Board Leadership & Development

May 2024

M.J. Murdock CHARITABLE TRUST

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Setting the Stage:

Four Characteristics of a High Performing Board

The Well-Run Board Meeting

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Top 5 Action Steps for Our Board

Ensuring the Organization for the Long Term

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Top Five Action Steps for Our Board

Organization Name:

ACTION STEP 1			
Point Person:			
Strategic Step:			
Deadline:			
Completed Date:		Coach's Help?	☐ Yes ☐ No

ACTION STEP 2			
Point Person:			
Strategic Step:			
Deadline:			
Completed Date:		Coach's Help?	☐ Yes ☐ No

Link to assessment

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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 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**)

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

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

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 awareness
9. Ensure legal and ethical integrity
10. Enhance the organization's public standing

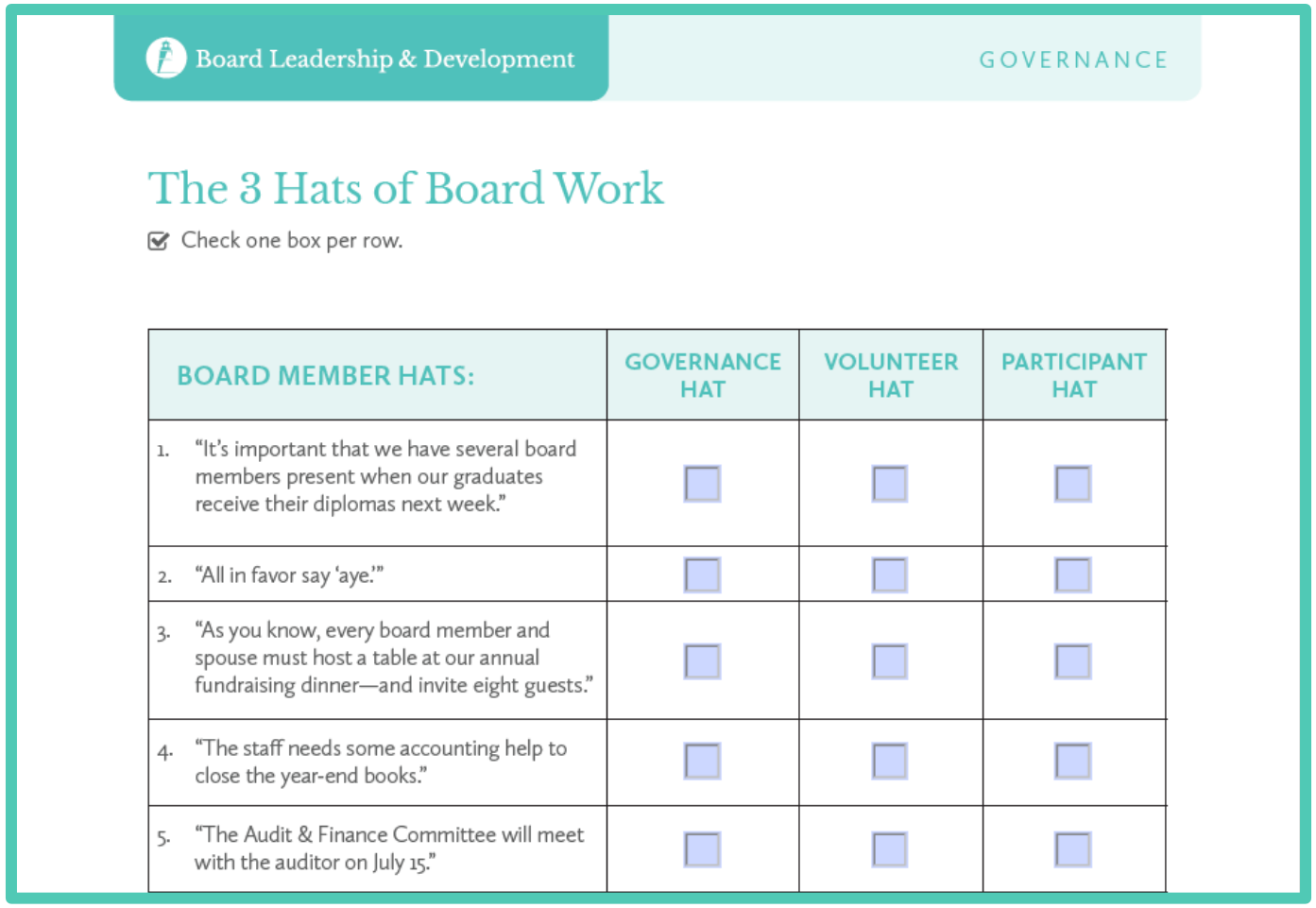
The Primary Roles of Board Members

Governance

Volunteer

Participant

The 3 Hats of Board Work



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GOVERNANCE

The 3 Hats of Board Work

☑ Check one box per row.

BOARD MEMBER HATS:	GOVERNANCE HAT	VOLUNTEER HAT	PARTICIPANT HAT
1. "It's important that we have several board members present when our graduates receive their diplomas next week."	☐	☐	☐
2. "All in favor say 'aye.'"	☐	☐	☐
3. "As you know, every board member and spouse must host a table at our annual fundraising dinner—and invite eight guests."	☐	☐	☐
4. "The staff needs some accounting help to close the year-end books."	☐	☐	☐
5. "The Audit & Finance Committee will meet with the auditor on July 15."	☐	☐	☐

Link to assessment

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Shared Commitments of Board Members

Annual Affirmation Statement

Creating alignment, agreement, and commitment

Annual Affirmation Statement (sample)

Board Leadership & Development GOVERNANCE

Board Member Annual Affirmation Statement *(sample)*

A resource to supplement the materials in the *ECFA Governance Toolbox Series No. 2: Balancing Board Roles*
Understanding the 3 Board Hats: Governance ▸ Volunteer ▸ Participant ▸
www.ecfa.org/Content/Governance-Toolbox-Series-2

"With crystal clarity, we explain the three distinct hats of board service: Governance, Volunteer and Participant."
ECFA Governance Toolbox Series No. 1: Recruiting Board Members (page 11)

HOW TO USE THIS DOCUMENT:
Begin by asking your board members to answer three questions:

HOW STRONGLY DO YOU AGREE OR DISAGREE WITH THESE STATEMENTS?
1 – STRONGLY DISAGREE 2 – DISAGREE 3 – NEITHER AGREE NOR DISAGREE 4 – AGREE 5 – STRONGLY AGREE

HOW EFFECTIVE IS OUR BOARD AT ESTABLISHING WRITTEN CRITERIA AND QUALIFICATIONS FOR BOARD MEMBERS?	CIRCLE YOUR ANSWER
We have a "Board Member Annual Affirmation Statement" (or similar document) that summarizes the roles and responsibilities of board members, including future board meeting dates—and the board member's affirmation that he or she will be in attendance.	1 2 3 4 5

Link to sample

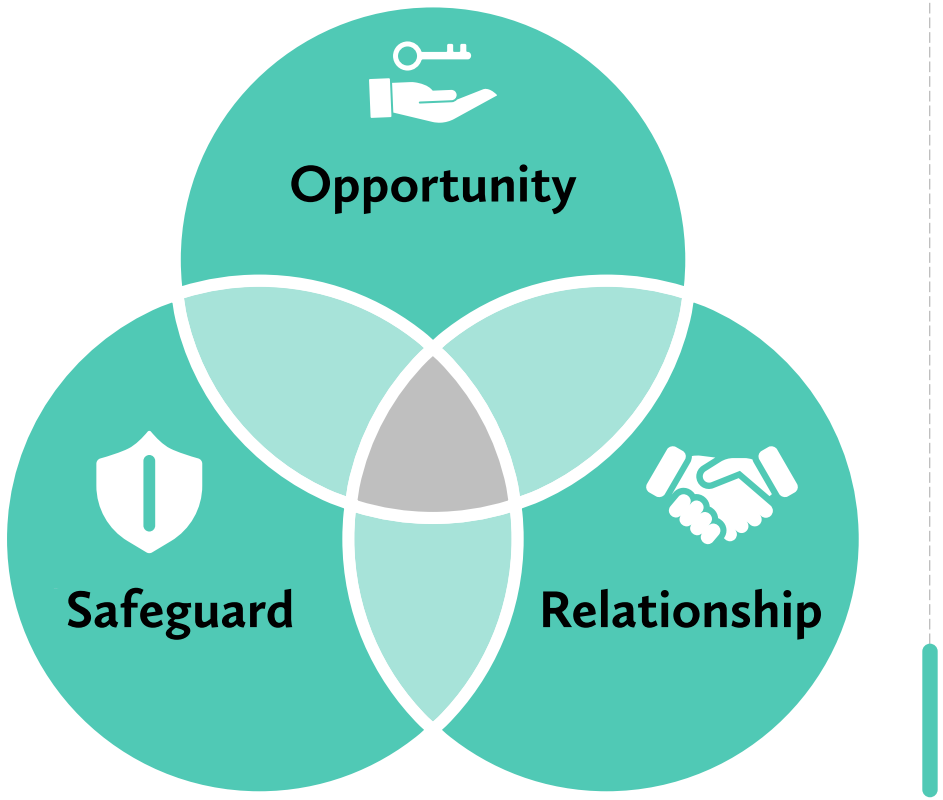
Board Policies

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, Executive Director, 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

Example:
Executive Limitations

Governance

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

Governance

One Board–One Voice

Governance

Assessment

- Take *individually* first
- Understand where you are now.
- Consider where you want to be 12 months from now.

