gain, but must act in the best interests of the organization.	The duty of obedience requires that board members ensure that the organization complies with all applicable federal, state, and local laws and regulations, and that it remains committed to its established mission (e.g. charitable purpose).

SAMPLE Standard of Care Practices

The following practices are based on the standard of care duties. These can do a great deal to protect the organization, its clients, and the personal assets of individual board members. Include guidelines in orientation material and the board handbook.

- Act at all times with the benefit of the (nonprofit) corporation and its charitable purpose in mind.

- Attend board and committee meetings and make sure your vote is recorded. A board member can be found liable for either supporting an act of the board or not opposing an activity—even if he or she is not aware of the activity due to absence from a meeting. See that a written record of each board meeting is kept and approved.

- Disclose all possible conflicts of interest, abstain from voting when you feel that some conflict may exist, and avoid self-dealing activities. Discourage business dealings between board members and the organization.

- Be familiar with organization bylaws and ensure that they are followed.

- Make sure state and federal statutory regulations are met, including but not limited to filing annual information returns (such as IRS Form 990), remitting withheld payroll taxes and employer-paid taxes, and submitting payroll reports.

- Stay informed. Review all program reports carefully; request and review regular and timely financial statements and other financial reports; ask questions.

- Seek advice from competent experts, such as lawyers, accountants, and other professionals in their respective fields.

- See that the organization has written and up-to-date personnel policies, complies with employment law, and follows these personnel policies and laws.

- Make sure the organization's bylaws include an indemnification clause. An indemnification clause states that the nonprofit organization, within its financial abilities, will cover most legal fees or judgments against a board member.

EXERCISE

Each group comes up with 3 specific actions/behaviors that are examples of the board fulfilling this duty.

DUTY OF CARE	DUTY OF LOYALTY	DUTY OF OBEDIENCE
✓	✓	✓
✓	✓	✓
✓	✓	✓
✓	✓	✓
✓	✓	✓
✓	✓	✓
✓	✓	✓

GOVERNING MODES

> *Effective governance by a board of trustees is a relatively rare and unnatural act.*
>
> —Richard Chait, Governance as Leadership

Governance as Leadership

This framework[1], by Chait, Ryan and Taylor, posits that there are three modes of governance. When a board is able to work well in all three modes, the board achieves "governance as leadership." Each mode fulfills different dimensions of governance—all equally important.

Governance Mode 1: Fiduciary

This type of governing is related to oversight, financial discipline, mission adherence, and upholding the interests of the organization. The law recognizes fiduciary responsibilities as a board member's duties of care, loyalty and obedience.

Typically questions asked while governing in this mode:

- What do we hold in trust and for whom?
- How do we know the organization is fulfilling its mission?
- How do we describe our fiduciary performance to stakeholders?
- What is the evidence that we are trustworthy?
- What is our financial health?
- Are we in compliance with all local, state and national laws?

Governance Mode 2: Strategic

This mode focuses on purpose, performance and organizational impact. Its main activities are strategic thinking while governing in this mode, the organization names "big hairy audacious goals" (BHAGs). The focus is envisioning and shaping an organization's direction and future. Example questions asked while governing in this mode:

- How do we innovate?
- Do we want to be a social justice organization? How might that effect community and government support?

---

[1] Adapted from *Governance as Leadership: Reframing the Work of Nonprofit Boards* by Richard Chait, William Ryan and Barbara Taylor, 2005.

