



M.J. Murdock
CHARITABLE TRUST



Board Leadership
& Development
A MURDOCK TRUST PROGRAM

Board Leadership & Development

June 2023

Let's Celebrate Your Wins!

1. *Armed Services YMCA of Alaska*
2. *Blanchet House of Hospitality*
3. *Children's Home Society of Idaho*
4. *Columbia Theatre Association*
5. *Connections 365*
6. *FAST Blackfeet*
7. *Habitat for Humanity of East Jefferson County*
8. *Hellenic-American Cultural Center & Museum*
9. *Hopa Mountain*
10. *Organization for Prostitution Survivors*
11. *Pink Lemonade Project*
12. *Project Youth+*
13. *Take the Next Step*
14. *The Octet Collaborative*
15. *Toby's Place*



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**)



Five Stages: Aligns with Characteristics of High Performing Board

1. Identify
2. Beginning
3. Continue
4. Ending
5. New beginning



Identify: Recruiting New Board Members

› Three Steps:

1. Board Evaluation—know what you want
 - › Use tools for board evaluation and individual board member self-evaluation
 - › Create a matrix to identify current board composition
 - › Use strategic plan to identify needed strengths and areas of expertise
 - › Identify the weaknesses/needs in current board
 - › Create profile for new members
 - › Give priority for needed diversity in recruitment efforts



Identify: Recruiting New Board Members

› Three Steps:

2. Board Recruitment Strategy

- › Be sure you have a clear job description and list of expectations and responsibilities
- › Convene a strong nomination committee
- › Have forms for candidate nominations
- › Involve Executive Director and key staff as necessary
- › Use board analysis and strategic plan in recruitment–targeted and specific
- › Develop a nominating process and follow it
- › Do your board terms help/hurt your recruitment?



Identify: Recruiting New Board Members

› Three Steps:

3. Board Nomination Process

› Three steps:

- › Interest
- › Invitation
- › Nomination

› Process is bi-directional

› Create a nomination packet for candidates

- › Ten Questions
- › Commitment Form

› Create a nomination packet with bio for board members

› Develop a personal visitation process with Chair and Executive Director

› Bring nominations through Nominating Committee by way of assessment and strategic plan

› Complete due diligence and due process

› Critical role of wisdom and discernment



Beginning: Welcoming, Informing, and Orienting New Board Members

- › Provide appropriate materials on both the board and organization
- › Involvement with staff/organization
- › Personal meeting with Executive Director and Board Chair
 - › Review minutes of previous meetings
 - › Highlight critical issues/decisions
 - › Review the strategic plan
 - › Reaffirm role and expectations
 - › Open line to Executive Director and Board Chair
- › Welcome and introductions at first meeting



Continue: Effectively Involving Board Members to Achieve the Vision

› Five Considerations

1. Time Management: Use their time wisely with well-run, organized, purposeful meetings
2. Communication: Timely mailings, meeting preparation, semi-annual visits by board chair, good staff-board communications
3. Involvement: According to their expectations and roles, opportunities for organization involvement, personal financial support
4. Revitalization: Board retreats, strategic planning work, outside consultants
5. Recognition: Acknowledge and thank board members often



End: Helping Board Members Complete Their Service

- › Three Reasons to Move Members Off the Board:
 1. Ineffectiveness: Lack of attendance and inability to carry out role and expectations
 2. Unacceptable behavior
 3. End of term



Keys for Good Endings

- › Clear policies and expectations
- › Fair and frequent evaluations
- › Processes for grievances and discipline
- › Accountability
- › Appropriate term limits
- › History



Places for Former Members to Continue Serving

- › Advisory committees
- › Emeriti
- › Volunteers
- › Off the board with plans to return when appropriate



New Beginnings: Considerations for Returning Board Members

› Considerations:

- › Must fit strategic board needs
- › Abbreviated nomination process
- › Give board full reign to vote—no pre-arrangements or promises—due process
- › Don't abbreviate orientation process





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Now:
Tablework

The focus for this time is:

**Pgs. 43-52
& 263-265**

Governance 201:

Succession Planning



What Happens Now?

› Executive Directors...



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What Happens Now?

› Executive Directors...



CEO Reports/Board Reports

- › Boards: What did you learn?
- › CEOs: What did you realize?



Contingency/Emergency Plan

› Contingency Plan Checklist Questions

- › Who takes the lead?
 - › What are the decision-making parameters?
 - › How much money can be spent?
- › When, what, and to whom do we communicate?
 - › Organization
 - › Donors
 - › Family
 - › Insurance—should we have it?
 - › Constituents
 - › Bank
 - › Others?
- › What about the organization?
 - › Who is in charge?
 - › Will we pay them extra?
 - › How will we communicate?
- › What about the family?
 - › Do they know?
 - › What can be done to ease the pain?
 - › Is there an interim leader?
 - › Do we start a search?
 - › How is the search to be paid for?



