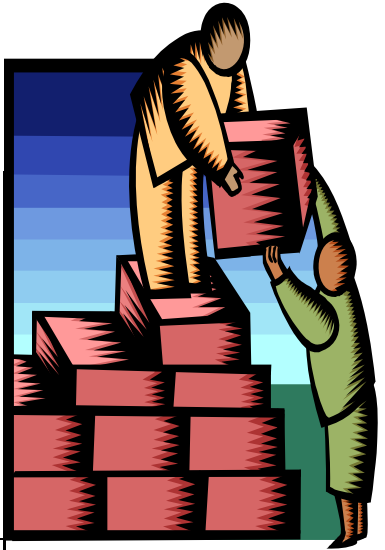
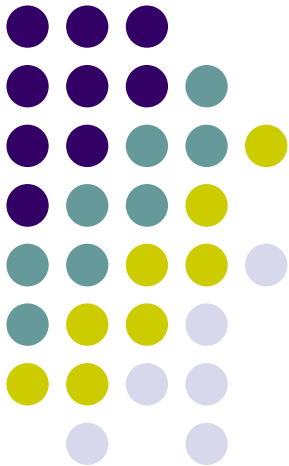


# Board Building Blocks



Leadership  
Development  
Workshop  
2010



# Board Responsibilities

- Leadership
- Stewardship
  - Resource management
- Policy
- Accountability
- Transparency



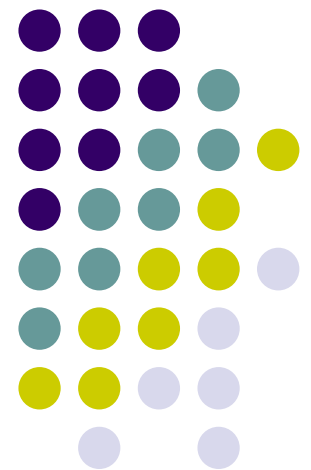
# Board Building Blocks

- Time
- Money
- Information
- Skills
- Power and Trust



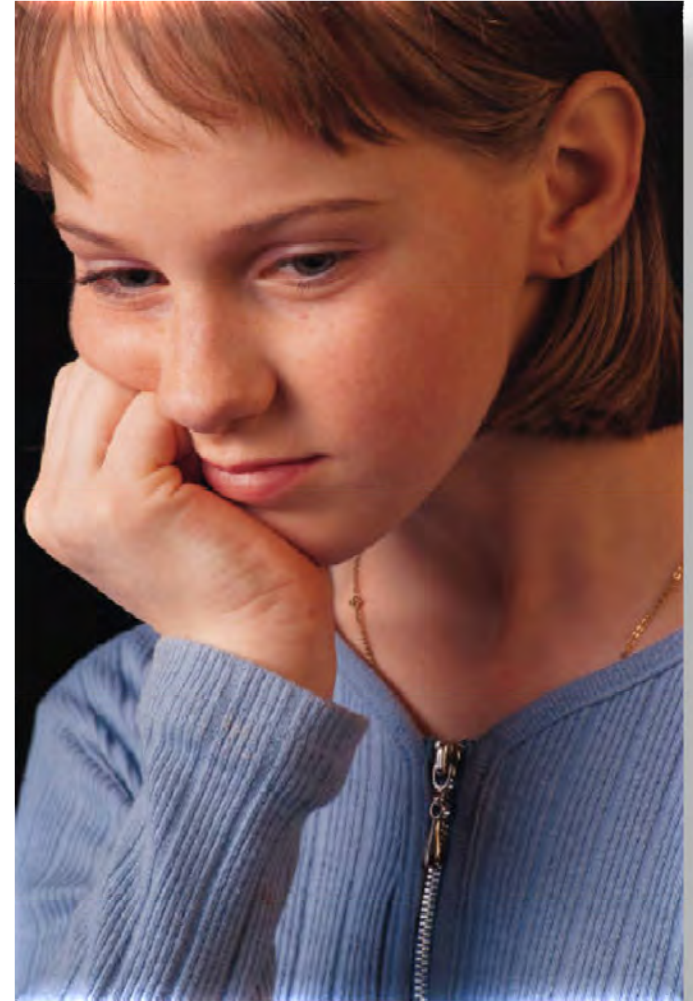
# Time

Strategic agendas  
Advance distribution of reports  
Four D's Decision-making Process



