



M.J. Murdock  
CHARITABLE TRUST



Board Leadership  
& Development  
A MURDOCK TRUST PROGRAM

# Board Leadership & Development

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May 2023

# Top 5 Strategic Next Steps

*Ensuring the Organization for the Long Term*

## Top Five Strategic Next Steps

Organization Name:

STRATEGIC STEP 1		
Point Person:		
Strategic Step:		
Deadline:		
Completed Date:		Coach's Help? <input type="checkbox"/> Yes <input type="checkbox"/> No



Workbook pgs. 8-9



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# Setting the Stage:

Four Characteristics of a High Performing Board  
The Well-Run Board Meeting



# A High Performing Board...

1. Agrees on the governance model and philosophy (Effective **Governance** Practices)
2. Defines and maintains a healthy, mission-centered board culture (Healthy/Faithful Board **Culture**)
3. Commits to deep understanding of the organization and its context/marketplace (**Sustainable** Organizational Framework/Business Model)
4. Holds the long view in mind (Dynamic **Strategic Plan**)



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# Seven Keys for an Effective Board Meeting

1. Preparation
2. Agenda, agenda, agenda
3. Establish focus at the start
4. Stick to the plan
5. Documentation
6. Executive sessions
7. Evaluation



# Governance 101:

The Primary Work of the Board on Behalf of the Organization



*Adapted from Board  
Source: Ten Basic  
Responsibilities of  
nonprofit boards by  
Richard T. Ingram*

# Ten Primary Responsibilities of the Board

1. Determine the mission and ensure it remains the focus of the organization's operations
2. Select the executive director
3. Support and evaluate the executive director
4. Ensure effective planning
5. Monitor and strengthen curricula and programs



*Adapted from Board  
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# Ten Primary Responsibilities of the Board

6. Ensure adequate financial resources, including defining the board's role in fundraising
7. Protect assets and provide financial oversight
8. Build a healthy board, incorporating cultural competency
9. Ensure legal and ethical integrity
10. Enhance the organization's public standing





# The Primary Roles of Board Members



Workbook pgs. 21-22



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# Shared Commitments of Board Members

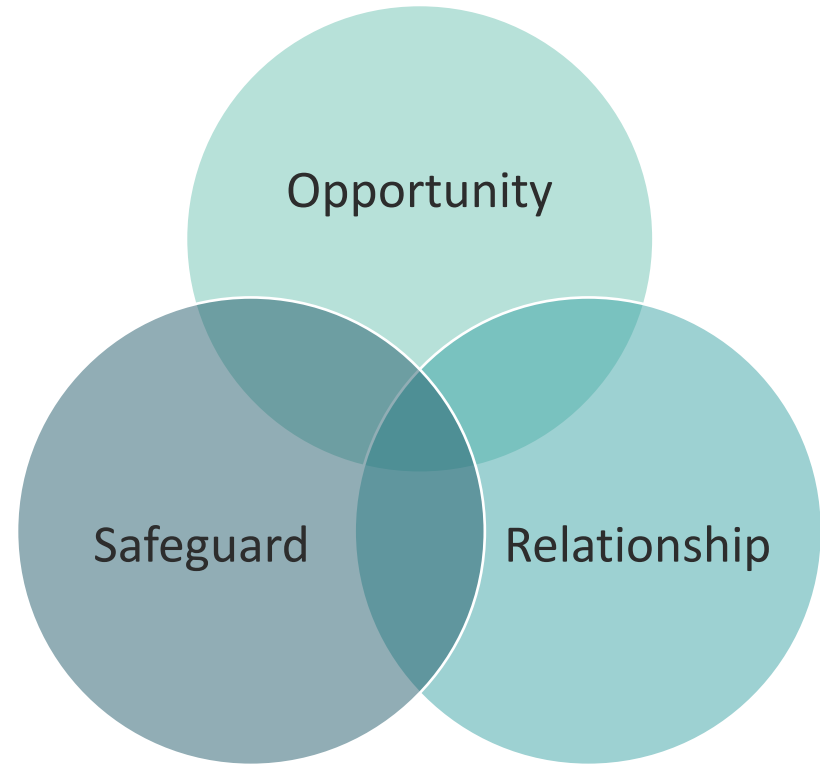
- › Annual Affirmation Statement
- › Creating alignment, agreement, and commitment



# Board Policies

The board focuses on three types of policies

- › Opportunity Policies provide thoughtful parameters on how opportunity will be pursued. For example, a policy may require 100% funding prior to starting a new initiative.
- › Safeguard Policies are written to keep the organization from misunderstanding and harm. *Conflicts of Interest* and *Dispute Resolution* are two common examples.
- › Relationship Policies describe the connection between the board, CEO, staff, volunteers, and constituency. Succession plans are a good example of how people will be cared for in crisis or planned transitions.