Succession/Contingency Plan template on pgs. 289-291



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Succession Planning

- › Succession planning is a process of preparing for good leadership transition
- › Succession planning is not to be confused with Executive Director or key leader evaluation
- › Two key aspects of succession planning to consider:
 1. Contingency planning deals with emergencies
 2. Succession planning prepares for the future



Succession Planning

1. **Develop a written Contingency Plan**
 - › Share the Contingency Plan with trusted advisors
 - › Incorporate their comments into your thinking
 - › Work through Contingency Plan with your staff and board
 - › Don't try to finish the plan all at once; think; take your time
 - › Ensure the Contingency Plan is consistent with Articles of Incorporation, bylaws, policies, etc.
 - › Finalize your Contingency Plan and circulate
 - › Think through the benefits/liabilities of sharing your plan within the organization
 - › Revisit Contingency Plan annually



Succession Planning

2. A written Succession Plan and the elephant in the room
 - › Why so few of us have a good written plan
 - › Uneasiness from the board
 - › Poor Executive Director evaluation process, if there is one
 - › Marginal performance by Executive Director
 - › Not wanting to “talk money”
 - › Not sure how to create a plan
 - › Who should have the conversations?
 - › How do we start the conversations without concerning the Executive Director?
 - › Insecurity of Executive Director
 - › Are they forcing me out?
 - › I don’t have enough to retire
 - › Am I not doing a good job?
 - › I haven’t had a review in years



Questions to Answer:

- › Do we review the Executive Director annually?
 - › Is there a job description?
 - › Is succession planning part of the review?
 - › How is a competitive wage established?
- › Is there a process and timetable for retirement and/or planned departure?
- › Is there an internal successor(s)?
 - › If so, what development needs are there for that person?
 - › What training or additional exposure can be offered?



Questions to Answer:

- › If there is not an internal choice, has a search firm been identified?
 - › If not, how do we learn about search firms?
- › Who is on the search committee?
- › What is our severance policy?
 - › Forced termination?
 - › Performance issues?
 - › For cause?
 - › Unforced termination?
 - › Change in direction for the organization?
 - › Performance not up to expectations?



Questions to Answer:



Does the board have a formal evaluation process?



Does the board require SMART* goals and are they measured annually by the Executive Director?



Is there a strategic plan?

› Once these questions are answered by the board and the Executive Director, you will have 90% of your Succession Plan complete.





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Now:
Tablework

The focus for this time is:

Pgs. 56-63

Cultivating Clarity and Alignment: The Governance Continuum

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 DOING the work of the organization</i>	<i>The board spends most of its time SUPERVISING the work of the organization</i>	<i>The board spends most of its time DIRECTING the work of the organization</i>	<i>The board spends most of its time GOVERNING the work of the organization</i>	<i>The board spends most of its time AFFIRMING the work of the organization</i>
<i>Primary board output is LABOR</i>	<i>Primary board output is COORDINATION</i>	<i>Primary board output is DIRECTION</i>	<i>Primary board output is COUNSEL</i>	<i>Primary board output is ENDORSEMENT</i>

- ▶ *Board responsibilities*
- ▶ *Executive Director responsibilities*

Workbook pg. 68



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



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Board Member Temptations

1. To think and conduct board business under the false assumption that all board members are just like me, and that we are wired with similar strengths, gifts, and social styles.
2. To assume all board members are experienced and effective leaders—just like me—and that we all agree on our board’s operating style and are aligned with the Executive Director's preferred operating style.
3. To confuse the three hats of a board member: governance, volunteer, and participant.
4. To lower the bar on board member selection and buy into the ill-informed mantra that just one of the three “W’s”—work, wisdom, wealth—is sufficient.
5. To recruit board members because of their position versus their passion.



Board Member Temptations

6. To rely on my past board and organizational experiences and rest on my laurels—versus becoming an active life-long learner in board governance best practices.
7. To assume that all nonprofit organizations have similar organizational cultures—and to understand one is to understand them all.
8. To make board decisions based on anecdotes and subpar analysis versus requiring objective data and reports and dashboards that are aligned with the mission statement, goals, and a strategic plan.

“What everyone knows is usually wrong.” –Peter Drucker
9. To avoid healthy and honest dialogue with the Executive Director on challenging realities.
10. To... [insert your own temptation]



Assessment

- › Governance continuum worksheet (pg. 72)
- › Board/CEO operating style worksheets (pgs. 74-77)



Culture 201:

Board Table Manners

*Four Conversations about Culture that
Every Board Must Have*





Have you ever been in a meeting in which you had to figure out a strategy to “Speak Up?”

Talk to the colleagues at your table about a time you were compelled to “Speak Up” or a time you were compelled to “Hold Your Tongue.”



Setting the Context

- › **Stewardship**—the careful management and care of something that has been entrusted to you
- › **Hospitality**—the act of welcoming the stranger
- › **Humility**—knowing who you are, recognizing the value of others in the context of something greater than yourself
- › **Culture**—the way we say we get things done and the way we really get things done



Cultural Humility

- › Competence is what we have to know in order to achieve an outcome, but....
- › Cultural humility implies a posture of listening to learn, being other-oriented, and willingness to change systems.
- › A board must recognize that its organization's goals, culture, and environmental constraints, along with each member's personal experiences, will influence their own viewpoint, which is why a board must be always growing in this area.



Pivoting Between Host and Guest

- › Host
 - › Inviter, advance team, greeter, chef, in-charge, ready for reciprocity
- › Guest
 - › Stranger, newly arrived, recent hire, not from around here, ready for reciprocity
- › Where have you been the host and the guest?



Stewarding our Mission



To more fully live into our personal and organizational missions, we must first recognize what perspectives are missing and why. Doing this is an act of hospitality and stewardship.



Cultural Humility Benefits Everyone

When teams diversify, they become more innovative and financial postures improve.

Boards with greater diverse demographic representation – ethnicity, gender, age, capability – have higher engagement.

