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Significant Challenges for Boards

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There are more than 1.5 million nonprofit boards in the USA. Chances are good that every organization has experienced at least one of these 12 significant challenges.

Self-Evaluation

“They can’t evaluate us, we are just volunteers.”

Truth be told the volunteers are trustees of the corporation with responsibilities prescribed in governing documents and by the government. In the US, every city has hundreds, if not thousands, of other nonprofit boards. You want your association board to be recognized as the best. Start with a commitment to excellence and continuous improvement. Six months into the term ask, “How do you think we are doing? What can we improve?” Forms are available to facilitate board and individual self-evaluation.

Micromanagement

The board hires a CEO ---- and then micromanages his or her decisions.

Hiring quality staff frees the board to focus on governance and outcomes. The problem is board members who incorrectly believe their job is management. The best model for an effective partnership is the board governs and the staff manages.



**BOARD GOVERNS
STAFF MANAGES**

Board Size

Boards expand their size with good intentions, “We should add a seat for the student chapter,” and “Past presidents should stay on as ex-officio members.” The average board is 15 directors. More than 20 people becomes unwieldy, reducing director satisfaction about making an impact and having a voice.

Right-sizing the board begins with a discussion of governance efficiency and the best way to serve members while advancing mission. It can be a difficult to address because directors feel threatened they will lose their position.

Performance Metrics

“We are a volunteer organization, performance metrics don’t apply to us.”

Everything in the association can be measured. For instance member touch points, savings ratio to budget, political influence, diversity and dues renewal rate. Become performance based by identifying a dozen metrics to monitor association progress. Use dashboards to demonstrate results and trends. Tie metrics to the strategic plan.

Strategic Planning

“We’ve been operating without a strategic plan for decades, let’s leave well enough alone.”

The mission statement is the destination and the strategic plan is the board’s GPS or roadmap. It’s difficult to stay the course without a roadmap and the continuous turn-over of board members. Plans fail because there is no champion or implementation process. Some of the most impactful three year strategic plans fit on a single page and demonstrate value to members. Set SMART goals: specific, measurable, attainable, relevant and timely.

Meeting Frequency

“We meet monthly because we don’t see each other often and don’t want to lose touch with the organization.”

Many associations have realized they can design an agenda that covers the work for the next 60 to 90 days, eliminating the need for convening every 30 days. The savings for staff, and board, will be significant. If there is work to be done between meetings of the board, the executive committee can be convened using conference calls and technology.

Sunset Programs

“During my term as chair I want to add a new program, it should require much staff time.”

Ten years later those programs added by legacy directors still exist, sapping resources. Undertake the process of purposeful abandonment. Identify all the activities and responsibilities of staff, committees and board. Compare them to return of impact against the mission statement. Do they align with the strategic goals? Make recommendations to drop, delegate, keep or enhance programs. Stop wasting time on underperforming programs.

Mergers and Acquisitions

“We don’t want to lose our identity.” The association may have been founded decades or a century earlier, and people don’t want to change.

External forces may require restructuring to remain sustainable and to best serve the community and its members. Mergers and acquisitions may be an option. Think beyond borders and outside the box. Would forming an umbrella organization increase effectiveness and clout? In mergers, consider the strengths of each organization. Work towards eliminating redundancies and member fatigue in favor of a more efficient hybrid structure.

Difficult Conversations

When there is no trust on the board it is like throwing sand into an engine, things will not work, time will be wasted, micromanagement and suspicion take over.

A role of officers, especially the chief elected officer, is to address issues as they arise. For instance if a board member is speaking without authority, or people are disrespected, don’t let it continue. It may not be easy to address bad behaviors or discipline. The longer problem are allowed to fester the more damage to good governance.

In the Weeds

Few directors join a board with solid understanding of governance. You’re likely to hear, “When I get on the board I’m going to fix everything in our association.”

The board’s focus should be at a 50,000 foot perspective. What will the community look like in five years? As opposed to, “What color should we paint the conference room?” When conversations fall to the committee level or administrative duties, everybody on the board is empowered to say, “This conversation feels weedy, let’s get back to governance.”



Come Prepared

“The challenge of getting board volunteers to prepare by reading the materials before the meeting are universal,” said Joe Casey, CAE, Lutine Management Associates.

Board meetings necessitate preparation. When the meeting is announced and agenda distributed there is a responsibility to prepare. If it includes a consent agenda – read all

the reports in advance. If work was assigned at the last meeting, check to see what progress was made. Ask questions *before* the meeting so discussions can be more substantive to produce results.

Speed of Outcomes

“But we are nonprofit, the bar is set lower on serving customers and producing results.” The statement is erroneous.

For profit corporations continuously answer to shareholder demands and competitive markets. Nonprofit corporations sometimes move at a snail’s pace. For example, deciding on a conference location may take a year with visits, negotiations, personal preferences, committee review and board approval. The for-profit delegates the task to a meeting professional. In another instance, an exciting new program may be delegated to death-by-committee that loses momentum for lack of quorum or misunderstanding of the task. (No wonder it is said, “Committees keep minutes and waste hours.) Remove the inflexible hurdles by looking at the amount of time and processes to bring new ideas to fruition.

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