# The Taxi

- › Boards provide direction regarding destination
- › You are not driving



# The Corral

- › Board policies as safeguards
- › Case study



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# Governance

- › The board is a community of individuals brought together to steward/govern the public trust through the unique purpose of the organization



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# Governance

## › One Board–One Voice



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# Governance

## › Assessment

- › Understand where you are now.
- › Consider where you want to be 12 months from now.





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# Culture 101:

How Does Your Board Conduct Itself?



“Culture eats strategy for breakfast.”

Peter Drucker



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# Board Culture Defined

- › The underlying beliefs, assumptions, values, and the ways of interacting that contribute to the unique social and psychological environment of an organization or group



# Five Practices to Strengthen Your Board Culture

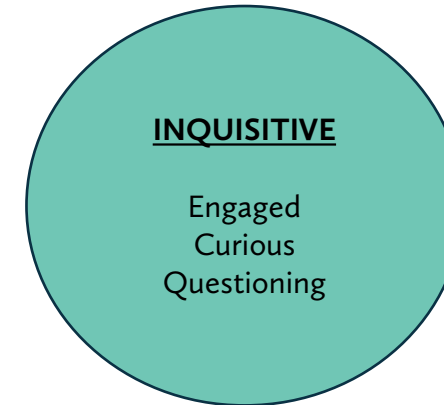
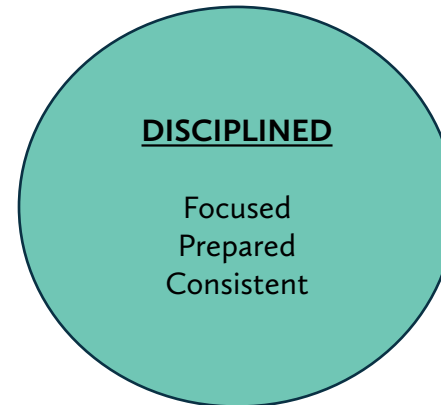
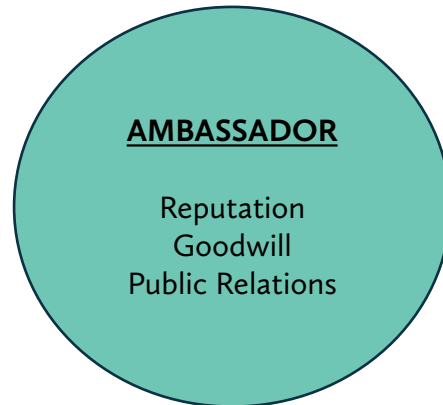
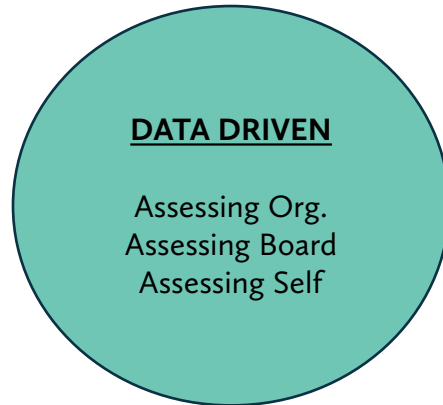
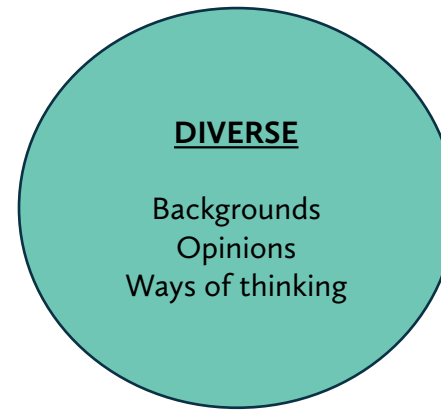
- › Recognize the *importance* of a strong and healthy board culture
- › *Assess* your board's current culture
- › Be *intentional* about working together towards improving it
- › Understand and *utilize practices* that support a healthy board culture
- › *Reassess* your culture annually and *emphasize* it during times of change and transition



# Assess Your Current Board Culture: Healthy, Unhealthy or Somewhere in Between?



# Healthy Board Culture



Driven by  
Mission & Values



# Unhealthy Board Culture

UNEXAMINED  
PERFORMANCE

UNMANAGED  
CONFLICT OR  
STIFLED DISSENT

GOSSIP/LACK OF  
CONFIDENTIALITY

MICRO-  
MANAGEMENT

BALKANIZATION  
CLIQUES

Impedes  
Mission & Values

HOMOGENEITY/  
GROUP THINK

TOLERATES  
MISBEHAVIOR

RUBBER-STAMP  
BOARD



# Board Culture Survey—Pgs. 86 & 87

- › Use survey to assess your current board culture
  - › Distributive Influence.....Dominant Inner Circle
  - › Collective Wisdom.....Individual Convictions
  - › Open Minded.....Closed Minded
  - › Transparency.....Opacity