Diversity, applied, improves decision-making, improves creativity, diligence and work ethic.



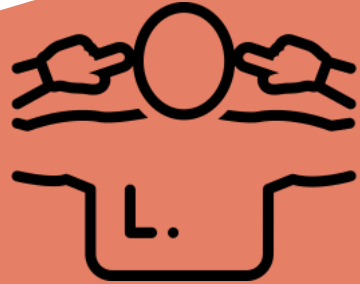
How Do Blind Spots Impact Group Decision Quality?

THE USUAL SUSPECTS...

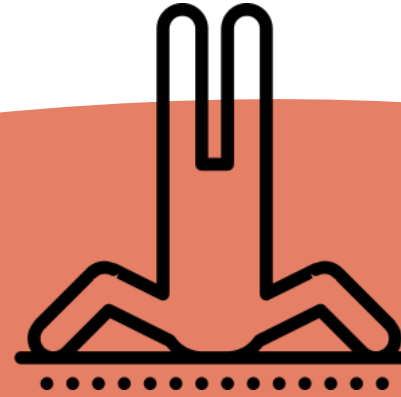
Blind Spots in the Board Room



Paternalism,
Colonialism,
Gate-Keeping



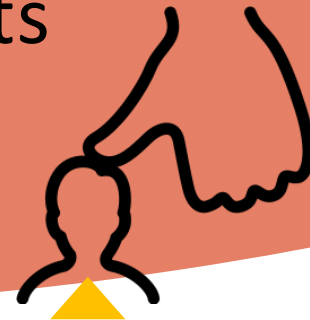
Invulnerability,
Zero-Defects



Bias, Self-Deception

Position,
Privilege,
Power

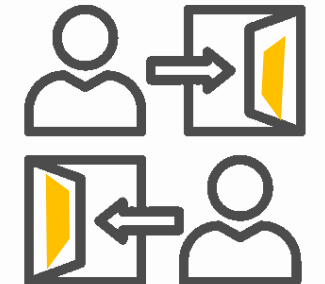
Prejudice,
Exclusion,
Rank, Tribe



System-Blindness,
Group Think



DEI Apathy, Fatigue,
Cultural Incompetence



Above the Table | Conscious Cultural Acts & Artifacts



Below the Table | Unconscious Customs & Currents



Beyond the Table | Currents of Social Culture

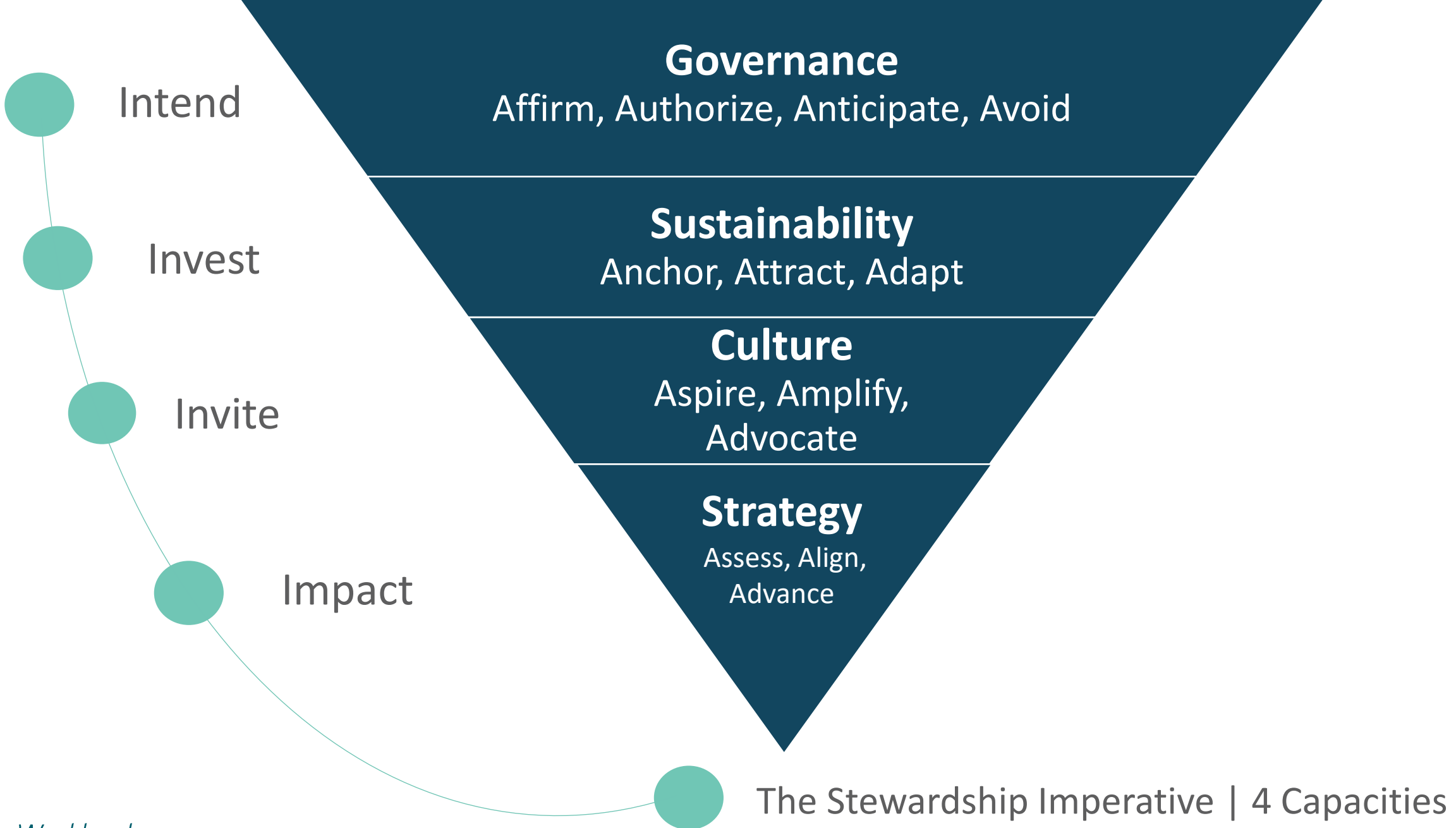
- | | | |
|-----------|----------|-----------------|
| History | Legality | Industry Shifts |
| Economics | Ethics | Popular Culture |
| Stories | Politics | Social Media |
| Myth | Values | Market Shifts |
| Religion | Trends | Consumer Shifts |