# Board Processes

- Prep
- Pre-work
- Process
  - Prioritization
  - Discovery
  - Dialogue
  - Deliberation
  - Decision-making



# Limited Time Together

*The typical board only has ...*



20-25

Hours

*together in a whole year!*

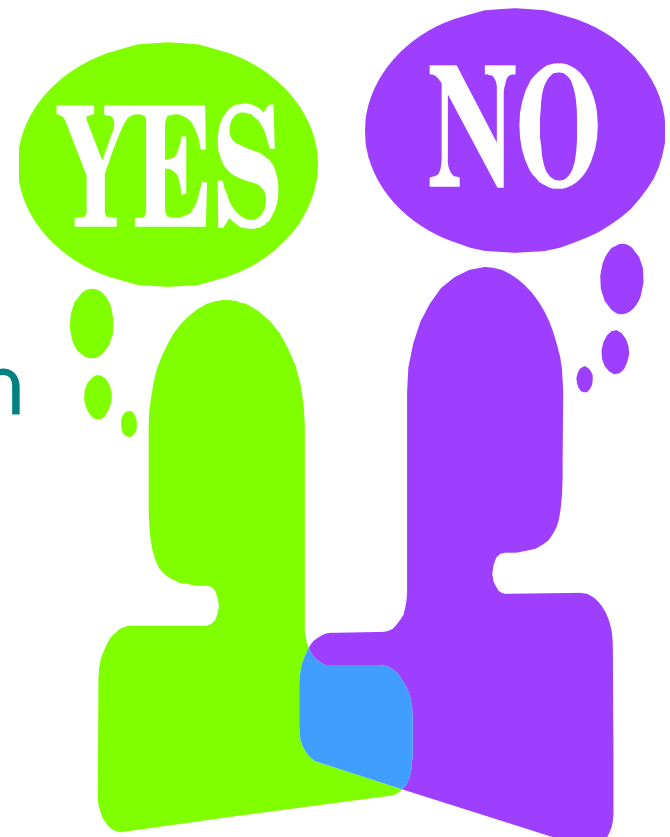
# Become an *Advanced* Knowledge-based Organization

- Proposing parties do **discovery** ...  
*in advance!*
- **Reports** are delivered ...  
*in advance!*
- Board reads and develops **questions** ...  
*in advance!*



# Board Meeting Agreements

- Come prepared
- Speak your mind
  - In meetings — not afterwards
- Support honesty
  - Disagree productively
- Dialogue before deliberation
- Ask “what else do we need to know” before voting
- Focus on WHAT not HOW



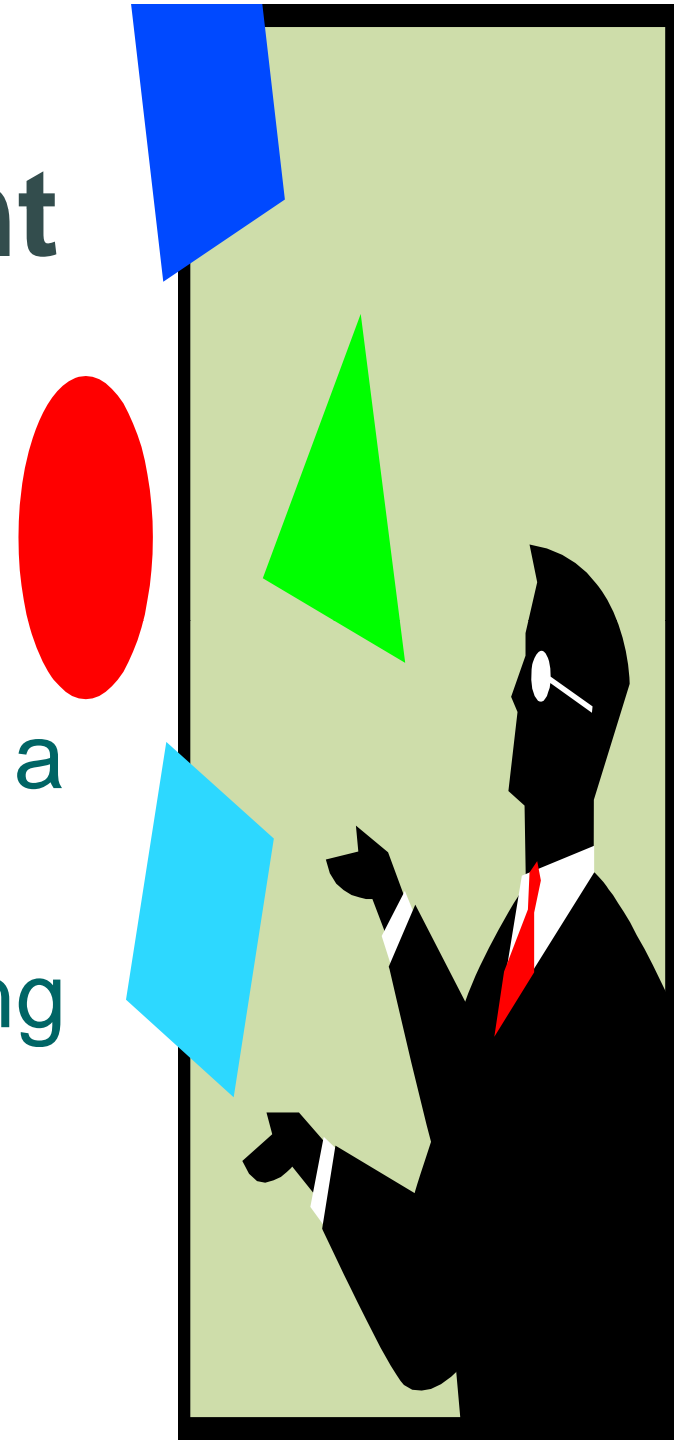
**Remember:  
In a Knowledge-based  
Organization:**