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# Be *Intentional* about Improving Culture

- › Work together to improve and maintain
- › Owned by the entire board
- › Monitored and assessed by a specific committee
- › Led by Board Chair and Executive Director



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# *Utilize Practices* that Drive a Healthy Culture

1. A chair who is an *effective facilitator*
2. *Strong relationships* among board members, with Executive Director and senior leadership
3. Board cultures that take the *long view*



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# Chair Facilitates Healthy Culture

- › Cultivates a strong partnership with Executive Director
- › Resolves conflicts
- › Builds consensus and reaches compromise
- › Fosters an environment that builds trust
- › Frames questions and discusses issues strategically



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# Build Strong Relationships

- › Manage expectations on the front end
- › Ensure board feels appreciated
- › Leverage gifts and skills of board members
- › Value all perspectives and opinions, while speaking with one voice



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# Take the Long View

- › Spend 70%-80% on future vs. 20%-30% on current issues
- › Use longer time horizons when making decisions
  - › 3 years or more
- › Strategic vs. tactical focus—creates robust discussions
  - › Makes most of diverse perspectives
- › Challenges leadership to consider different future scenarios



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# *Reassess and Emphasize* Culture

- › Include questions in annual or bi-annual board evaluations
- › Emphasize the importance of culture during times of transition
- › When it's broken, be intentional about fixing it.



# Quick Review—for a Healthy Culture

- › Recognize the *importance* of culture
- › **Assess** current culture
- › Be *intentional* about improving it
- › **Utilize** healthy board culture practices—3 Drivers
- › **Reassess** your culture regularly



# Breakout Discussion/Work with Coach

1. Discuss the healthy and unhealthy aspects of your board culture based on the board assessment.
2. Discuss unwritten rules as well as clear and hidden assumptions within your board's culture.
3. Does your board have specific values it aspires to? If so, what are they?
4. How do you describe board culture to a prospective board member?
5. What might you want the board culture to look like in two years?
6. What steps could you take to make shifts in board culture?
7. Should we add board culture to your Top 5 Strategic Next Steps?





# Sustainability 101:

Building an Organizational Framework



“Our primary task is to unleash the creative forces in man. Let us accept the challenge and try to elevate the whole population.”

Jack Murdock



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# What Do We Mean by Sustainable?

- › Lasting, enduring, delivering over the long-haul
- › Absorbs ups and downs
- › Flexes, but does not break
- › Balances inputs and outputs



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# Why is Sustainability Important?

- › Numerous constituents require it
- › You can focus on doing work rather than reorganizing



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# Organizational Framework

- › For a board member or an executive leader to be effective, she/he must understand the organization and its history, which requires knowing what they do and how their work is supported. In other words, understand your organizational framework.
- › Identify the elements of your organization's framework