Workbook pg. 106



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Workbook pg. 107

Assumption | If Culture is an Asset, Stewardship Practices are an Imperative

The Placemat | 4 Conversation Starters

OUR BOARD CULTURE IS EXPRESSED IN HOW WE INTEND, INVEST, INVITE & IMPACT.

Organization

Member

Date

A. Intend

Definition | Having a Purpose or Goal, Designing for a Specified Future, Proceeding on a Course.

- 1. We consult mission, vision and values during decisions.
- 2. We examine by-laws/policies for alignment, fairness, inclusion.
- 3. We translate intentions to action plans, roadmaps, playbooks.
- 4. We orchestrate our progress through a strategic plan, goals.

C. Invite

Definition | Welcoming Participation, Politely Increasing Chance, Offering Incentive.

- 1. We recruit members who add capacity, not merely fit.
- 2. We invite those we serve to help us identify our blind spots.
- 3. We survey board members to assess their comfort to speak freely.
- 4. We have a board matrix and cultivate diverse candidate pools when recruiting.

B. Invest

Definition | Committing Resources, Earning a Return, Acting for Future Advantage, Engaging Emotionally.

- 1. We ask, "How can we afford it?" instead of "Can we afford it?"
- 2. We show 'buy-in' through 100% financial participation.
- 3. We build board capacity through cultural mentors or advisors.
- 4. We invest in customer, staff and board surveys to find gaps that need to be addressed.

BOARD CULTURE
PLACEMAT

D. Impact

Definition | Producing a Result, Force of impression Left, Lasting, Durable Outcome.

- 1. We measure our efforts by evidence-based outcomes.
- 2. We compare our results to stated intentions, promises.
- 3. We harvest learning after events, milestones, fails, wins.
- 4. We recognize, celebrate and encourage efforts of staff team.

KEY
1=NOT TRUE,
3=UNSURE, 5 =TRUE

Start

Stop

Conversation Starters

- Score Each Item, Using a 1-5 Scale.
- Compare Results with Members.
- Host a Conversation: "I Propose We Start, Stop, or Strengthen ____." Use Your Notes.

Strengthen



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Workbook pg. 108

Having a Purpose
or Goal,
Designing for a
Specified Future,
Proceeding on a
Course.

Intend

- › We consult mission, vision & values during decisions.
- › We examine policies for fairness, equity and inclusion.
- › We expect status reports on the promise to stakeholders.
- › We are convinced our theory of change makes a difference.
- › We orchestrate our progress through a strategic plan.



Welcoming
Participation,
Politely
Increasing
Chance, Offering
Incentive.

Invite

- › We leverage our mission and story to attract stakeholders.
- › We recruit members who add capacity, not merely fit.
- › We seek & use stakeholder feedback on our blind spots.
- › We embody a partnership of equals, a participatory approach.
- › We cultivate diverse candidate pools when recruiting.



Committing
(Resources))
Earning a Return,
Acting for Future
Advantage,
Engaging
Emotionally.

Invest

- › We require budget priorities to reflect missional intent.
- › We fund evidence-based efforts-to-outcome strategies.
- › We ask, “how can we afford it?” instead of “can we afford it?”
- › We model missional engagement by participating financially.
- › We build board capacity through cultural mentors & advisors.



Impact

- › We measure our efforts by evidence-based outcomes.
- › We avoid provider/recipient resourcing mindsets.
- › We compare our results to stated intentions, promises.
- › We harvest learning after events, milestones, fails, wins.
- › We recognize, celebrate & encourage efforts of staff or team.

Producing a
Result, Force of
Impression Left,
Lasting, Durable
Outcome.