Board Governance Assessment — Summary

	NEVER		SOMETIMES		ALWAYS
	1	2	3	4	5
1. The board operates under a set of policies, procedures, and guidelines with which all members are familiar.					
2. The executive committee reports to the board on all actions.					
3. There are standing committees of the board that meet regularly and report to the board.					
4. Board meetings are well-attended with near full turnout.					
5. Each board member has at least one committee assignment.					
6. Nomination and appointment of board members follow clearly established procedures using known criteria.					
7. Newly elected board members receive orientation for their role.					

Link to assessment

Board Culture 101:

How Does Your Board Conduct Itself?

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> Culture eats strategy for breakfast.

Peter Drucker

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

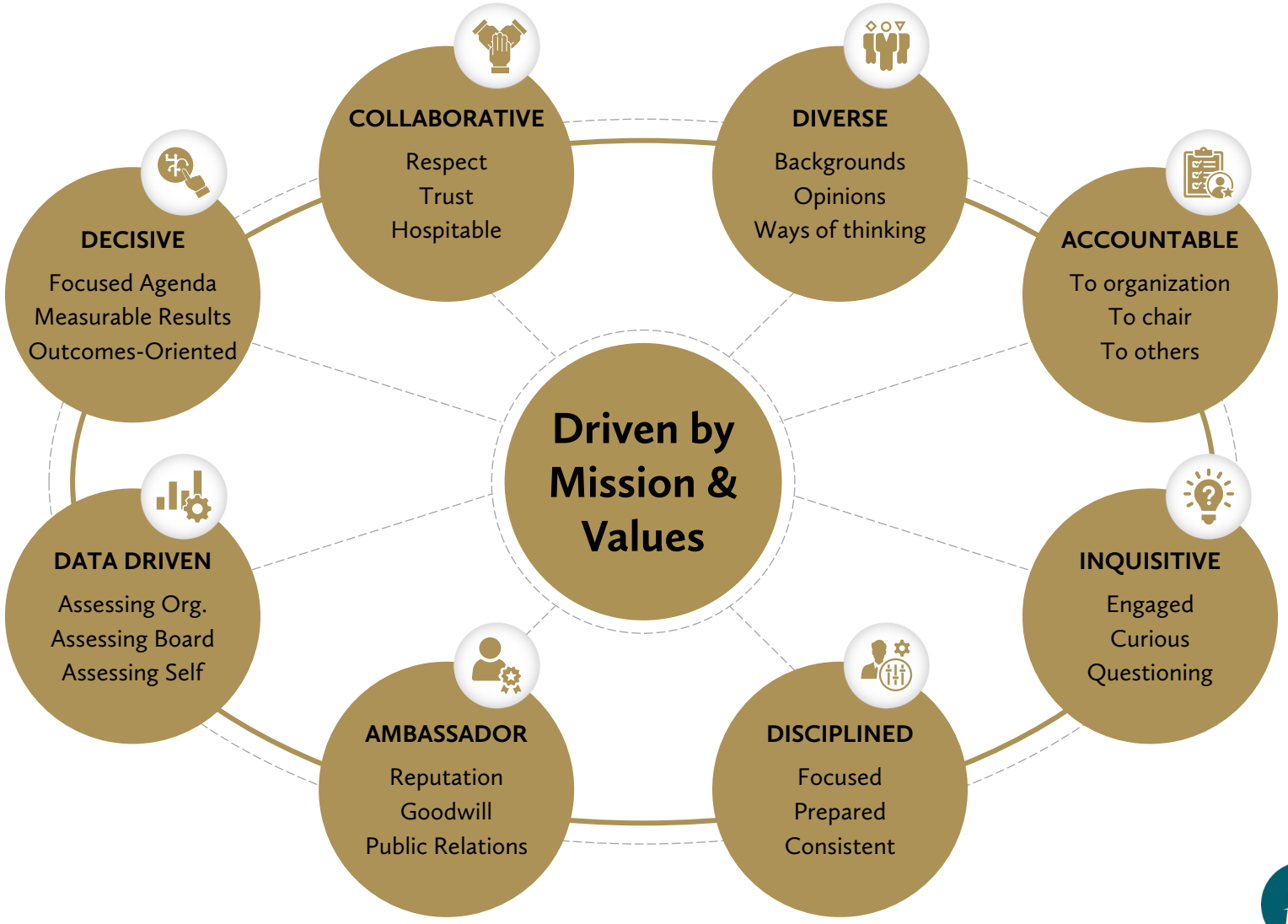
Five Practices to Strengthen Your Board Culture

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

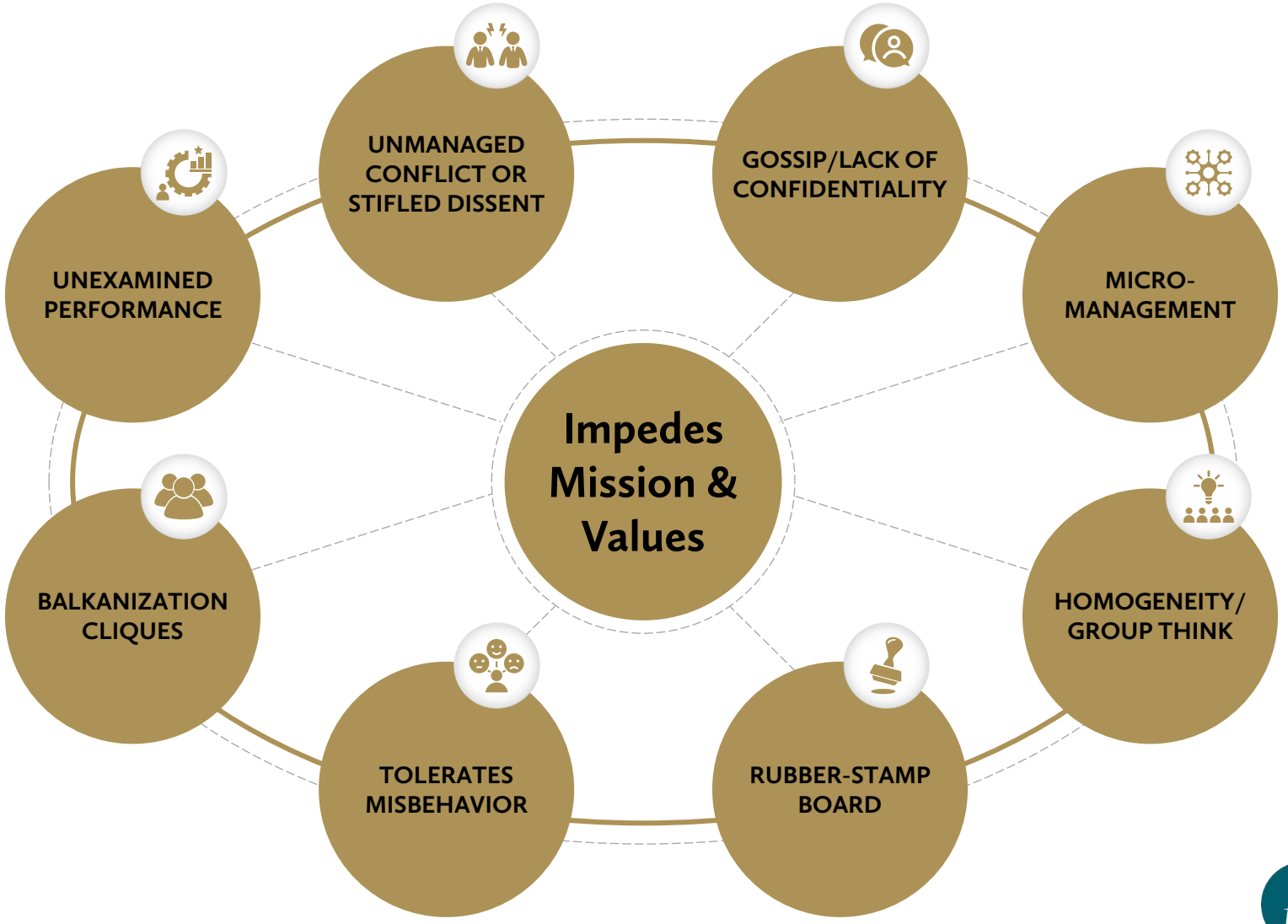
Assess Your Current Board Culture:

Healthy, *Unhealthy* or *Somewhere in Between*?