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# 5-Minute Self-Assessment

*Complete the self-assessment on Page 121 of the workbook.*

**Identify the elements of your organization's framework. Think in terms of ingredients in a recipe.**

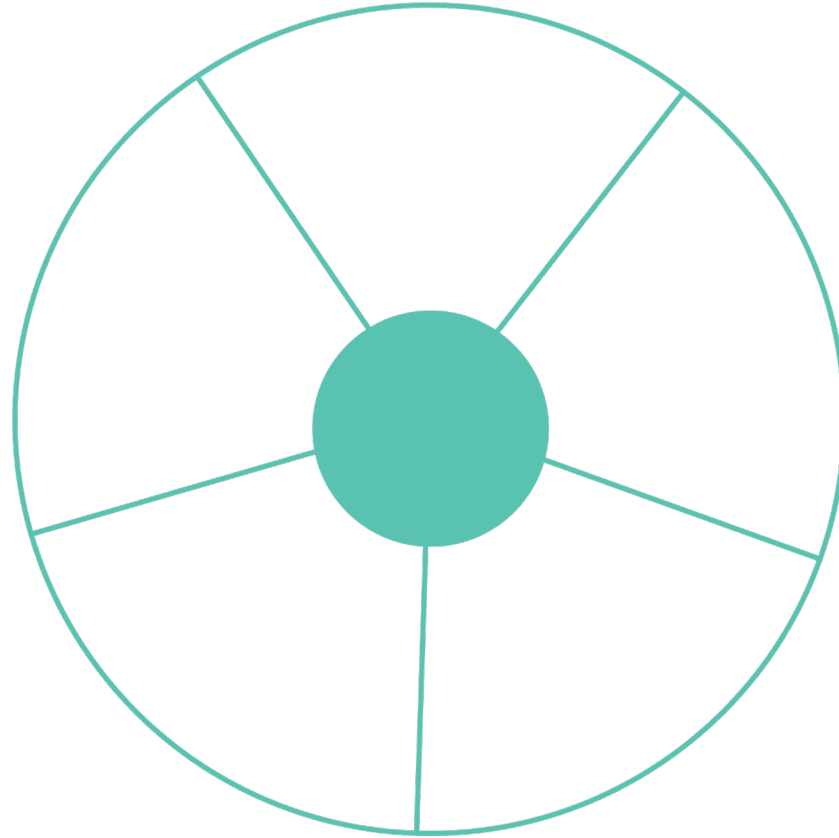


*Workbook pg. 121*



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# Framework for Success: A Structure



# Everything Starts with “Why”

- › Why did you come into existence? What need did you see?
- › What gets you up in the morning?
- › What keeps you up at night?
- › Understanding your “why” leads to a promise





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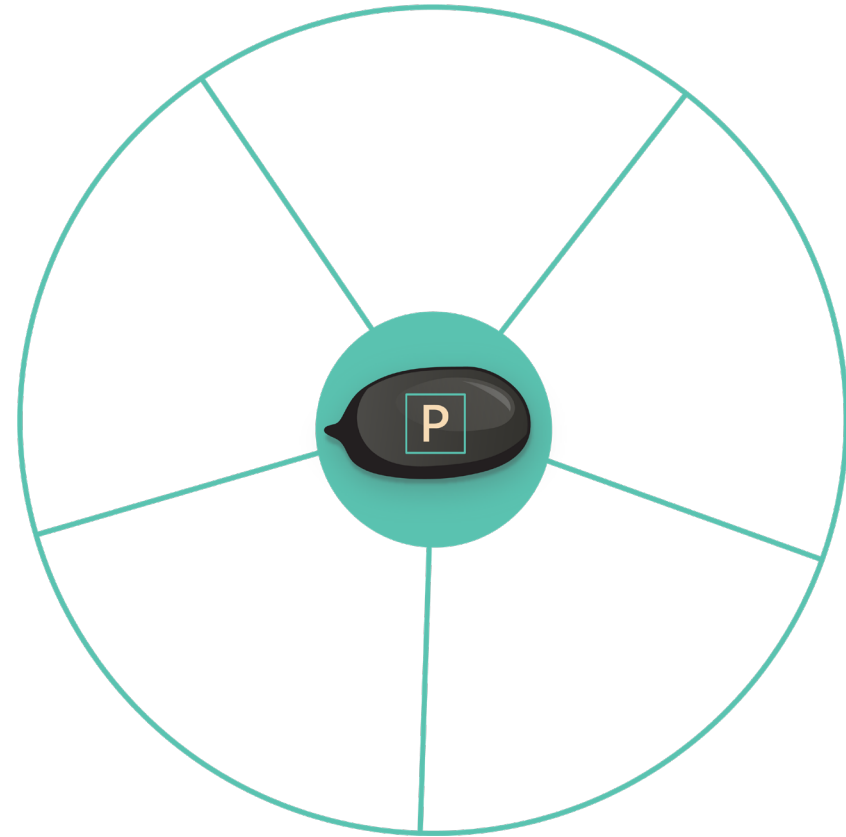
# What is Your Promise?

- › Why was your organization founded?
- › What need did it set out to meet?



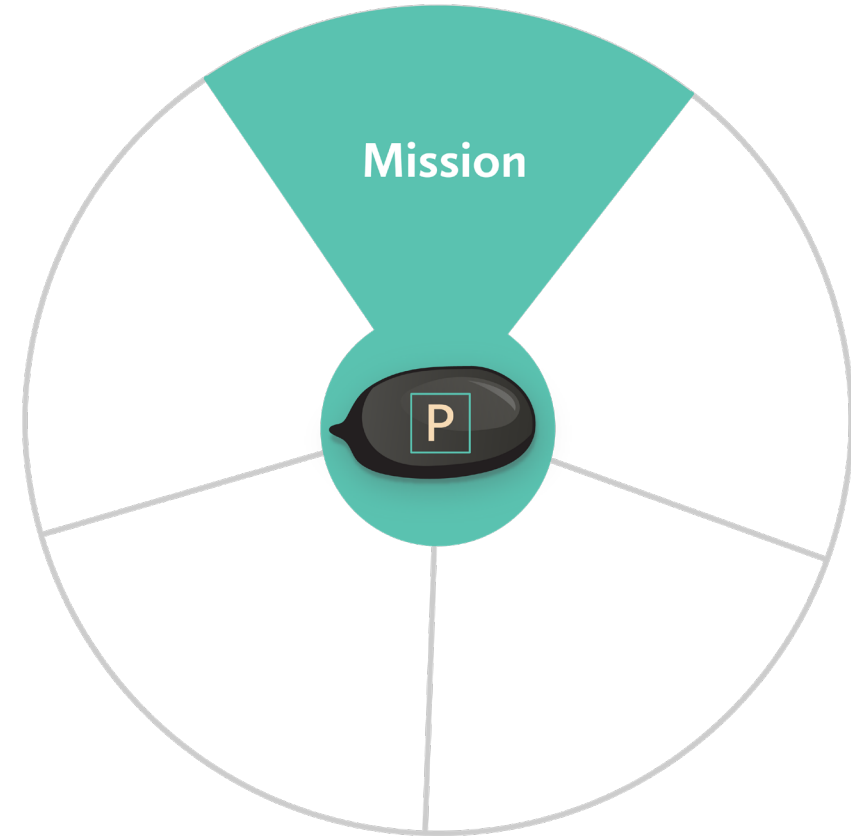
# Your “Why” is the Core, Touching All Elements of the Framework