**70%**

**of agenda items should be about  
strategic direction, or policy ...  
NOT administration**

# Priority Management

- Drives resource allocation
- Reveals true agendas
- Usually underestimated as a success factor
- NPOs are *famous* for having too many priorities



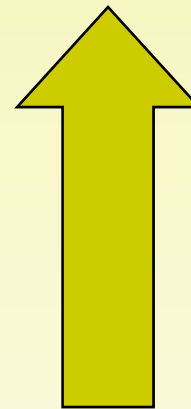
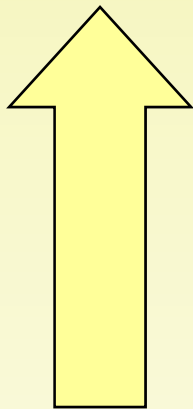
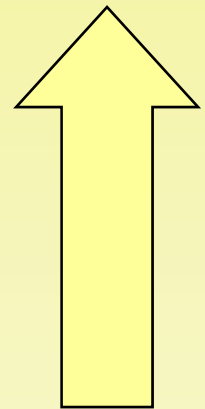
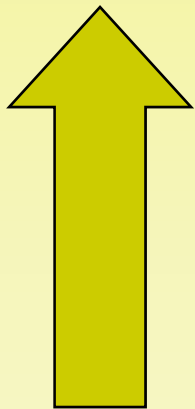


## Sorting Priorities: “RITS”

1. **R**elated Issues
2. **I**mpact of inaction
3. **T**iming
  - a. Sequence
  - b. Window size
4. **S**uccess potential

# RITS Step 1: Related Issues

The greater the **number of related items**, the higher the strategic importance



# RITS Step 2: Impact

The greater the significance of **not** addressing the issue, the greater the impact, or “consequence”

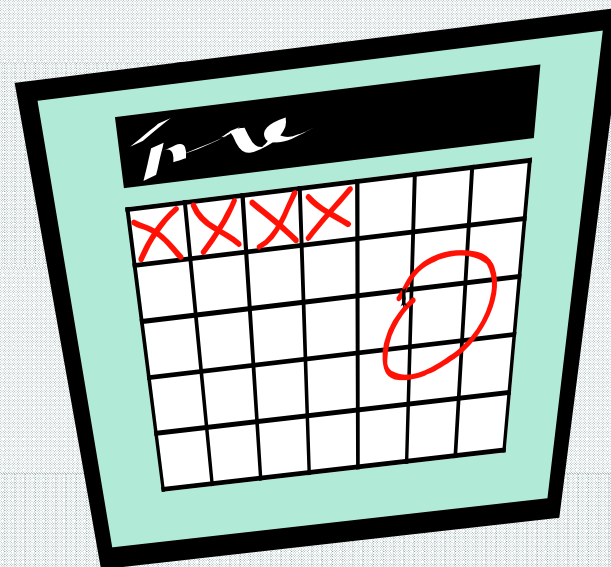


# RITS Step 3a: Timing — Sequence

a. **Sequence:** *the earlier* the item appears in a critical path, *the higher* its immediacy

