

# Boardroom Bearings

Navigating to Board Excellence

September 28, 2015



## Conclusion: Series on Strategic Planning

With this issue, we conclude our short series on strategic planning.

According to BoardSource, "...Working side-by-side with management, the board should play an active and substantive role in developing, approving, and supporting the strategic plan.

**"One of the board's primary responsibilities is to set direction for the organization.**

"A strategic plan serves as a road map for this direction and as a tool for assessing progress. For the board to own the results of the strategic plan, board members must be actively and meaningfully involved in the process of developing it" (page 26, *Leading with Intent: A National Index of Nonprofit Board Practices*, posted [here](#)).



Past newsletters are available [here](#).

### How a Good Strategic Plan Can Transform an Organization

If your board and staff resist engaging in strategic planning, consider the following facts:

#### Energy

The planning process, in and of itself, creates energy. By analyzing the environment, thinking deeply about the mission, and making hard decisions, the board and staff build momentum that inspires increased drive to achieve the organization's larger purpose in society.

#### Money

People and organizations that make gifts to nonprofits are investors. If you cannot articulate the value of your organization and your plans for the future in a compelling way, funders are unlikely to respond to your fund raising appeals.

#### Better Decision-making

Nonprofits constantly face choices: Should we add this? Drop that? Build here? Partner with them? Submit a proposal for that grant? A well-crafted strategic plan is a lens through which leaders look to thoughtfully consider decisions rather than jumping helter-skelter from one idea to the next.

#### Row in the Same Direction

When done right, a strategic plan helps both board and staff

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organize their work so they can make progress together to accomplish mutually-held goals.

### Achieve Change

Most nonprofits are organized to achieve change in some particular social arena - preserve the environment, feed the hungry, shelter the homeless, foster creativity in the arts, etc. Significant change is more likely with a strategy that puts all resources (money, staff, board, volunteers) to their best, highest, and most focused use.

## 5 Reasons Why Strategic Planning is not a DIY Project



The development of a strategic plan that will guide an organization for several years is a significant undertaking. It requires the guidance of a trained and experienced facilitator. Using an outside facilitator can ensure you get the most from the process and the highest return on the organization's time-investment. Attempting to do-it-yourself is a good way to botch the job. Here are five reasons to engage the services of a strategic planning consultant/facilitator:

**Neutrality:** An experienced facilitator is neutral on the topics and issues being discussed in the planning sessions. The facilitator can ask the tough questions and guide the group to consensus answers. Even if the organization has someone on the board or staff with facilitation skills, they are not neutral and should not lead the process.

**Everyone can be involved in the discourse:** Key leaders must be "at the table" with their intellect, knowledge, and experience fully engaged. A skilled facilitator has expertise in the art of guiding discourse, allowing leaders to fully participate rather than trying to balance facilitation with advocacy for their point of view.

**Laundry lists:** Planning sessions led by insiders often generate laundry lists of pet ideas because the insider puts relationships at risk when he/she says "No" to an idea. The outside facilitator helps the group focus on the small number of essential strategies that will move the organization ahead.

**Dominance, conflict, and consensus:** Facilitation is a skill that requires specific training. The facilitator is capable of bringing the individual opinions into a collective agreement while making sure that all voices are heard. Facilitators help participants rise above their preconceived notions and automatic reactions; they usually can manage disruptive behavior more effectively than an insider.

**Credibility and expertise:** A facilitator is also a coach for leaders, providing a neutral and experienced listening post for their concerns. And the facilitator can provide additional manpower for consolidating inputs, interviews, creating quality presentations, materials, etc.

While I have extensive training in facilitation and have guided many strategic planning processes, this article is not a blatant plug for Centerpoint. Naturally I would be honored to work with your organization but you can find other consultants [here](#).

## What's in a Word? The Difference among "Approve," "Adopt," and "Accept"

When committee reports are presented in a board meeting what is the proper action?

- If the report contains only a statement of fact or opinion for the information of the board, no action is necessary.
- If action is needed, the motion to "accept the report" should be made by someone other than the person reporting. This motion has the effect of endorsing the report and making the board assume responsibility for the action.
- If a report contains recommendations or resolutions not in the form of motions, they should all be placed at the end of the report, even if they have been given separately before. The proper motion is to "adopt the recommendations."
- In the case of financial reports, there are two proper actions. Either the report can be referred to the auditing committee with a motion to "accept the report." This motion does not endorse the accuracy of the figures because the board can only be sure of that by having the report audited. Or the chair, without any motion, can say that the report is referred to the auditing committee or auditors, if there are any.
- A motion to "approve" is used only for the minutes of the previous meeting. Minutes are the legal record of the business transacted by the board. By "approving" the minutes, the board verifies that they are, indeed, correct.



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## Board and Staff Bobble-heads



Image courtesy of stockimages at FreeDigitalPhotos.net

At board meetings or staff meetings, do you see everyone around the table moving their heads up and down, agreeing with everything? According to the *Leadership Freak* blogger, "Agreement hinders effective decision-making." [Here](#) he sets forth 13 principles of disagreement. See if you, umm, agree :)

## Donors? Volunteers? What is the Connection?

In 2014, Fidelity Charitable conducted a study of the motivations and demographics of donors who also volunteer. The study, *Time and Money: The Role of Volunteering in Philanthropy*, reported that "Eighty-seven percent of volunteers say there is overlap between organizations they support financially and where they volunteer, with 43 percent describing significant or total overlap with the organizations they support financially and as a volunteer."



Half (50%) of volunteers say they give more financial support because they volunteer. The most active donor-volunteers reported in this study are 61 to 70 years old.

Sixty-five percent of these older donor-volunteers are attracted to volunteer opportunities that require a specific skill-set and this group was the most likely to donate professional services.

The [report](#) is easy to read with many useful graphs.

## Free Publication: Board Members and Personal Contributions

[Here is a short monograph](#) from BoardSource that explains why board members should make a personal contribution to the organization. There is a section on fundraising and personal giving policies and one on how to monitor board giving. The publication could be useful for boards that do not have the habit of giving.



## Question of the Month

**Q: What is an "executive session"?**

**A:** An executive session is not the same thing as a meeting of the executive committee. An executive session is a special part of a board meeting.

According to *Executive Sessions: How to Use them Regularly and Wisely* (a BoardSource publication) "An executive session - sometimes called a closed meeting or an *in camera* session - is a useful tool for protecting and advancing the best interests of an organization. Executive sessions provide a venue for handling issues that are best discussed in private, for fostering robust discourse, and for strengthening trust and communication. Distinguished by their purpose and participants, executive sessions serve three core functions: (1) they assure confidentiality, (2) they create a mechanism for board independence and oversight, and (3) they enhance relationships among board members and with the chief executive."

Some situations that can be handled in executive session are:

- Investigation into alleged improper conduct by a board member
- Discussing financial issues with the auditor
- Planning for major endeavors such as mergers or real estate transactions
- Handling personnel issues such as compensation, performance evaluation, and disciplinary issues.

**Please remember:** You are invited to submit questions by emailing them to [kdw@centerpointinstitute.com](mailto:kdw@centerpointinstitute.com). And if you have a troubling governance issue and need someone to talk with, confidentially, call 815-545-1300 or send an email.

## Boardroom Bearings...

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