The Placemat | 4 Conversation Starters

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Stop

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Strengthen



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Workbook pg. 113



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Now:
Tablework

The focus for this time is:

Pg. 113

Sustainability 201:

The Work of High Performing Boards

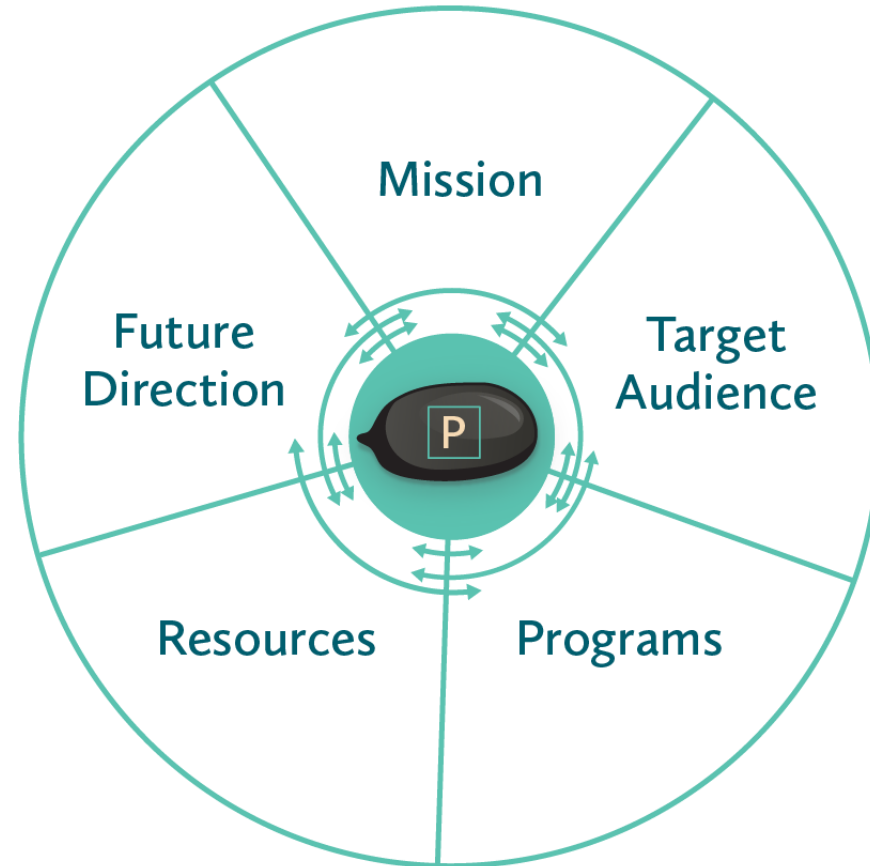


“We are not building this country of ours for a day... it is to last through the ages.”

President Teddy Roosevelt



Organizational Model for Sustainability



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

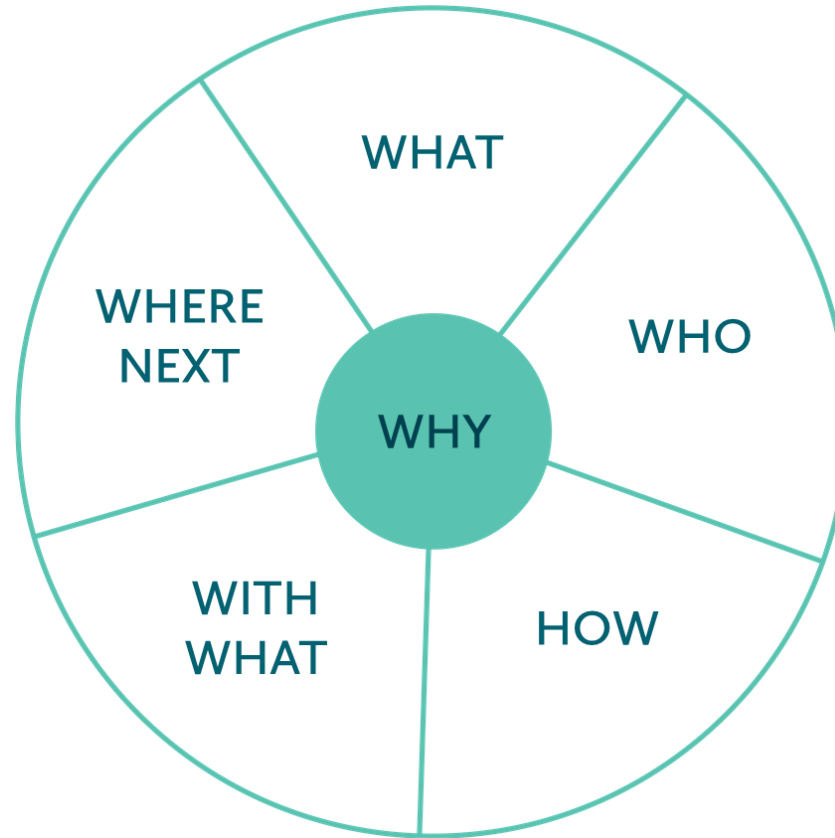


Why is a Sustainable Organizational Structure Important?

- › Numerous constituents require it
- › Beneficiaries, staff, volunteers, donors, suppliers, your community, all benefit from a sustainable organization
- › Allows us to keep our promise



Organizational Model for Sustainability



Organizational Model for Sustainability



Three Important Concepts: Quick Review

1. Top leadership needs a working understanding of ALL core elements
2. The interconnectivity of elements is key to driving efficiency and optimizing resources
3. The organization should have a plan for each element



Organizational Model

- › Today we will go deeper into each of the five elements, highlighting three things:
 - › Their importance
 - › Actions a high performing board can take
 - › Questions a high performing board should ask



Organizational Model for Sustainability



Mission: Quick Review

- › Defines the core purpose of a nonprofit organization
- › States "WHAT" services the organization provides



Importance of Mission

- › Guides the organization from the present into the future
- › Provides direction when the organization needs to adapt to new demands
- › Helps the board adhere to its primary purpose



High Performing Boards

- › Utilize their mission to make decisions
- › Establish boundaries for appropriate courses of action
- › Define and reinforce shared values, norms, and beliefs while clarifying these with stakeholders as part of mission stewardship



Questions the Board Should Ask

- › Does every board member know and understand the mission statement?
- › Does our board regularly review the mission statement?
- › Does leadership integrate the mission into meetings, gatherings, and functions?