Healthy Board Culture

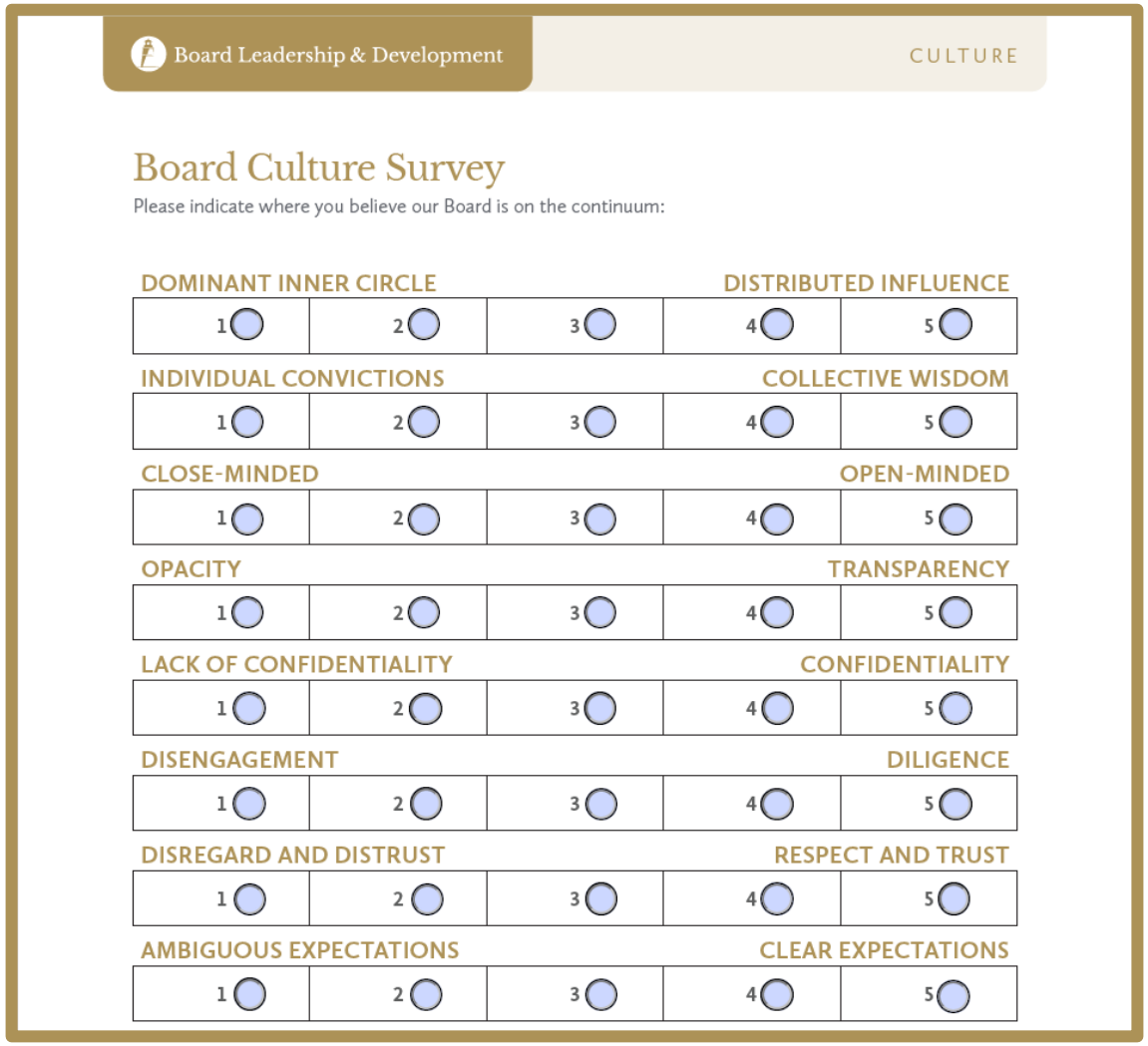


Unhealthy Board Culture



Culture Assessment

Take individually *first, then discuss as a team.*



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CULTURE

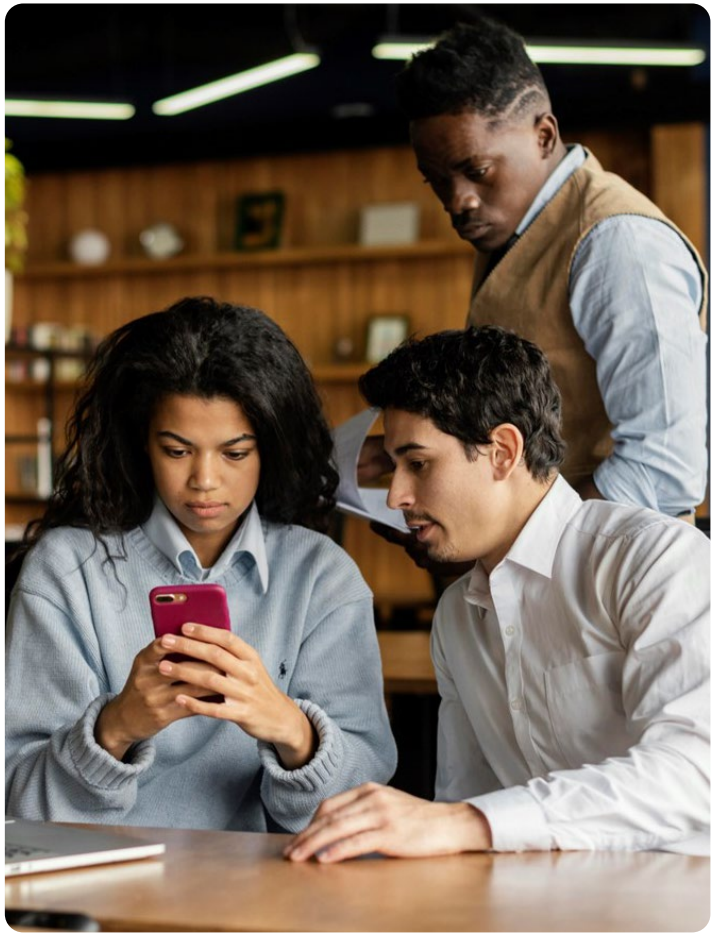
Board Culture Survey

Please indicate where you believe our Board is on the continuum:

DOMINANT INNER CIRCLE				DISTRIBUTED INFLUENCE
1	2	3	4	5
INDIVIDUAL CONVICTIONS				COLLECTIVE WISDOM
1	2	3	4	5
CLOSE-MINDED				OPEN-MINDED
1	2	3	4	5
OPACITY				TRANSPARENCY
1	2	3	4	5
LACK OF CONFIDENTIALITY				CONFIDENTIALITY
1	2	3	4	5
DISENGAGEMENT				DILIGENCE
1	2	3	4	5
DISREGARD AND DISTRUST				RESPECT AND TRUST
1	2	3	4	5
AMBIGUOUS EXPECTATIONS				CLEAR EXPECTATIONS
1	2	3	4	5

Link to assessment

Be *Intentional* about Improving and Protecting Culture



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

Utilize Practices that Drive a Healthy Culture

- A chair who is an ***effective facilitator***
- ***Strong relationships*** among board members, with Executive Director and senior leadership
- 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

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

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

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 and protecting 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 Action Steps for your board?

Top 5 Action Steps for Our Board

Ensuring the Organization for the Long Term

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Top Five Action Steps for Our Board

Organization Name:

ACTION STEP 1			
Point Person:			
Strategic Step:			
Deadline:			
Completed Date:		Coach's Help?	☐ Yes ☐ No

ACTION STEP 2			
Point Person:			
Strategic Step:			
Deadline:			
Completed Date:		Coach's Help?	☐ Yes ☐ No

Link to assessment

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See you tomorrow!

