

Let's Discuss

Board Governance



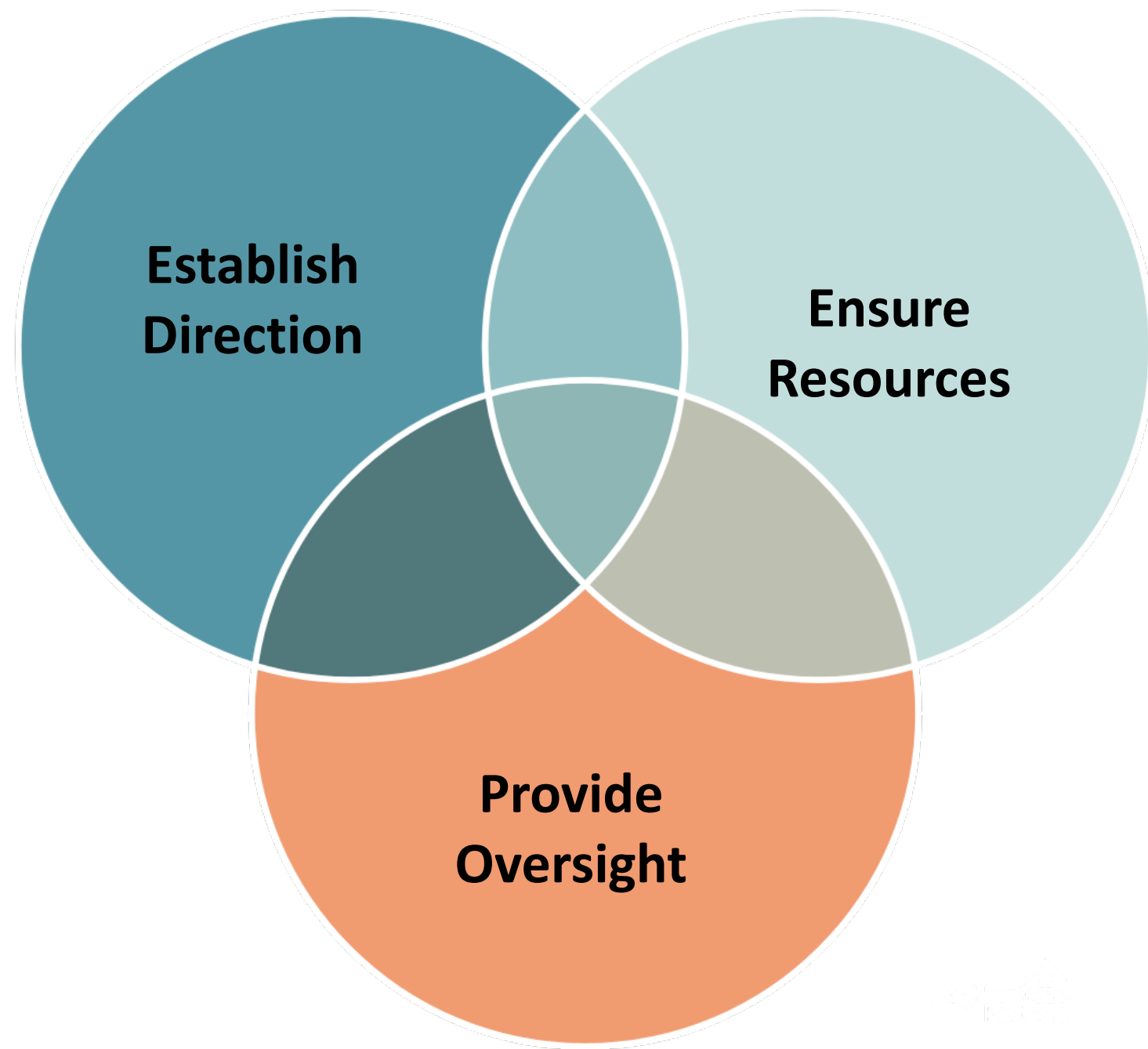
Who We Are

NeighborGood Partners is a nonprofit affordable housing and community development organization that provides a variety of services including Self-Help Housing Technical and Management Assistance to organizations in the 21-state northeast region. We are a Community Development Financial Institution, a HUD approved housing counseling agency, and a NeighborWorks America charter member.



Introductions

Board Service & Purpose



Establish Direction

- Ensure Effective Planning
- Determine Mission and Purpose, and Advocate for Them

Ensure Resources

- Select the Chief Executive
- Ensure Adequate Financial Resources
- Build a Competent Board
- Enhance the Organization's Public Standing

Provide Oversight

- Support and Evaluate the Chief Executive
- Monitor and Strengthen Programs and Services
- Protect Assets and Provide Financial Oversight
- Ensure Legal and Ethical Integrity

Board Performance

Discussion: How would you grade your board?