Organizational Model for Sustainability



Target Audiences: Quick Review

- › Every organization has several target audiences
- › The primary audience is usually the beneficiary of the organization or its programs
- › Identify your additional target audiences



Importance of Target Audiences

- › Beneficiaries are the reason for an organization's existence
- › Understanding the audiences' needs directly relates to resources, program strategies, and board-level decisions
- › Each target audience requires a strategy



High Performing Boards

- › Understand the needs of their target audiences are vital
- › Recognize the needs of their audiences may change and/or vary depending on cultural differences
- › Assess the need to adapt strategies to these changes



Questions the Board Should Ask

- › Does our board and leadership understand the needs of our target audiences?
- › Does our board regularly monitor changes in target audiences?
- › Should we adapt strategies to address changes?



Organizational Model for Sustainability



Programs: Quick Review

- › Programs are outputs and where the mission is executed
- › Programs are your brand
- › Programs have lifecycles
- › The board's interest in programs is vital



Importance of Programs

- › Programs are where the mission comes to life
- › What are your key programs?



High Performing Boards

- › Expand their understanding of how programs meet the needs of each target audience
- › Make informed/strategic decisions about adding/discontinuing programs



Examples of Program Pivots

- › Connect programs with outcomes through evaluation and measurement



Evaluating Programs with Quantitative Data



Meals served



People served

> Choose five to six metrics



Attendance



Cost of
program



Evaluating Programs with Qualitative Data

- › Success stories
- › The power of institutional storytelling



Other Assessments: Keeping Programs Relevant

- › SWOT (Strengths, Weaknesses, Opportunities, Threats)
- › The four buckets for continual improvement:
 1. What is going right with this program?
 2. What is broken or could be improved with this program?
 3. What is confusing about this program?
 4. What is missing with this program?



Questions the Board Should Ask

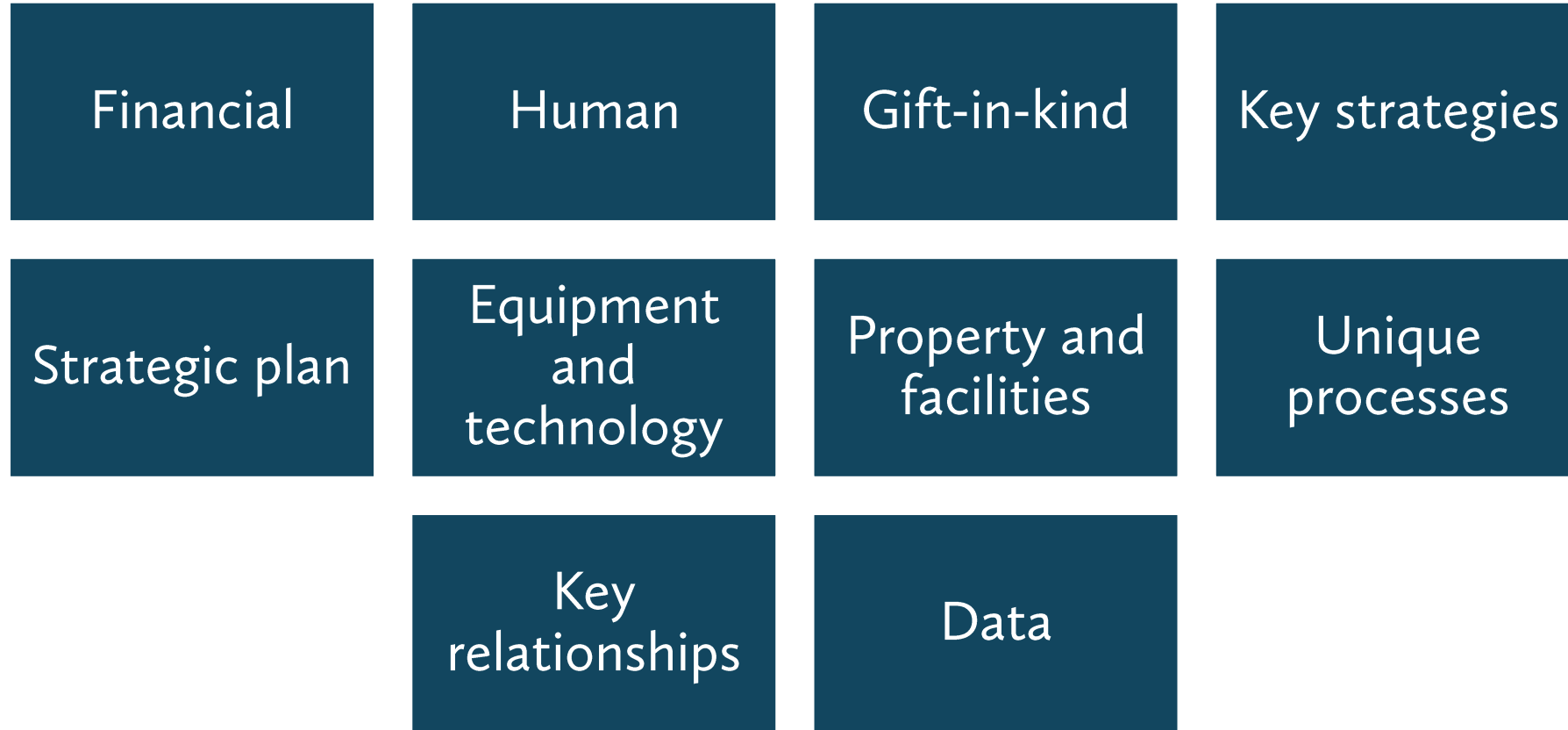
- › Does each program keep our promise to its target audience?
- › Does our board regularly review efficiency and effectiveness regarding programs?