- › What is your promise?



# First Core Element: Mission

- › Defines what we do
- › The board is responsible to steward (hold in trust) the mission
- › Missions must live and breathe—they need to stay relevant



# Second Core Element: Target Audience

- › You have multiple audiences—your primary audience is the beneficiary of your services
- › What does each audience want/need?
- › The board needs to ensure a strategy exists for each audience



# Third Core Element: Programs

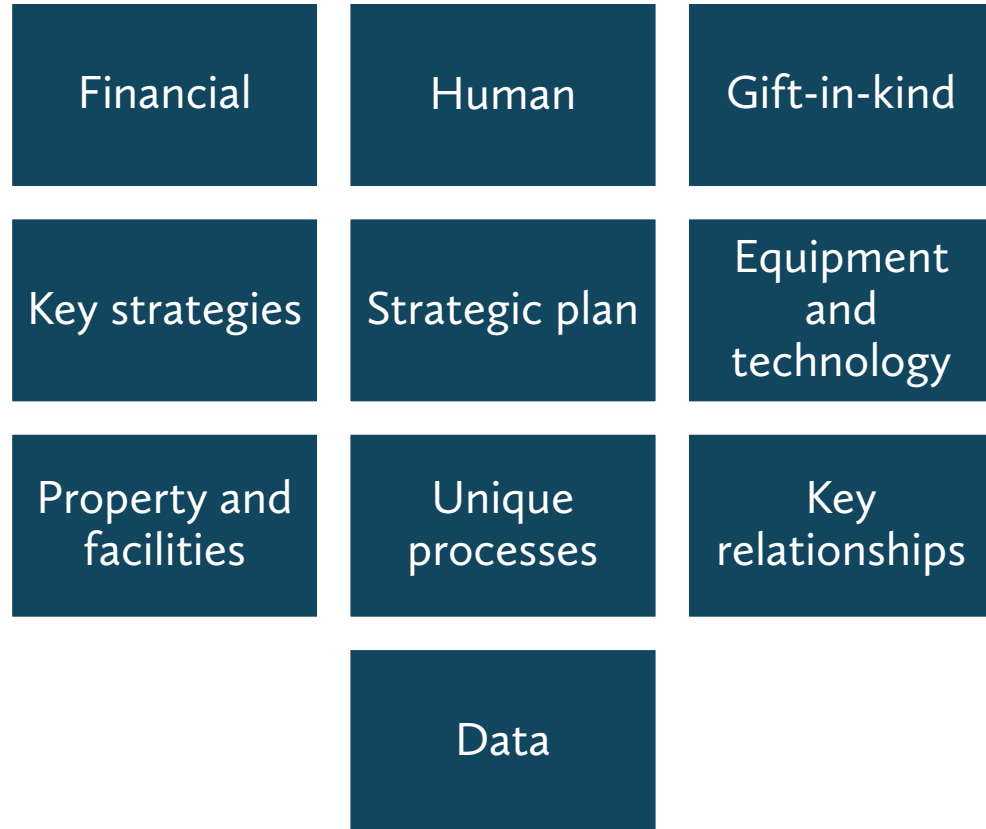
- › This is where your mission comes to life
- › Do we deliver this service/program better than everyone else?
- › Are our programs relevant/productive? Do they produce desired results?



# Fourth Core Element: Resources



# Fourth Core Element: Resources



- › Avoid overreliance on financials
- › Have a plan and review process for each resource



# Fifth Core Element: Future Direction

- › “Future” is the key word
- › Proactive versus reactive
- › Disruption will drive this if nothing else
- › How will you deliver your mission three years from now?