- Do we relocate our programs and services to be more accessible to our constituents, or do we re-tool our programs to meet the needs of this neighborhood?
- Where is our field headed? What are the new trends that we will need to consider?
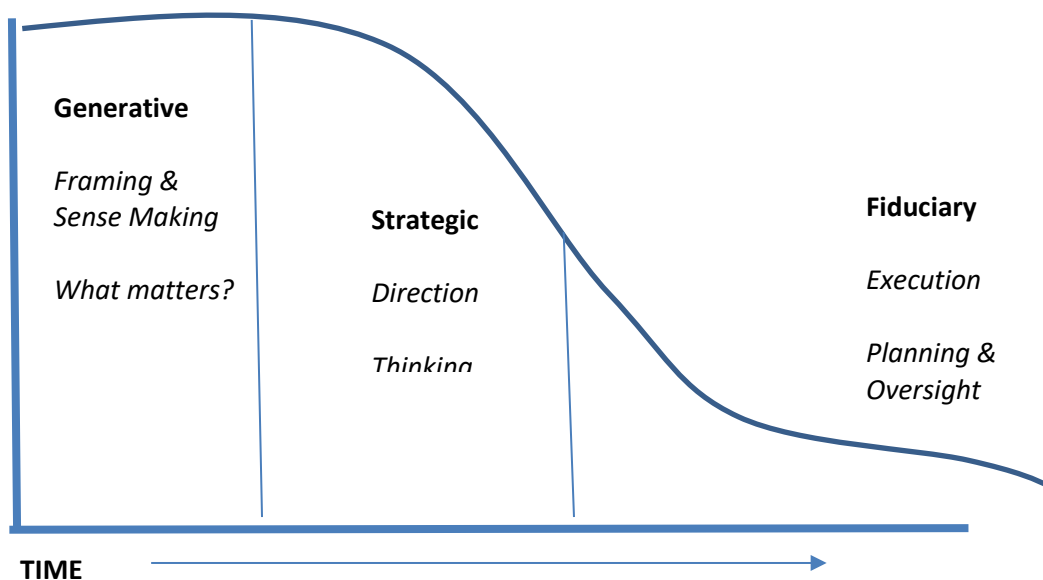- Are we market competitive? What is our competition doing?

Governance Mode 3: Generative Thinking

Modes 1 and 2 provide both the "where are we going" and the "how are we going to get there" aspects of governance. Mode 3 however is often the most overlooked mode of governance— and very few boards are able to fully put it into practice.

It's the meaning-making mode where we engage in inquiry and curiosity to frame questions, which generate dialogue, which then lead to new ways of understanding.

Key characteristics of a generative board:

- *A different view of organizations identity and purpose* – generative thinking is not linear
- *A different view of leadership* – enable organizations to move forward with complex problems that defy the one right answer solution.
- *A different mindset* – beyond fiduciary and strategy
- *A different role* – the board is an added value
- *A different way of thinking* – boards that are intellectually playful and inventive not just logical and linear
- *A different notion of work* – frames higher-order problems in addition to other duties; asks catalytic questions not just operational
- *A different way to do business* – retreat meetings, robust conversations, organizational learning

Generative

Framing & Sense Making

What matters?

Strategic

Direction

Thinking

Fiduciary

Execution

Planning & Oversight

TIME

When a board fosters a culture of inquiry, by operating comfortably in the generative mindset it creates the following benefits:

- ▶ Empowers the board

- ▶ Engages the collective mind

- ▶ Exploits board assets

- ▶ Enriches board work

- ▶ Enhances board performance

EXAMPLE: VIOLENCE PREVENTION AGENCY—SHOULD WE START AN ART PROGRAM?

Fiduciary	• What are the costs of expanded personnel, art supplies and required facilities? • Can we afford it? Can we get additional funding or charge fees? *Intended action:* Approve/not approve a new program plan
Strategic	• What is the competition? • How will we measure the impact or success of the new art program? *Intended action*: Form committee to identify/scan local competitors and develop evaluation metrics
Generative	• What is the relationship between arts and keeping kids safe? • Is an arts program aligned with who we are? • How will this impact our other programs? • Why arts? Why not sports, science or nature? Are there other kinds of programs that would be better? *Intended action:* Form task force to interview community leaders, parents, local government and other service providers about this new idea. Research best practices of violence prevention programs across the state to learn about other innovative programs. Bring more information to the board for further discussion.

EXERCISE

Choose a topic and identify a 1-2 <u>questions</u> that frame a conversation within each mode.

TOPIC EXAMPLES:

- Open a new office in a nearby county.
- Organizational re-branding process.
- Create new business model to strengthen organizational sustainability.
- Strategy for the organization

My topic:	
Fiduciary	
Strategic	
Generative	

ROLES AND RESPONSIBILITIES

Clarifying Roles and Responsibilities

Responsibilities of nonprofit boards are of two fundamental types: governance and management support. On one hand, the board, acting in its legal capacity governs the organization. Additionally, board members—as individual volunteers—provide support to the staff in areas of management.