- The room opens at **8:45am PT**
- The first session starts at **9:00am PT**

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Sustainability 101:

Building an Organizational Framework

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> 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

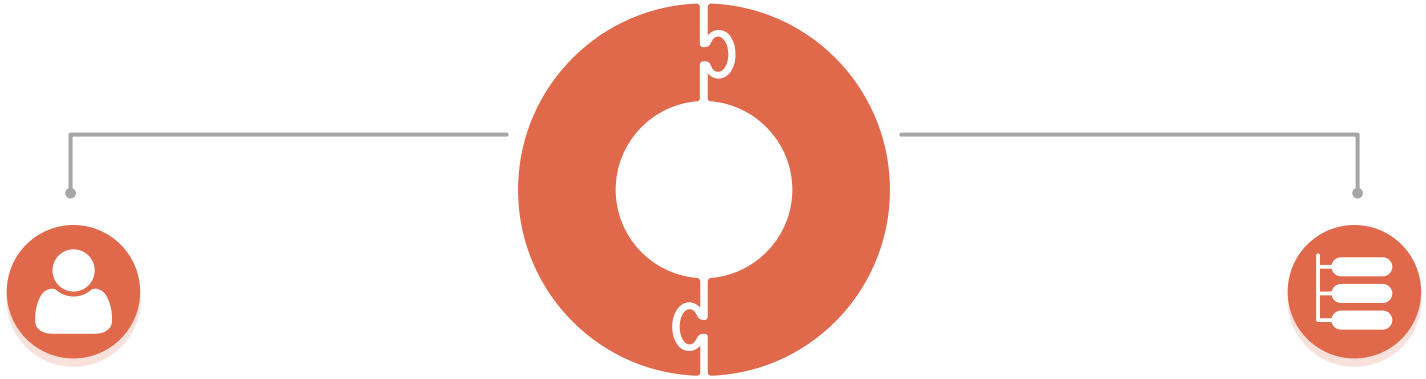
What Do We Mean by "Sustainable"?

- Lasting, built for the long-haul
- Flexes but does not break, absorbs ups and downs
- Balances inputs and outputs

Why is Sustainability Important?

- Numerous constituents require it.
- You can focus on doing work rather than reorganizing.
- Top Leadership and the Board are on the same page.

Organizational Framework



Understand your organizational framework (*e.g., organization & history—the work they do and how that work is supported*)

Identify the elements of your organization's framework

5-Minute Self-Assessment

Complete the self-assessment **individually first.**

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

Link to assessment

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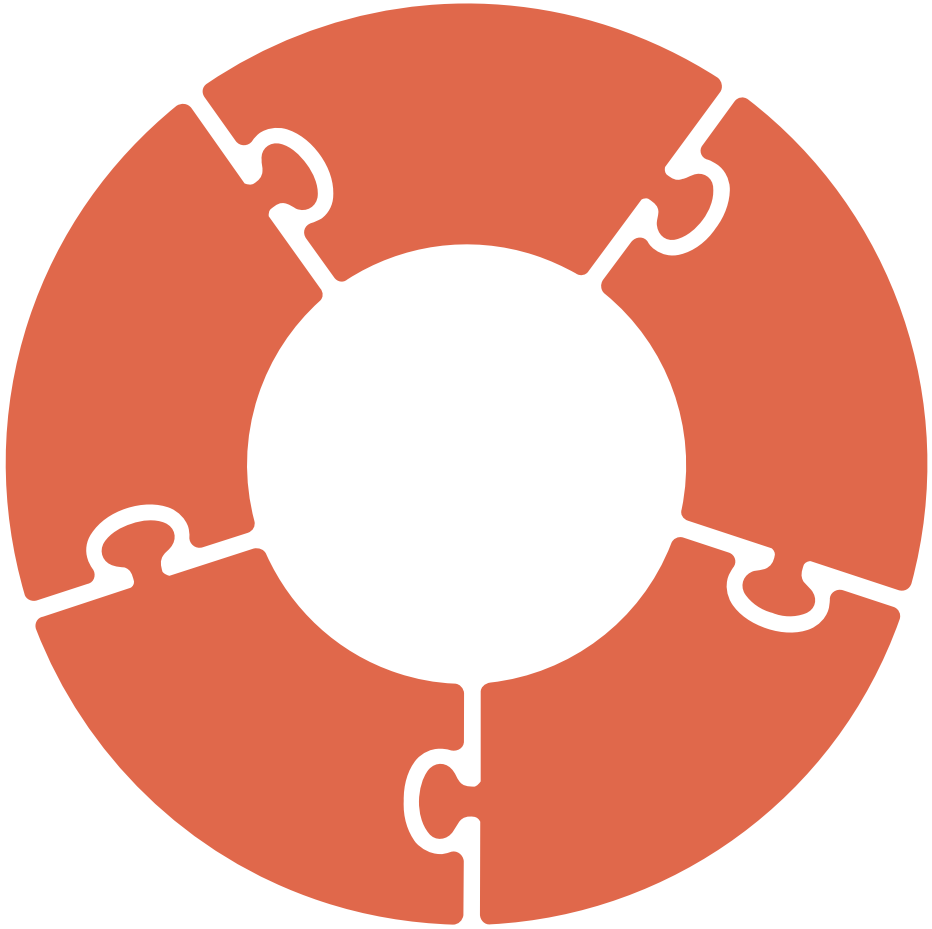
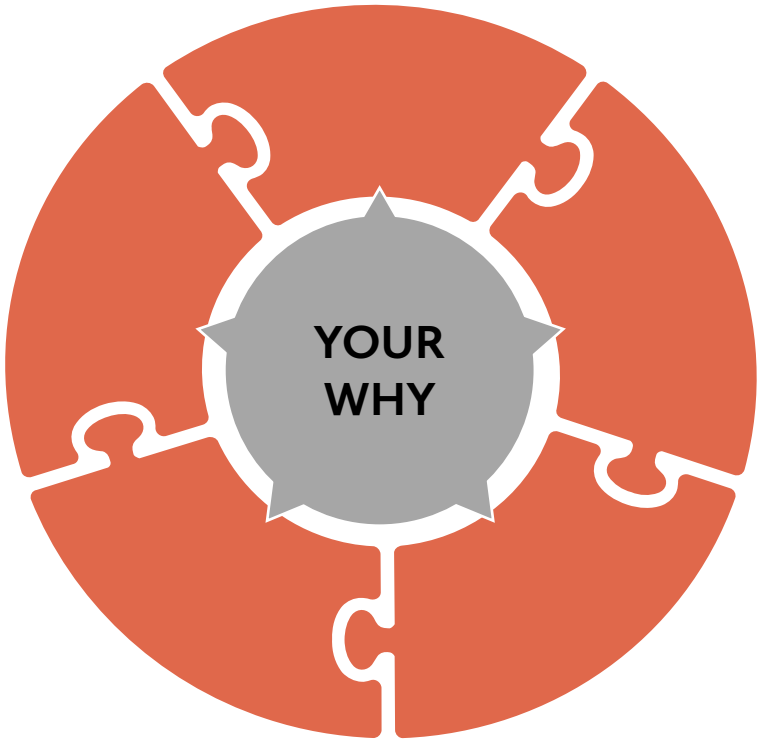
Framework for Board Success: A Structure



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



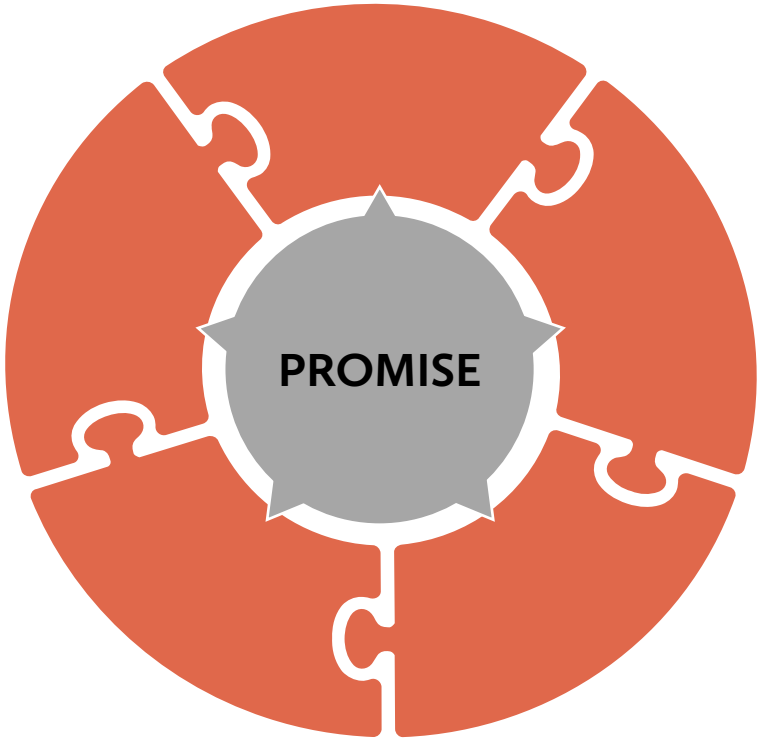
What is Your Promise?