# A Complete Framework for an Organization

- › Your promise is at the center of everything
- › Balances inputs/outputs
- › Top leaders need to understand your framework



# Adding the POWER

- › The power is the interconnectivity of the elements
- › Embrace this and avoid silo thinking
- › Promote efficient behavior



# Three Most Important Concepts with the Organizational Framework

1. Leadership must have a working understanding of the entire framework
2. Interconnectivity is key to driving efficiency and optimizing resources
3. Have a plan and review process for each element



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# Strategic Planning 101:

The Board's Role in Strategic Planning



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# Strategic Planning

› Why have a plan?



*Workbook pg. 187*



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# Strategic Planning

- › Strategic planning is a continual process that is used to set priorities, focus resources, and establish agreement on intended results. It shapes what an organization does with a focus on the future.
- › *Note: Strategy is different from strategic planning. Strategy describes HOW goals will be met using available resources.*



# Board's Role in Strategic Planning

Board as Staff	Board as Managers	Board as Directors	Board as Governors	Board as Advisors
<i>Legal responsibility resides with the board</i>	<i>Legal responsibility resides with the board</i>	<i>Legal responsibility resides with the board</i>	<i>Legal responsibility resides with the board</i>	<i>Legal responsibility resides with the board</i>
<i>Reasons for organization to exist are determined by the board</i>	<i>Reasons for organization to exist are determined by the board</i>	<i>Reasons for organization to exist are determined by the board</i>	<i>Reasons for organization to exist are determined by the board</i>	<i>Reasons for organization to exist are determined by the Executive Director</i>
<i>Organizational long-term goals are set by the board</i>	<i>Organizational long-term goals are set by the board</i>	<i>Organizational long-term goals are set by the board</i>	<i>Organizational long-term goals are set by the Executive Director</i>	<i>Organizational long-term goals are set by the Executive Director</i>
<i>Strategies to achieve organizational long-term goals are developed by the board</i>	<i>Strategies to achieve organizational long-term goals are developed by the board</i>	<i>Strategies to achieve organizational long-term goals are developed by the Executive Director</i>	<i>Strategies to achieve organizational long-term goals are developed by the Executive Director</i>	<i>Strategies to achieve organizational long-term goals are developed by the Executive Director</i>
<i>Day-to-day operational authority rests with the board</i>	<i>Day-to-day operational authority rests with the Executive Director</i>	<i>Day-to-day operational authority rests with the Executive Director</i>	<i>Day-to-day operational authority rests with the Executive Director</i>	<i>Day-to-day operational authority rests with the Executive Director</i>
<i>The board spends most of its time <b>DOING</b> the work of the organization</i>	<i>The board spends most of its time <b>SUPERVISING</b> the work of the organization</i>	<i>The board spends most of its time <b>DIRECTING</b> the work of the organization</i>	<i>The board spends most of its time <b>GOVERNING</b> the work of the organization</i>	<i>The board spends most of its time <b>AFFIRMING</b> the work of the organization</i>
<i>Primary board output is <b>LABOR</b></i>	<i>Primary board output is <b>COORDINATION</b></i>	<i>Primary board output is <b>DIRECTION</b></i>	<i>Primary board output is <b>COUNSEL</b></i>	<i>Primary board output is <b>ENDORSEMENT</b></i>

- ▶ Board responsibilities
- ▶ Executive Director responsibilities



These vary based upon which type of board you have. Adapted from R. Terrence Jackson (C) 2004



# Board's Role in Strategic Planning

- › Where you sit on the previous chart helps describe your role in the strategic planning process
- › Examples:
  - › Aligns with Characteristics of High Performing Boards—  
Future Direction (Long View in Mind)





# Why Plans Fail, Falter, Succeed, Never Get Started

- › Fail: No loyalty, no updates, no accountability
- › Falter: Loss of focus due to tyranny of the urgent, board neglect, rigidity
- › Succeed: Loyalty, accountability, agility, enculturation
- › Never get started/finished: Desire for the perfect plan, low priority, the illusion of time commitment
- › Falter: Strategy is confused with operations
- › Falter: Poor framing of strategic issues

*“I have always found that plans are useless, but planning is indispensable.”*

*-Dwight D. Eisenhower*



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# Outcomes of a Good Strategic Plan

- › Works well for most boards and executive directors
- › Functions well in simple/complex situations
- › Collaborative
- › Drives strategic thinking into the culture
- › Focused and communicates well



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# Elements of the Work

- › **Strategy Formation**

- › Strategic thinking

- › **Plan Development**

- › Rolling three-year strategic plan



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# Strategic Planning 101:

Strategy Formation



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# Why Is Strategy Important?