Governance: Collective Board of Directors Role

As discussed, the board's primary responsibility is to govern the corporation. In the board's governing role, some responsibilities include:

- ✓ Ensuring mission and purpose; that overall strategies, policies and priorities are in place
- ✓ Ensuring organizational performance and impact.
- ✓ Ensuring compliance with laws and regulations and fulfillment of contractual obligations.
- ✓ Fiduciary oversight, safeguarding assets from misuse, and ensuring maximum use of resources.
- ✓ Selecting/monitoring/evaluating/terminating the executive director/CEO.
- ✓ Ensure that the board is well run with effective governance practices and processes in place.

These governing responsibilities are performed by the board as a body or group: for example, while the board hires and evaluates the executive director and the board chair might coordinate these activities, he or she does not have any authority outside the collective.

Board members only have authority when they act together. No individual board member—regardless of whether he or she is an officer—has authority outside of the collective governing process.

Management Support: Individual Board Member Role

Individual board members are also a valuable resource in the form of management support to the organization. In their management support role board members provide expertise, thought-partnership, access to resources, and ambassadorship. These efforts provide "added value" to the organization. Some responsibilities could include:

- ✓ Fundraising: Contributing to the organization's fundraising success as appropriate to the individual (such as making a financial contribution, volunteering at fundraising events, making business contacts for the organization, soliciting cash and non-cash contributions, etc.)
- ✓ Speaking engagements: Acting as ambassadors to the community on behalf of the organization and its clients
- ✓ Attending and volunteering at events
- ✓ Consultation or advising staff in areas of expertise, providing technical assistance
- ✓ Providing thought-partnership to the CEO and staff, acting as a sounding board.
- ✓ Participation on organizational committees

On the outside looking in, or on the inside looking out?
When acting in its governing role, the board represents the interests of the community. It asks: Is this organization using public and private resources to benefit the community and the public? In a sense, the board stands in the community, looking through the door into the organization. But at the same time, board members also represent the organization's interests to the community-acting as ambassadors to the community.

Who's in charge? Who's in charge now?
In organizations with paid staff, there are other times when board members act as individual volunteers to support or help the staff. Boards and staff often get confused over these differences.

When there is ambiguity or role confusion, try distinguishing between the board's governing role and board members' supporting role in discussions. This simple approach, based on a deeper understanding of governance, can often clear-up confusing and frustrating discussions.

BOARD ROLES & RESPONSIBILITIES

GOVERNANCE Legally Mandated	MANAGEMENT SUPPORT Value Add
Purpose: The board acts to *govern* the organization	**Purpose**: Individual board members act to provide *management support* to the organization
Perspective: Representing interests of community and the public *Outside* looking in.	**Perspective:** Representing interests of organization to the public *Inside* looking out
Process for action: The board acts as a *collective* body	**Process for action:** Board members provide support to staff as *individual volunteers*
Type of Responsibility: Governance fulfills a legal responsibility to the community therefore is a mandated function. Board has authority.	**Type of Responsibility:** The level and type of support expected from individual board members is at the discretion of the CEO, not legally mandated, and dependent on specific organizational needs. ED CEO/staff have authority.
Role: Exercise duties of care, loyalty and obedience	**Role:** At the CEO's invitation, provide expertise, thought-partnership, access to resources, ambassadorship
Example Activities • Hire, evaluate, terminate (as appropriate) CEO • Monitor finances, approve budget, ensure financial and programmatic sustainability • Board development, management and governance effectiveness • Manage the audit	**Example Activities** • Fundraising activities • Speaking engagements • Attending events • Consultation/advising staff on technical issues • Participate on organizational committees

The CompassPoint framework for Governance and Support was first developed by Jan Masaoka and Mike Allison in the article *Why Boards Don't Govern*; it has been updated and adapted for this course.

EXERCISE

Create a "menu" of opportunities for your individual board members to provide management support—value-add—to you and your staff.

Share with a partner and ask: *Is it explicitly clear what the invitation is and what would be expected?*

BRING DRAFT "MENU OF OPPORTUNITIES" TOMORROW.

AREA OF SUPPORT	SPECIFIC ACTIVITY/BEHAVIOR

REFLECTIONS & NOTES

Day 4: Board Dynamics and Alignment

Learning objectives:

- ✓ Have explored board culture and power dynamics.

- ✓ Understand the interdependent governance relationship between the ED and the board.

- ✓ Have identified board composition and recruitment priorities to meet the needs of your organization.