Breakout Discussion Questions

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

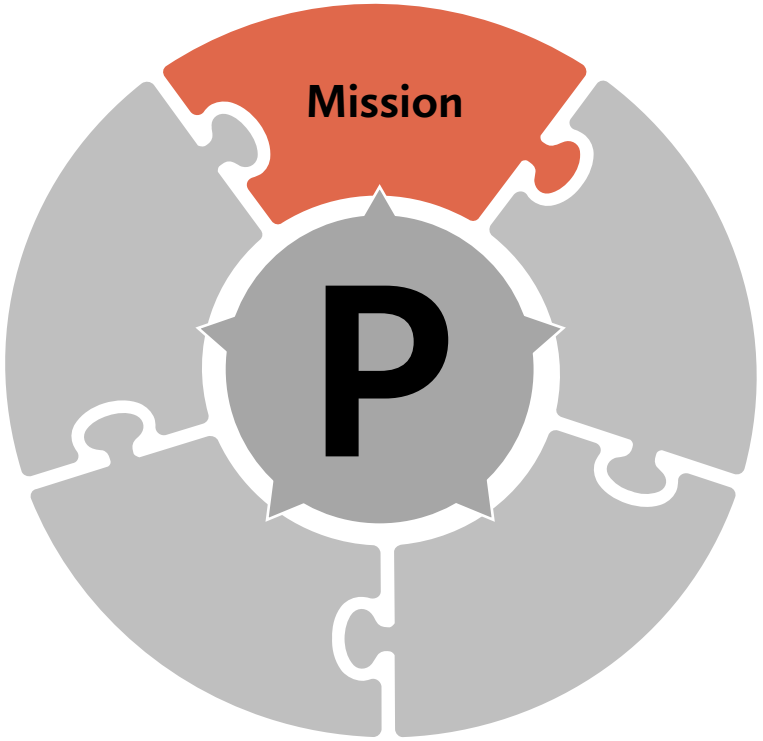
Link to questions

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



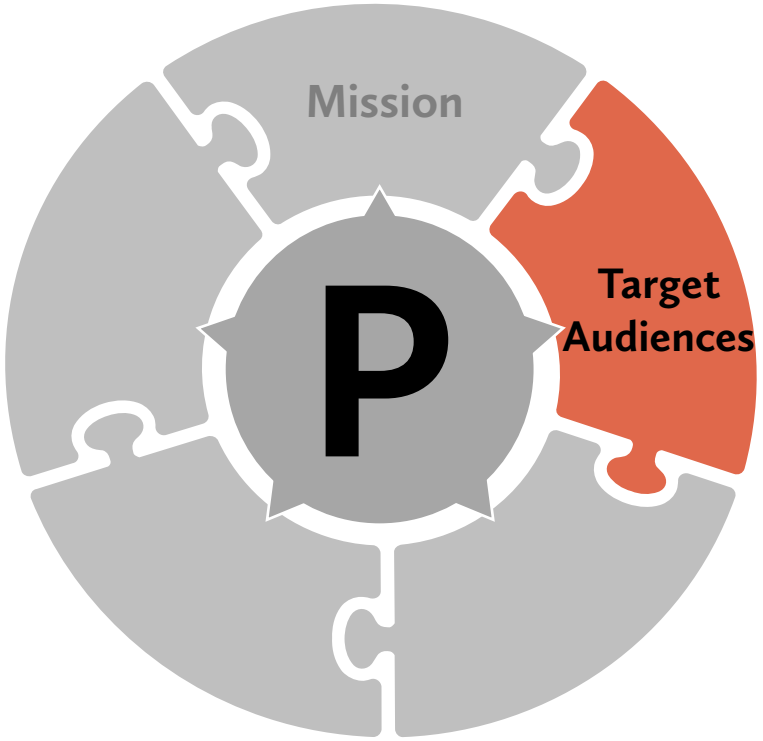
First Core Element: Mission

- 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



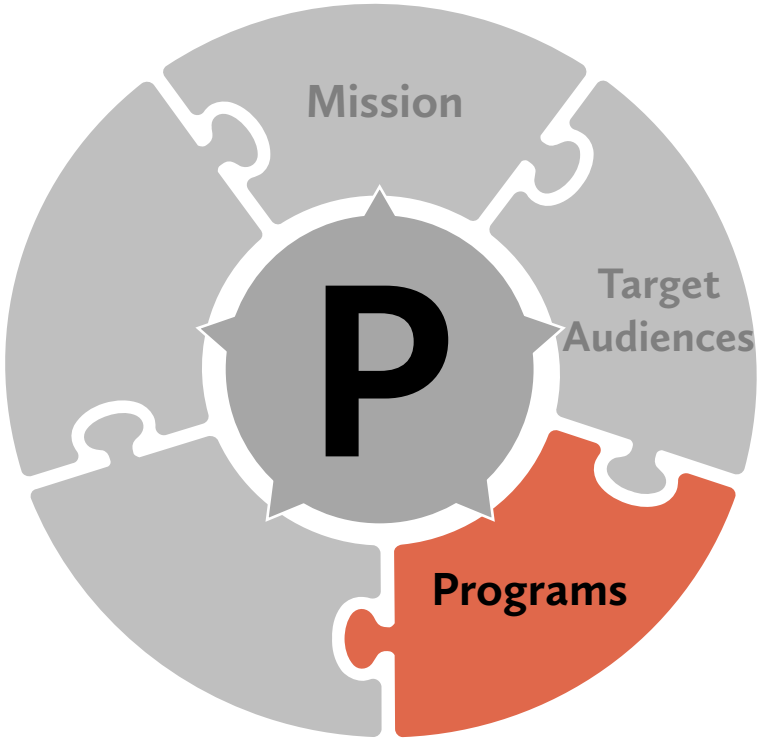
Second Core Element: Target Audiences

- 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?



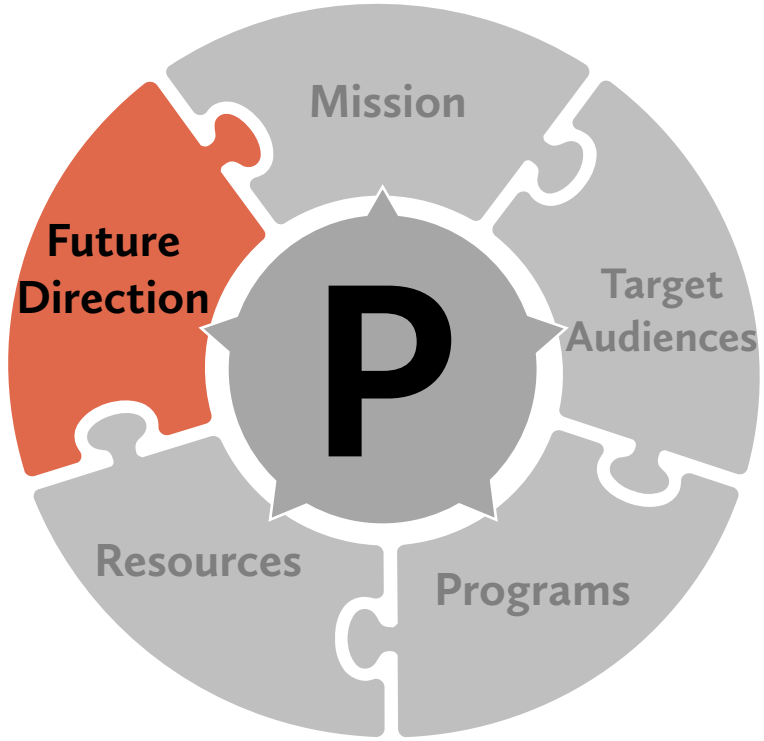
Fourth Core Element: Resources

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 (70/30)
- Proactive versus reactive
- Disruption will drive this if nothing else
- How will you deliver your mission three years from now?