Organizational Model for Sustainability



Resources: Quick Review



Importance of Resources

- › Resources drive the amount of output an organization achieves
- › A scarcity of resources may limit an organization's impact



High Performing Boards

- › Continually monitor resources for effectiveness and efficiency
- › Utilize simple tools to monitor relevant metrics



Questions the Board Should Ask

- › Does our board review each key resource area at least once a year using a master calendar?
- › Have we developed metrics for measuring each resource?
- › Do we have a tool that can assist in our review, such as a dashboard or exception reporting?



Organizational Model for Sustainability



Future Direction: Quick Review

- › Defined as how an organization delivers its promise in the future
- › Emphasizes the board and leadership looking forward
- › The future is more than one planning cycle
- › How will we deliver our mission and promise two to three years from now?



Importance of Future Direction

- › Future direction informs your strategic intent and choices, which is why board involvement is necessary
- › Looking through the window of 2+ years



High Performing Boards

- › Join leadership in being open minded, thoughtful, and committed to “looking around the corner”
- › Create space where this can be accomplished, being proactive rather than reactive



Questions the Board Should Ask

- › Does our board regularly “look around the corner” in each element of our organizational model—target audience, programs, resources, and finally mission?



Examples of Future Direction

- › Assessments
- › Infrastructure
- › Financial stability
- › Programs
- › Staff culture
- › Crisis Management
- › Physical master plan
- › Future story
- › Market and competitive landscape
- › Board education
- › Cultural humility



Scenario Planning

- › Cash flows
- › Changing audiences/demographics
- › New partnerships
- › Physical space



Pilot Simulator



Workbook pg. 178



Organizational Model for Sustainability



Why is This Important?

- › Boards that understand their organizational model will increase performance
- › Better understanding leads to better questions—answers lead to higher understanding, creating a cycle of improvement
- › Continuous improvement builds sustainability





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The focus for this time is:

Now:
Tablework

Pgs. 181-182

Strategic Planning 201:

The Board's Role in Aligning Your Strategic Plan,
Business Plan and Mission



Recap: Board's Role in Strategic Planning

- › Simple premise
 - › Strategic Planning is done every year covering a three-year period.
 - › As the first year is completed, a new third year is added. Always three years in view.
- › Clear benefits
- › Good process



Recap: Board's Role in Strategic Planning

› Clear benefits

- › Works well for most boards and Executive Directors
- › Functions well in simple and complex settings.
- › Collaborative
- › Drives strategic thinking and planning into the culture of the organization
- › Focused
- › Communicates well



Recap: Board's Role in Strategic Planning

› Good process components

- › 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



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 DOING the work of the organization</i>	<i>The board spends most of its time SUPERVISING the work of the organization</i>	<i>The board spends most of its time DIRECTING the work of the organization</i>	<i>The board spends most of its time GOVERNING the organization</i>	<i>The board spends most of its time AFFIRMING the work of the organization</i>
<i>Primary board output is LABOR</i>	<i>Primary board output is COORDINATION</i>	<i>Primary board output is DIRECTION</i>	<i>Primary board output is COUNSEL</i>	<i>Primary board output is ENDORSEMENT</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 Aligning the Strategic Plan, Annual Operating Plan, and Mission

- › Promise: ***Why*** we exist
- › Mission: ***What*** we do
- › Annual Operating Plan: ***How*** we operate
- › Strategic Plan: ***Where*** we are going



Strategic Planning 201:

Steps for Strategy Formation



Starting Strategy Formation

- › Strategy Formation is about making choices and deciding on an organizational focus
 - › It positions your organization for greater impact
- › Sound Strategy Formation answers many ***essential*** questions.
 - › Every board needs answers for these questions



Strategy Formation Questions

- › Why does our organization exist today?
- › What are the contributions we make and to whom?
- › Is everything we provide still needed?
- › Are these needs stable, growing, or declining?
- › Are other organizations meeting these needs?



Strategy Formation Questions

- › What is our organization's position in the current service environment?
- › Is our organization in the best possible position in the current environment?
- › How will our service environment change in the next three years?
- › What is our desired position in the future service environment?
- › What needs to change or happen for us to reach our desired position in the future service environment?



Organize Your Effort

- › Strategy Formation questions are complex and will take time and effort to answer well
 - › Insist on thoughtful, in-depth, and clear responses
 - › Choose a method to guide the development of responses and answers
- › We would like you to consider one method we think works well for Strategy Formation - ***Narratives***



Narratives – What do we mean by it?