EXERCISE: ED/Board relationships - Role Reversal

1. Find a partner. Decide who will play the role of **INTERVIEWER** (you will play this role through the entirety of steps below).   You will be interviewing your **PARTNER** AND your partner "playing the role" of the board member. Sit/stand facing each other.

2**. INTERVIEWER:** Interview your **PARTNER** with the following questions.
PARTNER – answer as yourself in the role of executive director (i.e. you). (4 minutes)

- What are you most concerned about?
- How do you tend to act in this kind of situation/relationship?
- What do you feel about the current situation/conflict/tension/uncertainty?

3. Switch chairs/positions and assume the role of the board member you were thinking of.
INTERVIEWER will interview your **PARTNER** again BUT in the role of the board member (4 minutes).

- How do you know _____ (PARTNER)?
- Have you had any difficulty with _____ (PARTNER) lately?
- What kind of constraints do you face in the organization?
- What is it like dealing with _____ (PARTNER)?
- What are your concerns/fears about this situation?
- What do you need from _____ (PARTNER)?
- How are power dynamics affecting this situation?

4. Switch chairs/positions again (i.e original position) and assume self. Answer the following questions as yourself. INTERVIEWER will ask the questions and listen: (4 minutes)

- How did you contribute to this situation?
- What have you tried to fix this?
- What in this are you responsible for?
- What can you do next?
- How are power dynamics affecting this situation for you?

END – Thank partner. Now one more round with the other person playing the INTERVIEWER.

Adapted from Michelle La Baron and training conducted by Valerie Edwards, LCSW and Maria Ramos-Chertok, Esq.

Silent Self Reflection:

What part might social power - age, gender, race, economic/money, expertise, educational level, networks, community leadership/influence - play in your relationships?

What part might organizational/positional power play in your relationship (ED role, Board role, tenure/length of relationship with orginazation)?

What are you understanding now about your relationship?

What do you want to do next?

POWER DYNAMICS

The Role of Power in Board Work

Power is the ability to create or affect outcomes for yourself and others in an organization.

In organizations, individuals have or lack access to power through their positions (formal authority, decisions, directives, etc.) and how their social identities interact with the dominant culture and structure (informal authority, influence based on social privileges such as race, gender, age, etc.).

> *It does a disservice when board members don't take full responsibility for how and when they wield—and at times withhold—their power.*

Formal, positional power and informal social power are not 'good' or 'bad', it's important for Executive Directors and other positional leaders to think about and act with responsible uses of power.

> Power is always at play in our nonprofit organizations—at the board level, staff level, and in between.

Considerations:

- Power can be constructive: When accompanied by responsibility and accountability and builds the power of the group.

- Power can be destructive: Oppressive and lacking in accountability.

- Differences in social power (race, class, gender, nationality, etc.) impact structural power inside organizations and on our boards.

- The most effective boards acknowledge their power and wield it appropriately.

- Governance is collective by definition and meant to foster collective power.

BOARD CULTURE

Whether it is stated explicitly or not every board has a culture. Board culture is expressed in myriad ways, such as: how your meetings are run, the way members communicate with one another, how relaxed or formal processes are, and how the board engages with staff, donors, and the community.

EXERCISE

CHARACTERISTICS OF CURRENT BOARD CULTURE	CHARACTERISTICS OF IDEAL BOARD CULTURE

What are a few **5% Shifts** you can make to move from current to ideal?

Culture of Inquiry

The culture of inquiry is necessary for a board to engage in candid discussions of complex issues that encourage dissenting opinions to be voiced. Disagreement does not mean disloyalty nor does consensus equal unanimity. Boards that foster this culture are not afraid to question complex, controversial, or ambiguous matters or look at issues from all sides. Inviting inquiry, dialogue and debate increases the quality of the outcome and it makes board service more interesting and gratifying. Generative thinking discussed in part 1 supports a culture of inquiry.

Culture of Respectful and Open Communications

To ensure a positive board culture, many organizations will adopt communication agreements that support group process and ensure that all voices are heard. See the sample list in the following high-performing section. To support a culture of inquiry in addition to fostering respectful and open communications, consider these practices:

Trust—when there is trust, board members feel comfortable sharing a different opinion or challenging a process.

Information sharing—it's critical to keep board members informed of the field, sector and environment that impact the organization's work. Regularly bringing in outside perspectives (articles, blogs, experts, etc.) fosters the ability to ask new questions and consider different possibilities that were previously unknown.