**Well-oiled miracle
-working,
resource-driving
machine!**



**Board?
What Board?**

10 Basic Responsibilities of Nonprofit Boards



- 1. Determine mission and purposes, and advocate for them.**
- 2. Select the chief executive.**
- 3. Support and evaluate the chief executive.**
- 4. Ensure effective planning.**
- 5. Monitor and strengthen programs and services.**
- 6. Ensure adequate financial resources.**
- 7. Protect assets and provide proper financial oversight.**
- 8. Build and sustain a competent board.**
- 9. Ensure legal, financial, and ethical integrity.**
- 10. Enhance the organization's public standing.**

Why Do Many Boards Underperform?

- **Low Expectations**
- **Wrong Expectations**
- **Lack of Opportunity to Engage**
- **Tolerance for Underperformance**



Symptoms of an Unhealthy Board

| Symptom | Conditions |
|-------------------------|--|
| The Silent Start | Board Members sit in awkward silence as they wait for the Chair to call the meeting to order. You can cut the air in the room with a knife. |
| The Frantic Beg | Less than half of the Board is present at meeting's start time. The Chief Executive begins frantically calling board members, begging them to call in to achieve quorum. |
| The Dominator | The Board Chair or Chief Executive dominates the conversation. |
| The Great Escape | Board Members drift out of the meeting early....or drift off to sleep. |
| The Paper Chase | The Director of Development has to chase down the annual personal gifts of Board Members, numerous times, at end of the fiscal year. |

Three Modes/Mindsets of Governance

1. Fiduciary Mode: The Productive Organization

2. Strategic Mode: The Logical Organization

3. Generative Mode: The Expressive Organization

Three Modes/Mindsets of Governance

1. Fiduciary Mode: The Productive Organization

- **Purpose:** Stewards of Tangible Assets
- **Core Work:** Technical - Oversee mission, operations and assets (building, land, cash), ensure fiscal accountability, and legal compliance; avoiding unnecessary risk
- **Key question:** What's wrong?

Three Modes/Mindsets of Governance

2. Strategic Mode: The Logical Organization

- **Purpose:** Strategic Partnership with Management
- **Core Work:** Analytical – Shape strategy on a regular basis, scan internal and external environments, develop and evaluate the organization's direction, not simply reacting to proposals or reports from the chief executive.
- **Key question:** What's the plan?

Three Modes/Mindsets of Governance

3. Generative Mode: The Expressive Organization

- **Purpose:** Source of Leadership for the Organization
- **Core Work:** Creative – Discern problems, tackle ambiguous, unclear situations and shape strategies and core values
- **Key question:** What's the question?

Three Modes/Mindsets of Governance

All are of Equal Importance

Fiduciary Mode = Strategic Mode = Generative Mode

Each builds on the previous mode creating a strong foundation of governance

Generative Mode (More Difficult)
Strategic Mode
Fiduciary Mode (Basic)

Adopting A New Mindset

GENERATIVE GOVERNANCE

1. Board members must be prepared to engage on a different level than they did previously.
2. Generative governance requires board members to analyze and discuss issues from a macro lens.
3. This requires preparing for board meetings and asking different — and better — questions.
4. Instead of just focusing on the immediate, short-term considerations — such as whether the budget is balanced — the board should think deeper -- asking instead about whether the budget reflects organizational priorities and advances the mission.

Adopting A New Mindset

Restructuring board meetings

Board members must feel that they have the time and resources for critical thinking and debate.

Consent Agenda --

If the board has not already adopted a consent agenda, it should.

Meeting Agenda --

Ensure enough time is built in for board members to thoroughly discuss and analyze critical issues.

Adopting A New Mindset

Mandate Pre-reading!

What happens when board members have not adequately prepared for meetings?

To discuss a newly proposed project or an issue impacting the community, all board members should be given pre-reading well in advance of the board meeting to ensure they have time to digest the necessary information and come to the table prepared to share their opinions.