- › An organization's power arises from bringing its resources to bear on a point
- › Deciding why, where, and how to operate is different than operating
- › Strategy overtly decides the best answers to “why, where, and how”



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# What Strategy Looks Like

- › Guides resources allocation and shapes organizational practices
- › Chooses a point of focus
- › Aligns organization around that point of focus
- › Great strategy uses today's resources to achieve greater success tomorrow through the organization's position, programs, practices, and resources



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# What Strategy Is

- › Strategy advisor Roger Martin says it well...
  - › *"Strategy is the act of making an integrated set of choices which positions the organization to win."*
- › Choices that fit together to achieve a defined vision
- › Strategy reveals the path to success



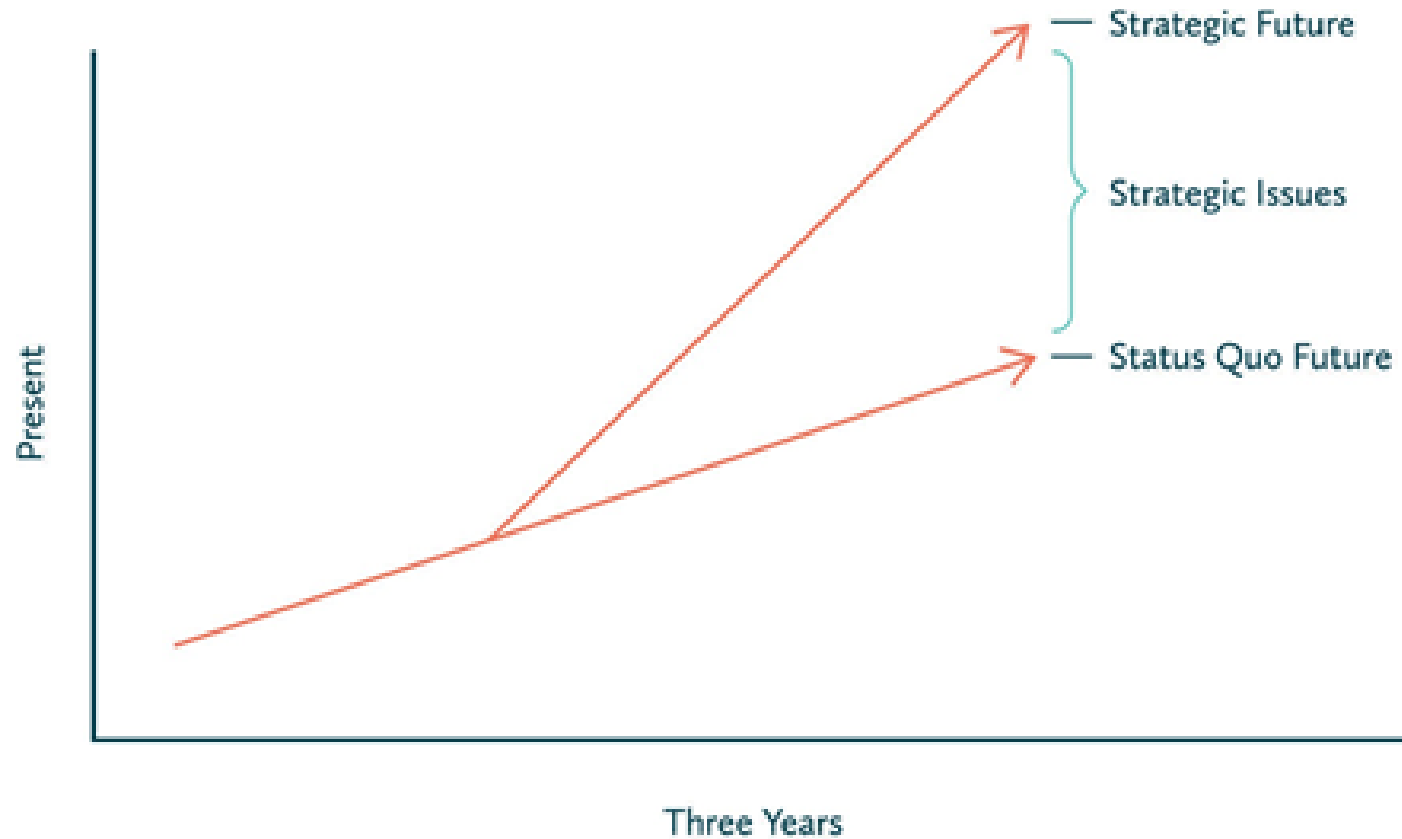
# What Strategy Is Not

- › Strategy is not planning, but they are dependent upon one another.
  - › *"Planning is the act of laying out projects (steps) with timelines, deliverables, budgets and responsibilities..."* - Roger Martin
- › Strategy is not tactics. Strategy is large-scope, long-term and stable. Tactics are fluid and shorter-term.
  - › You adjust tactics in pursuit of your strategy.