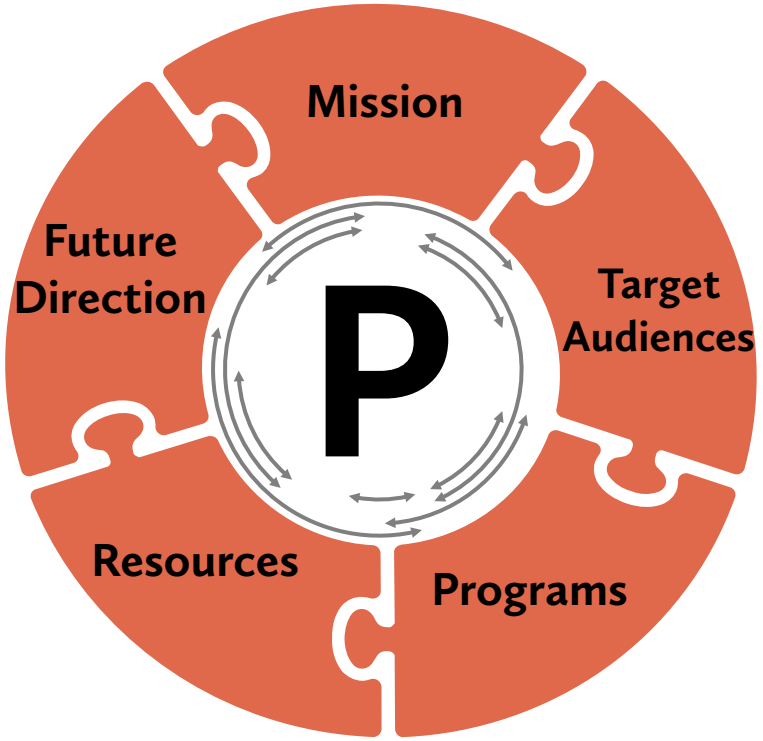


A Complete Framework for an Organization

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

Adding the POWER

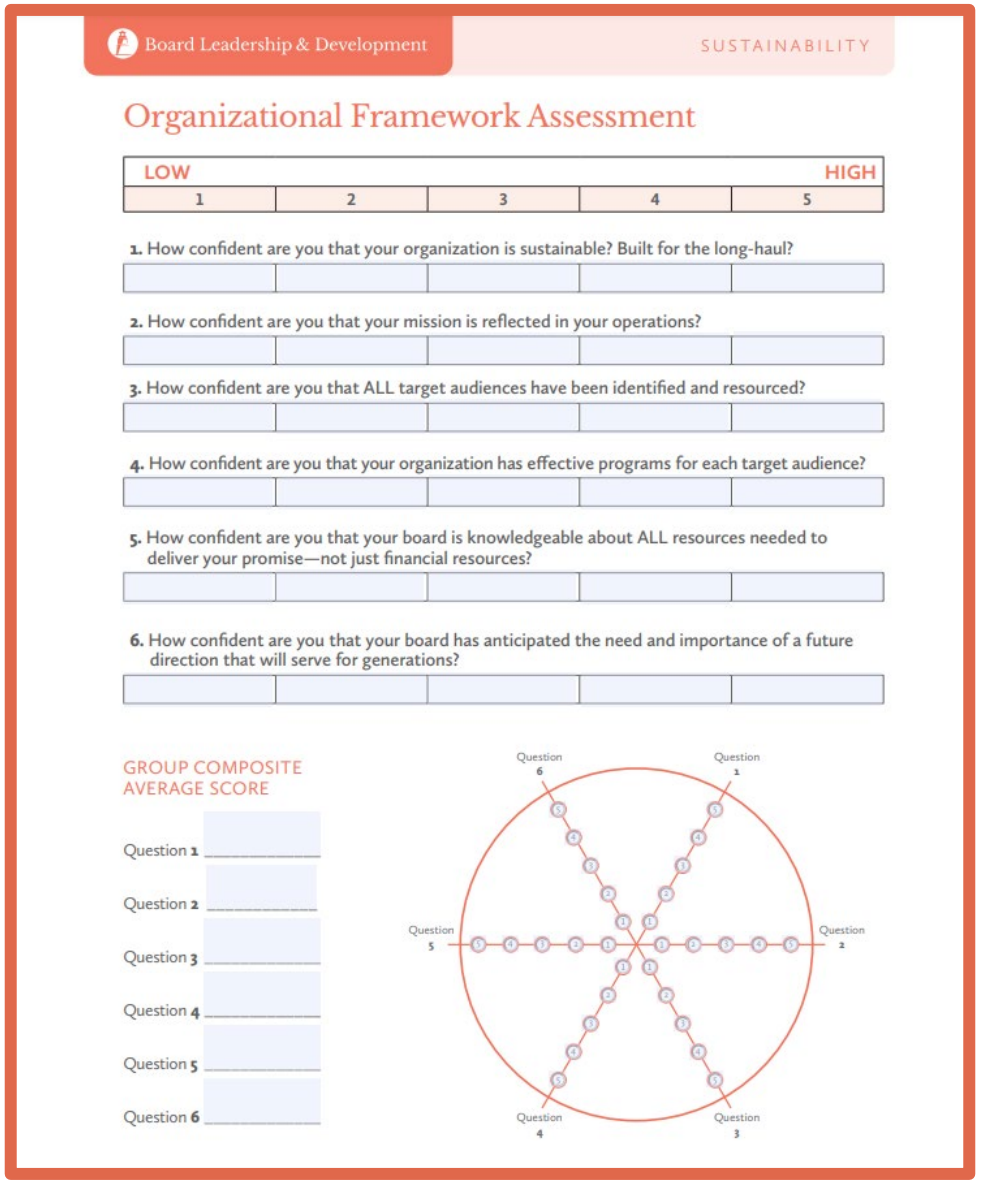
- The power is the interconnectivity of the elements
- Embrace this and avoid silo thinking
- Promote efficient behavior



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

Organizational Framework Assessment



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SUSTAINABILITY

Organizational Framework Assessment

LOW				HIGH
1	2	3	4	5

1. How confident are you that your organization is sustainable? Built for the long-haul?

2. How confident are you that your mission is reflected in your operations?

3. How confident are you that ALL target audiences have been identified and resourced?

4. How confident are you that your organization has effective programs for each target audience?

5. How confident are you that your board is knowledgeable about ALL resources needed to deliver your promise—not just financial resources?

6. How confident are you that your board has anticipated the need and importance of a future direction that will serve for generations?

GROUP COMPOSITE AVERAGE SCORE

Question 1 _____

Question 2 _____

Question 3 _____

Question 4 _____

Question 5 _____

Question 6 _____

Link to assessment

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Organizational Framework Assessment (sample)

Board Leadership & Development — SUSTAINABILITY

Organizational Framework Assessment

LOW				HIGH
1	2	3	4	5

1. How confident are you that your organization is sustainable? Built for the long-haul?

		X		

2. How confident are you that your mission is reflected in your operations?

			X	

3. How confident are you that ALL target audiences have been identified and resourced?

	X			

4. How confident are you that your organization has effective programs for each target audience?

	X			

5. How confident are you that your board is knowledgeable about ALL resources needed to deliver your promise—not just financial resources?

			X	

6. How confident are you that your board has anticipated the need and importance of a future direction that will serve for generations?

		X		

GROUP COMPOSITE AVERAGE SCORE

Question 1 3

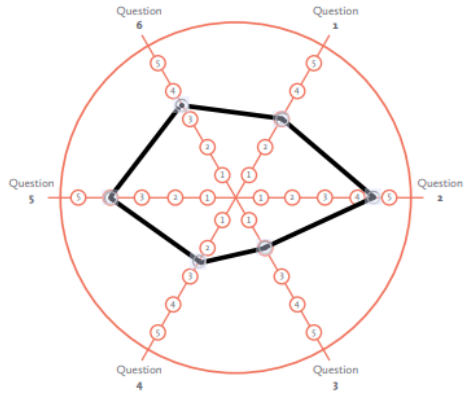
Question 2 4.5

Question 3 2

Question 4 2.5

Question 5 4

Question 6 3.5



Link to sample

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Strategic Planning 101:

The Board's Role in Strategic Planning

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Strategic Planning

Why have a plan?

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
Legal responsibility resides with the board	*Legal responsibility resides with the board*	*Legal responsibility resides with the board*	*Legal responsibility resides with the board*	*Legal responsibility resides with the board*
Reasons for organization to exist are determined by the board	*Reasons for organization to exist are determined by the board*	*Reasons for organization to exist are determined by the board*	*Reasons for organization to exist are determined by the board*	*Reasons for organization to exist are determined by the Executive Director*
Organizational long-term goals are set by the board	*Organizational long-term goals are set by the board*	*Organizational long-term goals are set by the board*	*Organizational long-term goals are set by the Executive Director*	*Organizational long-term goals are set by the Executive Director*
Strategies to achieve organizational long-term goals are developed by the board	*Strategies to achieve organizational long-term goals are developed by the board*	*Strategies to achieve organizational long-term goals are developed by the Executive Director*	*Strategies to achieve organizational long-term goals are developed by the Executive Director*	*Strategies to achieve organizational long-term goals are developed by the Executive Director*
Day-to-day operational authority rests with the board	*Day-to-day operational authority rests with the Executive Director*	*Day-to-day operational authority rests with the Executive Director*	*Day-to-day operational authority rests with the Executive Director*	*Day-to-day operational authority rests with the Executive Director*
*The board spends most of its time **DOING** the work of the organization*	*The board spends most of its time **SUPERVISING** the work of the organization*	*The board spends most of its time **DIRECTING** the work of the organization*	*The board spends most of its time **GOVERNING** the organization*	*The board spends most of its time **AFFIRMING** the work of the organization*
*Primary board output is **LABOR***	*Primary board output is **COORDINATION***	*Primary board output is **DIRECTION***	*Primary board output is **COUNSEL***	*Primary board output is **ENDORSEMENT***

- *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 land on the previous chart helps describe your role in the strategic planning process.