Adopting A New Mindset

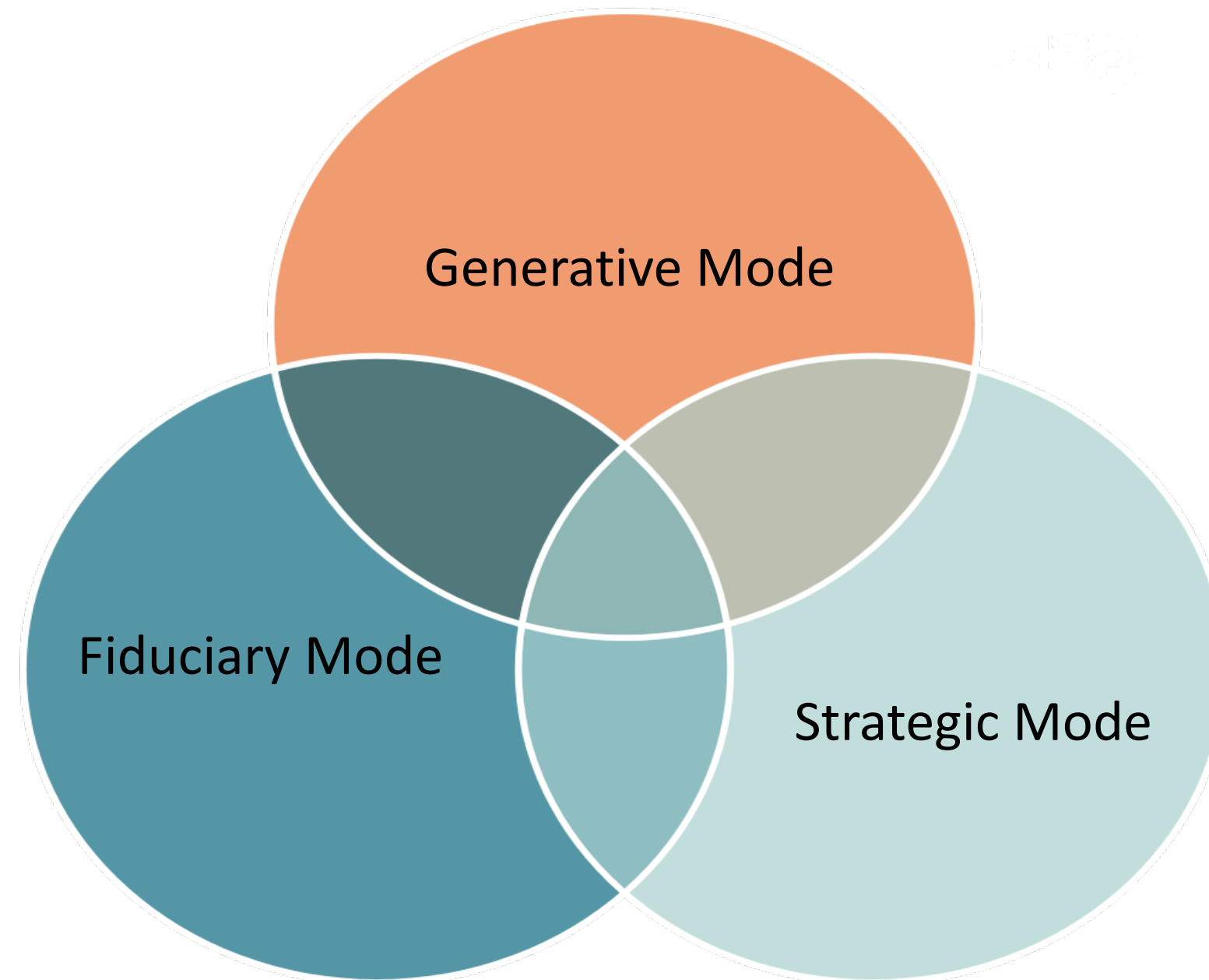
A few key tactics

- Practice all three types of governance.
- Recognize that using all three mindsets takes time.
- Introducing generative governance takes a commitment from all board members, an understanding of what generative mindset is and how to use it in the boardroom, and practice.
- The board chair and chief executive must ensure board members do not get frustrated and instead open up discussion about specific challenges and invite questions and comments.

Governance Mode

Where would you place your board's governance?

Using All Three
Modes of
Governance



Using one or two
modes?

Create Engaging Board Meetings

We Want Board Members to
Be:

ENGAGED, WELL-INFORMED
STRATEGIC, ENERGIZED

Board Meetings Must Be:

ENGAGING, INFORMATIVE
FOCUSED ON STRATEGY
ENERGIZING

Reimagine the Agenda

Make Generative and Strategic Questions the Backbone of the Agenda

| Generative | Strategic |
|--|---|
| <ul style="list-style-type: none">• Deeper-level thinking on topics of particular importance to the organization• Often focus on topics related to vision, mission or values• Framing, exploring why• Often no decision is required; there is value in simply discussing as a board• First on the agenda | <ul style="list-style-type: none">• Focuses on internal/external scans, priority setting, programmatic direction• Questions related to developing, reviewing, modifying or monitoring the strategic plan• Decisions are often required• Backbone of the agenda |

Reimagine the Agenda

Question Examples

Generative

- Our mission statement refers to our clients as the poorest of the poor. What does this say about our work to the outside world?

Strategic

- Why is the number of self-help houses we are developing declining? What are the environmental factors leading to this outcome?

Reimagine the Agenda

Facilitate Participation at Every Stage of the Meeting

1. Include go-around activities
2. Stop reading the reports
3. Remake committee reports
4. Assign stakeholder roles
5. Assign a contrarian

Some Favorite Generative Questions

1. What word in our mission statement means the most to you? Why?
2. What word doesn't appear in our mission statement, but should?
3. On what list would we rank #1? On what list would we want to rank #1?
4. What three words best describe our organization?
5. What is the greatest opportunity you see for us to grab ahold of in the upcoming year?
6. If you heard someone talking about our organization a row behind you at an Eagles Game, what do you hope you'd hear?
7. If we were approached about a merger, what values would we need to see demonstrated by the organization before we'd even consider it?



Questions