# Strategy Formation



- › Strategy requires dissatisfaction with the status quo for the future



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# Context for Strategy

- › An organization is itself “a thing”
- › The organization operates within an environment
- › That environment is dynamic



# 4 Parts of Strategy Formation

- › Affirmation of Purpose
- › Narrative describing environment and its changing nature
- › Statement of organization's position
- › A real description of the organization at the end of the planning time horizon



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# Results of Strategy Formation

- › Answers the big questions
- › Guides resource allocation
- › Provides direction that can be implemented organization-wide
- › Develops outcomes for which management is responsible



# Strategy Formation Exercise

As you see the world today:

- › What is **most** possible?
- › What is **less** possible?
- › What is **impossible** (but needs to happen)?

*Strategic Thinking will consider how to make the impossible come to be a reality.*



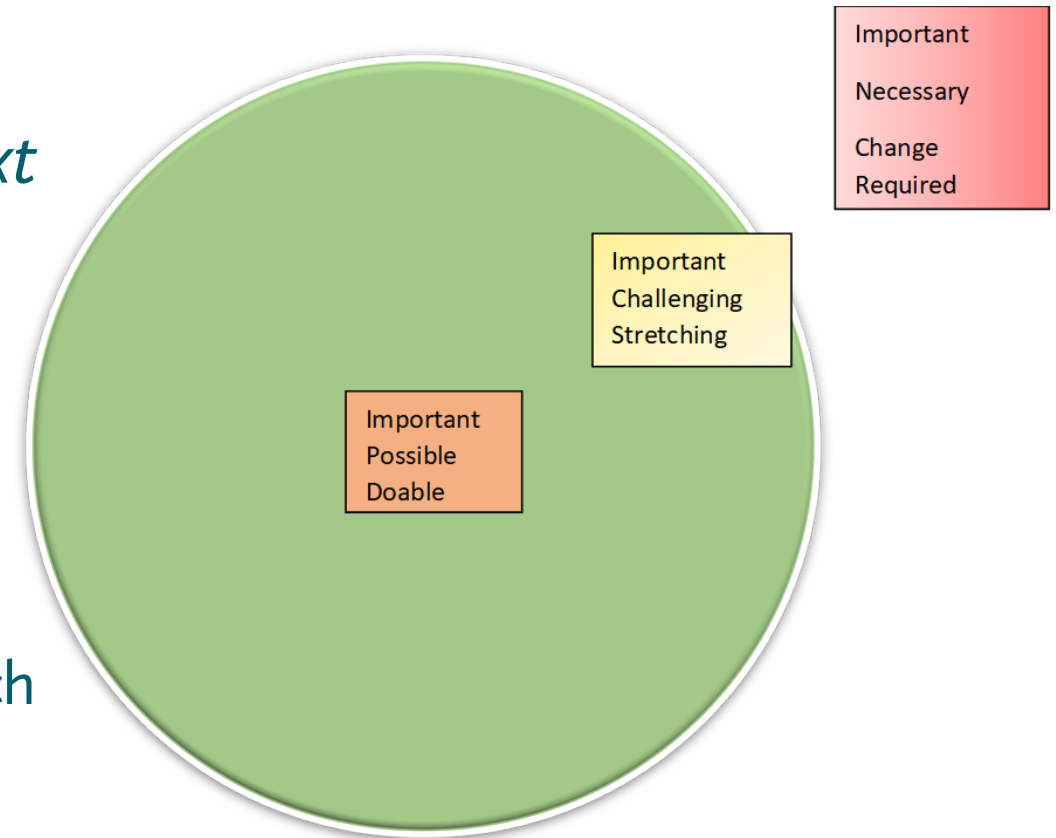
# Circle of Possibility

*Things to Consider: Think about the next 3 years coming up.*

**Center:** Things that are possible and within your reach

**Inside Edge:** Things that are important but will require stretching and effort to reach

**Outside the Circle:** Things that need to happen but won't without change taking place



# Components of the Planning Process

- › Mission, vision, and values
- › Our customers and what they value
- › Environmental scan
- › SWOT analysis
- › Trends (internal & external)
- › Assumptions
- › Visionary priorities
- › Top three to five goals for year one
- › Narrative building
- › Board and senior team goals and dashboards
- › Rolling three-year strategic plan document
- › Updating process



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# Strategic Planning Assessment

- › Take assessment individually
- › Discuss the three lowest scores
- › Identify next steps for improvement/work with coaches





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# Stand and Declare

*As they are currently drafted, what are the  
**Top 5 Strategic Next Steps**  
for your board?*



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*Thank you*

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