



# EFFECTIVE GOVERNANCE / TRANSITION PLANNING

Alaska Community Foundation  
Affiliates

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“The more effective  
the board, the higher  
performing the  
organization ”

# ROLE OF GOVERNANCE

- **Fiduciary:** Board as stewards of assets
- **Strategic:** Board focuses on strategy
- **Generative:** Board is sense maker for leadership of adaptive organization.

*(Richard Chait)*

***Governance as Leadership***

# NONPROFIT BOARDS-RESEARCHED EVIDENCE

- 56% of Boards are well informed of their legal and governance responsibilities
- 77% of Boards have a structured, in-person orientation
- 60% of Boards have conducted a formal written Board evaluation.
- 71% of Board members make a personal contribution
- 39% of Board are prepared “to a great extent” for meetings

## STEPS TO IMPROVE GOVERNANCE

- *Improving Nonprofit Boards-* Mary Stewart Hall PhD,
- *Governance as Leadership-*Dr. Richard Chait
- *Focus on Sustainability-*The Foraker Group

# Most Important Board Activities

- Planning
- Monitor organization's performance
- Financial resiliency
- Select /support/partner/evaluate CEO
- Board improvement

# Focus on Strategic Priorities

- Board agrees on two-three annual priorities, from strategic framework
- Develop annual plan

## Use of Committees

- Limit number-
  - *Finance*
  - *Board improvement*
  - *Utilize ad hoc committees to address annual priorities*
- Use to develop options for board approval
- Engage leadership

Richard Chait, Tom Holland and Barbara Taylor, *Improving The Performance of Governance Boards*, Oryx Press, 1996.



## Review Right Info

- Differentiate-“Must Know” verses “Good to Know”
- Don’t Overwhelm Board With TMI!

## *Facts about nonprofit boards and meetings. (BoardSource)*

### Effective Meetings

- Boards report spending 73% of meetings listening to reports
- Directors prefer summarized packets, most only willing to prep 30 minutes
- 1/3 of Directors demand substantially more detail than rest

*How can you meet expectations?*

# Some Ideas

- Techniques to minimize review:
  - ▶ Bulleted reports
  - ▶ Consensus on indicators of success
  - ▶ Dashboards, spreadsheets
- Packets at least one week in advance
- No reports at meetings, unless action required
- Use face-to-face time to discuss and make decisions
- "Team building" and education is useful at every meeting

# Promote healthy dissent

- Encourage questions -
- Adopt new approaches for decisions by *providing options*

# Develop Board

- Goal: The right people at the right time
  - The board is appropriate to mission and core values
  - The board is focused on meeting the goals in the strategic plan, governing the organization and partnering with the CEO
- Use Tools
  - Board Job Description
  - Strategic Recruitment
  - Board Matrix
- Focus on Diversity, Equity and Inclusion

Understand  
CEO-Board  
Relationship

- ***BOUNDARIES!***

## Board-CEO Relationship

- Joint responsibility for relationship to work

## How Most Board- CEO Relationships Fail

### Lack of Clarity about:

- Mission
- Core values
- Judging success for organization/CEO
- Agreement, who does what



# Transitions

- Plan for eventual board member transitions
- Develop succession path for board officers
- Its never too early to plan for inevitable CEO-key staff transitions

# INDICATORS of SUCCESSFUL CEO/ED TRANSITIONS

- High performing board
- Strong “bench”
- Financial stability

# BOARD SUCCESSION TOOLS

- Strategic recruitment
- Terms
- Chair succession process
- Job descriptions
- Ongoing training

Questions?