- › Summary descriptions of key elements of strategy
 - › Business Environment and its changing nature
 - › Organization's Current and Future position in it
- › Narratives are focused and concise
 - › 1/2 page to one page maximum
- › Narratives are the result of diligent and detailed work



Narratives – Benefits

- › Summary in nature
 - › High level, not overly detailed
- › Sets context well
- › Tells a story that is easy to connect with



Narratives – The Process

- › Gather the right people
- › Research the Narrative Topic
- › Garner agreement on research findings
- › Write a draft narrative
 - › Assign 1 or 2 people to do this
- › Finalize narrative



The “Purpose” Narrative

- › Why does our organization exist?
- › What is our organization’s promise?



Current “Service Environment” Narrative

- › Is what we provide still needed?
- › Is that need growing, stable, or declining?
- › Who else is meeting these needs?



Our “Current Position” Narrative

- › What is our organization’s position in the current environment?
- › Is our organization positioned for success in this environment?
 - › Explain “why” or “why not”.



Our “Future Service Environment” Narrative

- › How will the service environment change in the next 3 years?
 - › What are we basing these observations on?
 - › Be comprehensive in your review (any and all ways).



Our “Future Position” Narrative

- › What will our desired position be in the future service environment?
 - › “Preferred Future”



What Needs to Change?

- › What needs to change for us to reach our desired position in the environment 3 years from now?
 - › Create a working list of needed changes.



Focused Priorities

- › Prioritize the “what needs to change” list.
 - › Consider impact and resource needs.
- › Focus on the top 5 strategic priorities to guide planning.





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Now: Tablework

The focus for this time is:

- Questions that must be answered (pgs. 225-226)
- Writing Narratives (pgs. 224-232)
- Shaping the Plan

Strategic Planning 201:

Planning the Path to Execution



Rolling Three-Year Plan Advantages

- › Realistic time horizon
- › Maintains a consistent planning window
- › Easy to update and modify-dynamic
- › Informs the current annual operations plan
- › Provides accountability for the future direction



Rolling Three-Year Plan Phases

- › Phase 1: Laying the Foundation
 - › Transferred from Organizational Framework
 - › Transferred from Strategic Formation
- › Phase 2: Strategic Priorities
 - › Transferred from Strategic Formation
- › Phase 3: The Working Plan
 - › Spread out over 3 years



Rolling Three-Year Plan: Phase 1

- › Promise: Describe **WHY** the organization exists
- › Mission: Describe **WHAT** the organization does
- › Future Direction: Describe **WHERE** the organization is going
- › Values: Describe **HOW** the organization will conduct itself in pursuit of the mission
- › Tag Line or Slogan: Unique identifier of the organization that speaks to the promise



Rolling Three-Year Plan: Phase 2

- › Strategic Next Steps:

- › Focus priorities of the organization over the next three years
- › Reviewed and updated annually

- › *Recommendation: Limit the organization to 5 strategic next steps in any one year.*



Rolling Three-Year Plan: Phase 3

Strategic Next Steps	Year 1 Goals	Year 2 Goals	Year 3 Goals	Year 4 & Beyond Goals
#1				
#2				
#3				
#4				
#5				



Rolling Three-Year Plan: Results

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



Strategic Planning 201:

Using, Evaluating, and Updating the Plan



Using the Plan: Implementation

- › Monthly written report from the Executive Director to the board
- › Progress/challenges discussed with staff at least monthly
- › Progress/challenges discussed with the board at least twice a year, if not quarterly
- › Adjustments based on new information



Reviewing & Updating the Plan

- › Monthly Review of Plan
 - › How is performance against the plan?
 - › What adjustments need to be considered?
- › Semi-Annual Plan Updates
 - › What are the recommendations for plan changes?
 - › Assumptions, Narratives, Strategic Priorities
 - › Approved by the board
- › Tied to the board-approved annual budget



Spoiler Alert

A plan is only as effective as its
updating process





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Now:
Tablework

The focus for this time is:

Pgs. 248-249

How to Use Your Coach's Time

- › Have a draft of how you'd like to use your coach's time by June 16.
- › Here are some of the primary ways organizations have used their Murdock Trust Board Leadership & Development coach:
 - › Build, review, and/or refine strategic plans (NOTE: Often, the coach will not have time to lead an organization in an entire strategic planning process.)
 - › Assess organizational progress through the building of meaningful dashboards
 - › Provide guidance on important materials related to the Top 5 Strategic Next Steps, especially helping board members who have not attended the training to understand the major pillars.
 - › Prioritize board documents including job descriptions of the board and onboarding plans for new board members.





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Now:
Working Lunch

The focus for this time is:

Finalize Top 5
Finalize Coaching Plan

Stand & Declare: Top 5 Strategic Next Steps

1. *Toby's Place*
2. *The Octet Collaborative*
3. *Take the Next Step*
4. *Project Youth+*
5. *Pink Lemonade Project*
6. *Organization for Prostitution Survivors*
7. *Hopa Mountain*
8. *Hellenic-American Cultural Center & Museum*
9. *Habitat for Humanity of East Jefferson County*
10. *FAST Blackfeet*
11. *Connections 365*
12. *Columbia Theatre Association*
13. *Children's Home Society of Idaho*
14. *Blanchet House of Hospitality*
15. *Armed Services YMCA of Alaska*



Thank you!

- › Survey B will be sent out later today—please help us by submitting your feedback
- › Email your Top Five Strategic Next Steps to your coach and ‘cc’ boardleadership@murdocktrust.org by June 16.



Questions?

- › Visit murdocktrust.org/boardleadership for more info
- › Contact us at boardleadership@murdocktrust.org



Board Leadership
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Thank you

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