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
- **Falter:** Strategy is confused with operations
- **Falter:** Poor framing of strategic issues
- **Succeed:** Loyalty, accountability, agility, enculturation
- **Never get started/finished:** Desire for the perfect plan, low priority, the illusion of time commitment

> *"I have always found that plans are useless, but planning is indispensable."*
>
> **Dwight D. Eisenhower**

Outcomes of a Good Strategic Planning Process

- 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

Elements of the Work

Strategy Formation
Strategic thinking

Plan Development
Rolling three-year strategic plan

Strategic Planning 101:

Strategy Formation

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."

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

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

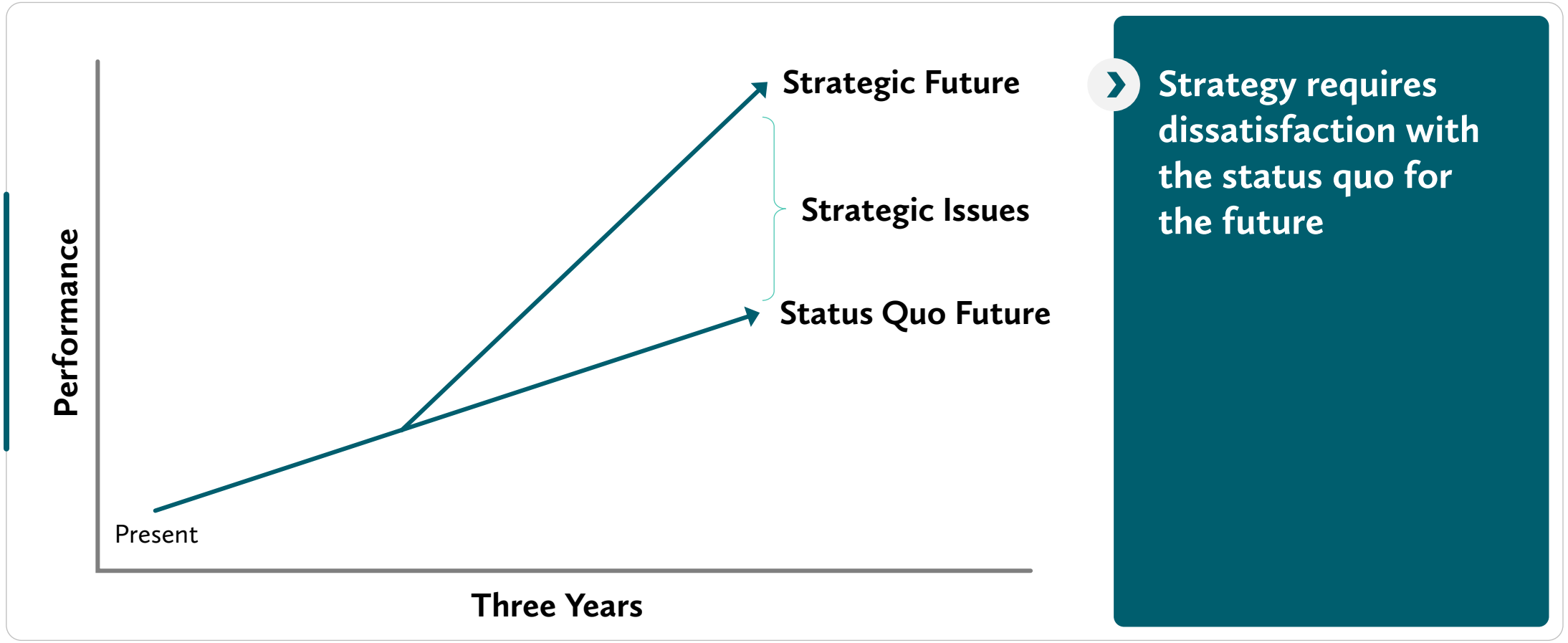
Strategy is not planning, but they are dependent upon one another.

- "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

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

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

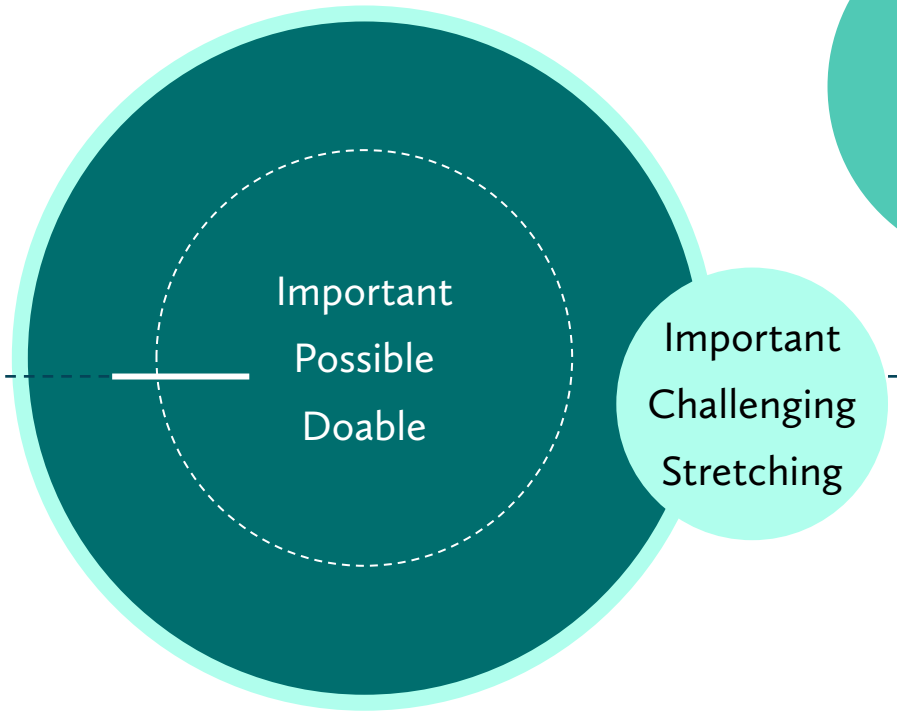
As you see the world today:

- 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.*



Important
Necessary
Change
Required

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

Center: Things that are possible and within your reach.

Outer Edge: Things that are important but will require stretching and effort to reach.

Strategic Planning 101:

Planning

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

Strategic Planning Assessment

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

Strategic Planning Assessment

Board Leadership & Development

STRATEGIC PLANNING

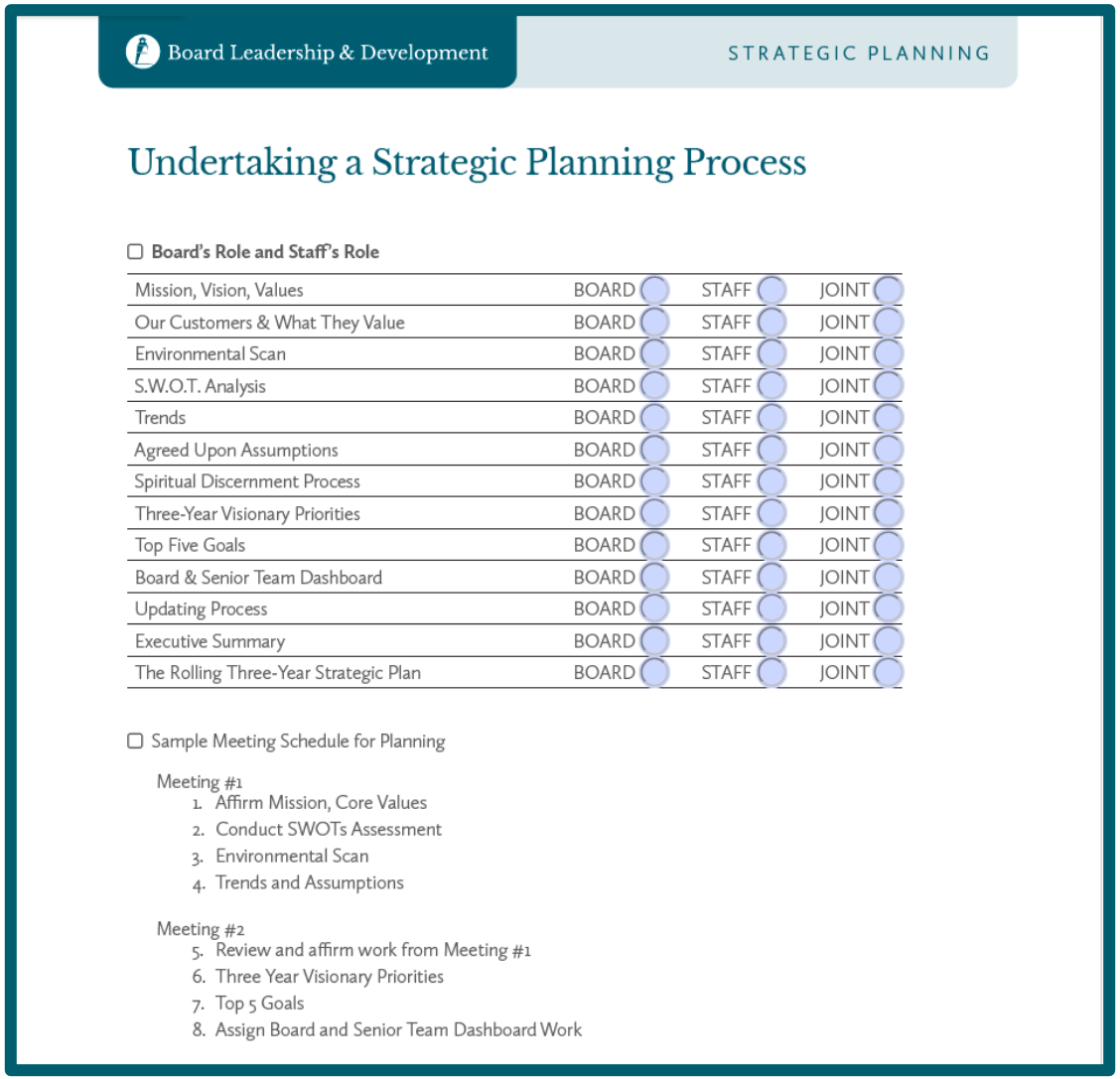
Strategic Planning Assessment

	NEVER 1	2	SOMETIMES 3	4	ALWAYS 5
1. We have a plan.					
2. Our plan is up to date and relevant.					
3. Our plan is being executed well.					
4. Our plan guides all we do.					
5. Our plan is regularly assessed and annually updated.					
6. Everyone in our organization knows the plan.					
7. Everyone in the organization knows where they fit and their role in accomplishing the plan.					
8. The leadership team and key staff feel a sense of loyalty to the plan.					

Link to assessment

Board Leadership & Development
A MURDOCK TRUST PROGRAM

Undertaking a Strategic Planning Process



Board Leadership & Development

STRATEGIC PLANNING

Undertaking a Strategic Planning Process

☐ **Board's Role and Staff's Role**

Mission, Vision, Values	BOARD	STAFF	JOINT
Our Customers & What They Value	BOARD	STAFF	JOINT
Environmental Scan	BOARD	STAFF	JOINT
S.W.O.T. Analysis	BOARD	STAFF	JOINT
Trends	BOARD	STAFF	JOINT
Agreed Upon Assumptions	BOARD	STAFF	JOINT
Spiritual Discernment Process	BOARD	STAFF	JOINT
Three-Year Visionary Priorities	BOARD	STAFF	JOINT
Top Five Goals	BOARD	STAFF	JOINT
Board & Senior Team Dashboard	BOARD	STAFF	JOINT
Updating Process	BOARD	STAFF	JOINT
Executive Summary	BOARD	STAFF	JOINT
The Rolling Three-Year Strategic Plan	BOARD	STAFF	JOINT

☐ Sample Meeting Schedule for Planning

Meeting #1
1. Affirm Mission, Core Values
2. Conduct SWOTs Assessment
3. Environmental Scan
4. Trends and Assumptions

Meeting #2
5. Review and affirm work from Meeting #1
6. Three Year Visionary Priorities
7. Top 5 Goals
8. Assign Board and Senior Team Dashboard Work

Link to assessment

Strategic Planning: Next Steps & Work with Coach

Board Leadership & Development

STRATEGIC PLANNING

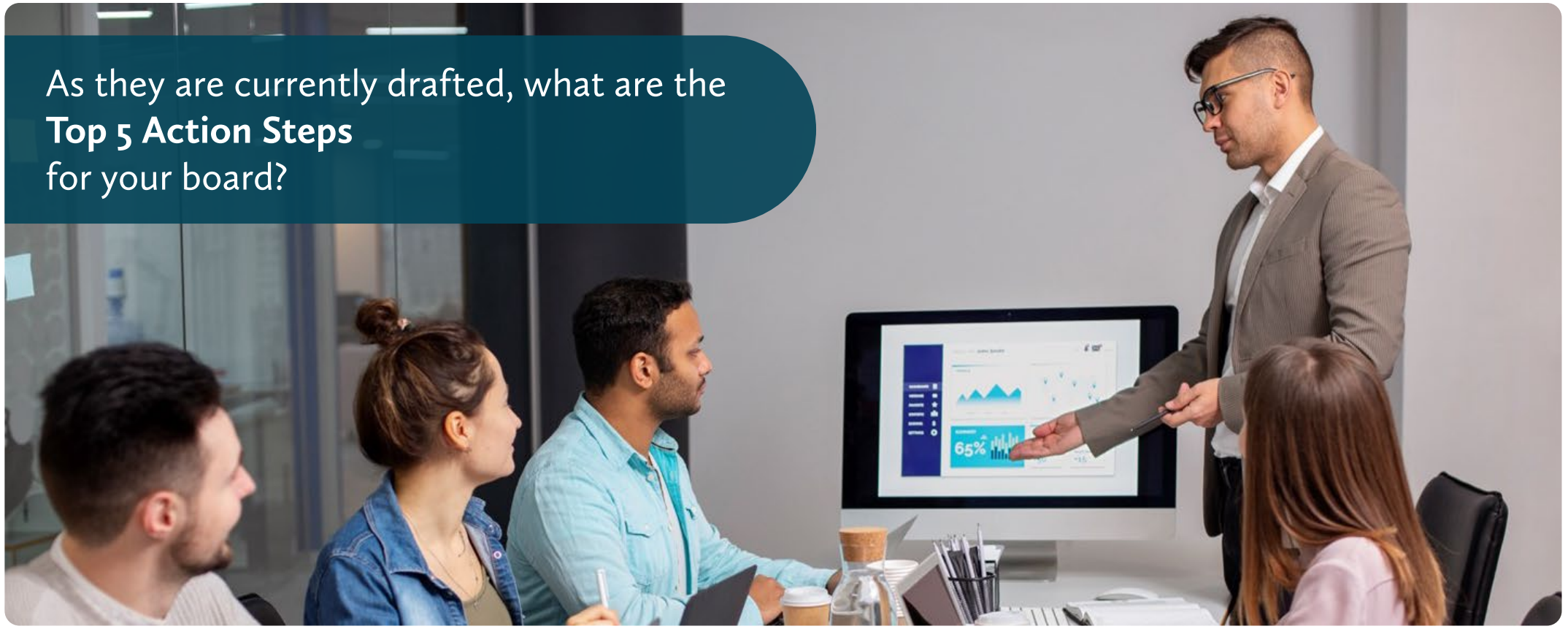
Next Steps and Work with your Coach

As a team, answer these questions:

1. Do we have a current strategic plan that is relevant, up-to-date, and guiding our work daily?
2. If NO, are we committed to create a plan in the next six months?
3. Do we have a clear idea of the delegation of responsibilities between the board and staff?
4. Can we see how the meeting schedule outlined above can be shaped to serve our process?

Link to assessment

Stand and Declare



About your Board Leadership Coach

- **The goal of coaching:** *To help facilitate (some) of the Top 5 Action Steps for your Board*
- **What to expect between Sessions 1 and 2:**
  - Coaches may be in touch, but the majority of coaching takes place after Session 2 (concluding by December).
- **The role of a coach:**
  - Coaches are independent contractors hired by the Murdock Trust—not consultants or Murdock Trust employees
  - The focus of the coaches is supporting your board toward accomplishing some of your Top 5 Action Steps
  - If you have questions or feedback about the Murdock Trust's administration or grants process, please contact a member of the Murdock Trust, not your coach.

Thank you!

See you in Vancouver, WA, on June 10 & 11 for Session 2!

Optional Grants Info Webinar: Thurs., May 16, 10am (PT).
Contact Hannah Pick for Zoom registration information.

Questions?

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

Thank you

murdocktrust.org