Generative thinking—as explained in the previous section, generative thinking is predicated by a culture of inquiry. Board agendas include open-ended questions to widen the frame of possibilities versus narrow or limit the range of discussion.

Adapted from "Curious Boards" by Nancy Axelrod in Exceptional Board Practices, BoardSource, 2007.

Group development, facilitation, communication, decision-making tools

SAMPLE Communication Agreements

Boards should regularly evaluate their communication efforts by asking questions such as:

- "How well are we living up to these agreements?"
- "Have we incorporated them so well that they have become ingrained?"
- "When we don't honor them, how should we hold ourselves accountable?"

1. Be fully present and choose for yourself when and how to participate. This is always an invitation, never an invasion; an opportunity, not a demand.
2. Try on new ideas and perspectives. Open your mind to new ideas. Be open to change; change does not imply blame or criticism of the past.
3. OK to disagree, not OK to shame, blame, attack or discount yourself or others. Seek instead, through deep listening and open questions, to help each person find his/her own clarity.
4. Speak from the "I" and be self-focused. Speak your truth. Be willing to experience and express discomfort. Accept and expect non-closure.
5. Move Up: Participation and listening. Slow down and pay attention to the voice of the inner teacher. Stay engaged and act in ways to help others stay engaged. No dominating, no hiding.
6. Be aware of intent and impact. It is possible with the best of intentions to have a negative impact. Be open to learning and seeing "hard realities with soft eyes." Turn from reactive judgment to compassionate inquiry.

SAMPLE Facilitation Approach

(engaging all members, allowing all voices space to be heard). *Timed uninterrupted "reaction rounds".*

Example: Executive director presents 5 minutes of current challenges staff are facing because of the organization's active participation in supporting a local ballot initiative (some pre-reading included in the board packet sent the week before assumed).

After the presentation, each board member gets up to 90 seconds uninterrupted (i.e. no questions, or challenges or responses) to react to the presentation. Any reaction is okay – but some prompts to support the board: What's your biggest concern? What's your biggest question in this matter? What role do you think the board should have?

Then open discussion – based on these reactions.

Group development, facilitation, communication, decision-making tools cont.

SAMPLE Voting Approach

Supports managing for "herd voting" or "power of the group" influence.
Instead of verbal "Nay's" Yays", everybody writes on a card their vote and reveals at the same time.

SAMPLE Engaging the board in budgeting/financial conversations

Facilitate "budgeting workshops" for the board (and staff possibly) with the outcome that the board understand the organization's financial model, revenue sources/model, and possible long term issues. These will happen in the months prior to opening the budgeting process/discussion at the board level.

SAMPLE POP'ing meeting agendas

Purpose, Outcome(s), Process helps keep the meetings and discussions focused.
Exampled agenda item:
Purpose: To discuss and decide the next steps on our board recruitment process.

Outcomes: 5 candidates are named and assigned to a board member to reach out; board recruitment "needs" matrix is updated and "matched" with potential candidates named.

Process: - 5 priority competencies are presented based on the ranking poll completed by board members prior to the board meeting (handout)
(10 minutes) Reaction round: 1 minute each – does this feel right, what changes would you make, good enough for now?
(5 minutes) Discussion and straw poll on priority decisions if necessary.
(15 minutes) Match board – Which candidates match to the different competencies. (flip chart with competencies – put names under each one if match).   Find top 5 candidates and assign board member to connect.

EXECUTIVE DIRECTOR AND BOARD PARTNERSHIP

Good governance requires that healthy relationships among staff members and board members exist. Broadly speaking, there are three dimensions to the board-staff relationship.

1. The lines of authority and processes that keep board and staff roles distinct, respectful, and mutually supportive

The board framework of governance and management support above provides guidance for appropriate and mutually beneficial board and staff interaction. When board and staff members work closely together, ensure that roles and decision making lines are clear upfront so that misunderstandings do not occur.

2. The special relationship between the board and the executive director/CEO

Because the success of the board will be determined, in part by the ED, the ED is required to spend a significant amount of time developing, managing, communicating with and inspiring the board.