## Example:

Securing a venue for your tradeshow



# RITS Step 3b: Timing — Window

b. Window of Opportunity:  
the *smaller* the window, the *higher* its immediacy



# RITS Step 4: Success Potential



Pick the  
project  
that's most  
likely to  
succeed

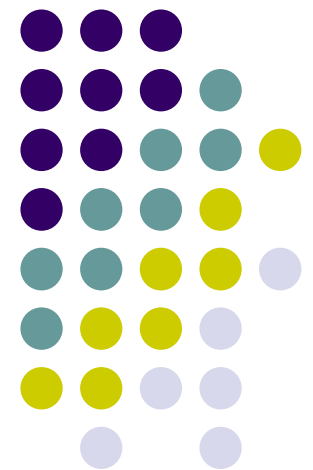


***“If everything is  
a priority, then  
nothing is.”***

# Money

---

Transparency  
Written Policies  
Best Practices



# Money Management

Do you have ...

- Enough different sources of revenue?
- Enough reserves?
- Written policies regarding payments and cash

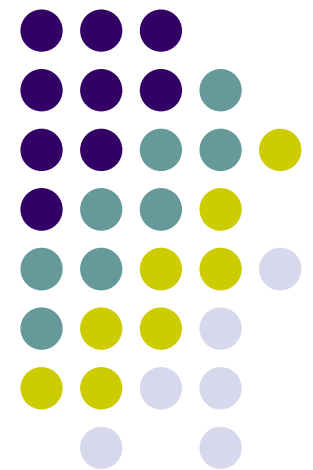


Are you using best banking practices?

- Dual signatures
- Statements to treasurer + ED
- Annual audit, review, or compilation

# Information

Proposing Parties Bring Needed Info  
Dialogue Before Deliberation  
“What else do we need to know?”  
Lessons Learned

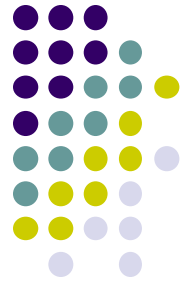


# In a Knowledge-based Organization:

*Who champions decisions* is not nearly as important as the *quality of information* on which decisions are made



# Knowledge-based managers ...



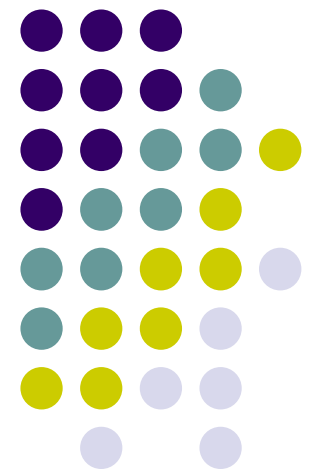
consider

*what they do not know*  
as carefully as they build  
on what they *do*  
*understand.*



# Skills

Knowledge-based Management  
Four D's of Decision-making  
Meeting Facilitation



# Management *versus* Leadership

Management:  
**doing  
things  
right**

- Planning
- Budgeting
- Order
- Control
- Consistency
- Reliability



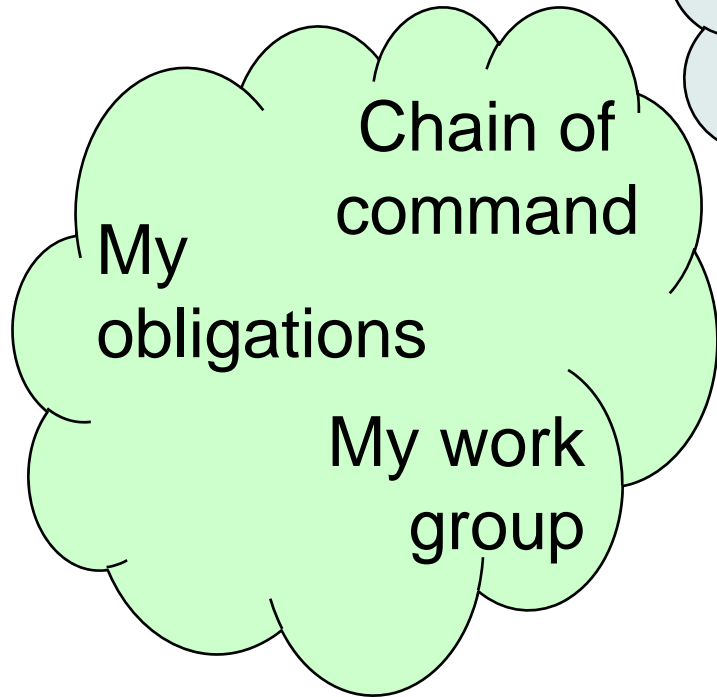
Leadership:  
**doing the  
right  
things**