Daring to Lead, CompassPoint's research series of executive leadership, found that long-tenured EDs spend about 20% of their time on board development—which they credit as one key to their success. In order to rely on their boards for support, early in their tenures, veteran executives had recruited the right talent for their boards and then worked with them to develop a healthy board/executive relationship.[2]

> **WATCH OUT!**
> **Transparency of Board Work**
>
> This relationship between the executive director and the board has implications that reach beyond the ED. Because much of this work is done outside the purview of staff, they might not understand the purpose of the board and how their work is meaningful. This can amount to confusion, at best, and distrust and suspicion at worst. Considering the significant amount of time an ED is spending with her/his board, it is important for the rest of the staff to understand what this work means to the entire organization and how staff can appropriately participate in board work.

3. A shared accountability for ensuring the organization achieves its mission

Most importantly, everyone in an organization—from staff to board—has a responsibility to align their work with the organization's desired outcomes. This shared accountability for ensuring the organization achieves its mission is another way of saying, "we are all responsible for governing our organization."

---

[2] See Daring to Lead Studies, CompassPoint (2001, 2006, 2011)

The Executive's Role in Governance

Pamela Leland, in her article, "Embracing Interdependence: The Relationship Between the Board and the CEO" urges executives to embrace the reciprocal relationship between themselves and their boards as neither independent nor dependent, but rather an *interdependent* leadership partnership that is grounded in deep trust and mutual accountability. As Leland writes, "good governance is often due to the active engagement of the CEO who supports and facilitates positive board leadership."

Embracing, enabling, and educating

Below are three tangible strategies for executives to shift the dynamics away from feelings of potential resistance, reluctance, and resentment towards a more powerful embracing, enabling, and educating leadership partnership.

Resistance		Embracing
"My board doesn't take responsibility for their own work. Why do I have to cajole them when they should be attending to their own affairs?"	⟶	"I take responsibility for my board's success. What do I need to do to ensure that they have the necessary support and information to do their job well?"
Reluctance "My board is disengaged. I understand that they are busy and I don't want to ask for too much, but I can barely get them to come to meetings."	⟶	**Enabling** "How can I tap into the strengths, passion, and interests of my board to motivate and energize them so that they are excited to engage?"
Resentment "My board doesn't understand what our staff even does. They want to get involved in the day-to-day work and don't see that they're micromanaging."	⟶	**Educating** "It's my job to create appropriate opportunities for the board to engage in our work so that they better understand what we do. I need to support their education regarding our respective roles in governance and management."

Interdependence

While the board is ultimately responsible for governance, they do not govern alone or without guidance. That guidance comes in the form of a partnership with the executive director who shares responsibility for ensuring that the organization is legally, effectively, and ethically carrying out its work of protecting the public's interest. After all, it's typically the CEO who provides the information, context, and insight that a board relies on in order to do its work.

Embrace the reciprocal relationship between the CEO and the board as neither independent nor dependent, but rather an interdependent leadership partnership that is grounded in deep trust and mutual accountability.

THE BOARD/ED PARTNERSHIP CONTINUUM

Independent ∞ Dependent

Interdependent

EXERCISE

Select one of the executive director dynamics that you most relate to: resistance, reluctance or resentment. What are some specific strategies or actions you can take to shift your perspective?

RESISTANCE:	EMBRACE:
How I am resisting…	*How I can embrace…*
RELUCTANCE	**ENABLE**
How I am reluctant…	*How I can enable…*
RESENTMENT	**EDUCATE**
How I am resentful…	*How I can educate…*

Board Composition and Recruitment Priorities
Align the board to your needs and organizational impact

TOPIC	PRIORITIES FOR RECRUITMEMT
SUSTAINABILITY *What are the core competencies that your board needs in able to understand and support organizational sustainability?*	
FUND DEVELOPMENT *What qualities do you need to prioritize to ensure that your board members foster and celebrate a culture of philanthropy?* *What are the core competencies that your board needs in able to understand and support fundraising?*	
GOVERNANCE ROLE *What qualities do you need to prioritize to ensure that your board members understand their governance role and govern well?*	

MANAGEMENT SUPPORT NEEDS *What specific management support activities do you expect of individual board members?* *What skills, expertise, and qualities do they need to be able to successfully meet your expectations?*	
BOARD DYNAMICS *What board member qualities will best support healthy dynamics and partnership?* *Does your board reflect the community you serve? What communities are not represented but need to be?*	

REFLECTIONS & NOTES