- Vision
- Direction
- Motivation
- Inspiration
- ***What ...  
not how***

# Self-awareness

- What are my strengths and weaknesses?
- What is my impact on situations?
- How do I change if it seems necessary?

# Situational- awareness

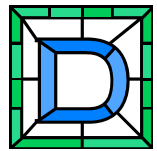


# What's “Knowledge-based?”



- Honor volunteer time
- Priority-focused
- Process agreements
  - Prep: Strategic agendas
  - Pre-work: Required
  - Process:
    - Efficient meetings
    - Enough information
    - Open dialogue

# The Four D's: Four Steps to Better Decisions



**Discovery:**

Provision of information by the *proposing party*



**Dialogue:** Sharing *insights*



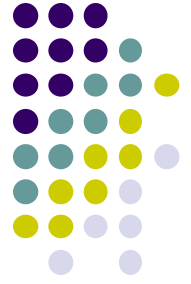
**Deliberation:** Sharing *opinions*



**Deciding**

# Step 1: Discovery

## Proposer Answers Four Questions



1. What are member **needs and wants**?
2. What is the **capacity and strategic position** of the organization?
3. What are **current realities** and evolving dynamics of our industry?
4. What are **ethical implications** of these choices?



# Step 2: Dialogue

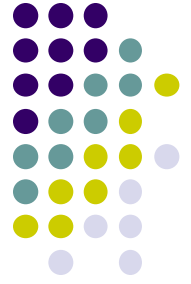
A **process of inquiry** used to:

- Understand insights
- Clarify choices
- Examine advantages and disadvantages
- Consider risks and consequences



*Purposely  
uses open  
dialogue to  
illuminate  
issues  
without  
expectations  
of shaping  
others'  
opinions*

# Step 3: Deliberation ... Decision-making Discussion



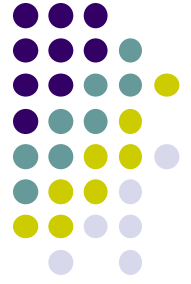
Participants attempt to **influence**,  
**advocate** and **create consensus** for  
a particular point of view



Boards typically *begin* here  
instead of *arriving* here

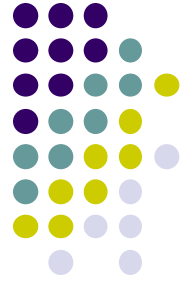
# Step 4: Deciding ...

## Focus On Desired End Results



- Focus is on strategic: *what, not how*
- Motions are constructed with respect for the *difference between ends and means*
- Decisions are expressed to promote distinction between *policy* and *management*





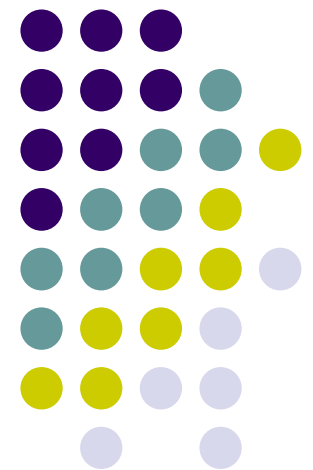
# Meeting Basics

- Publish agenda and reports three days ahead
- Start and end on time
- Expect pre-work to be done
  - Don't back up and read reports because someone didn't do their homework!
- **Dialogue** (illuminate facts, insights, pros and cons) *before*  
**Deliberation** (pushing toward a specific outcome)
- Focus on **WHAT** instead of **HOW**
- Before voting, always ask, "What else do we need to know?"

# Power and Trust

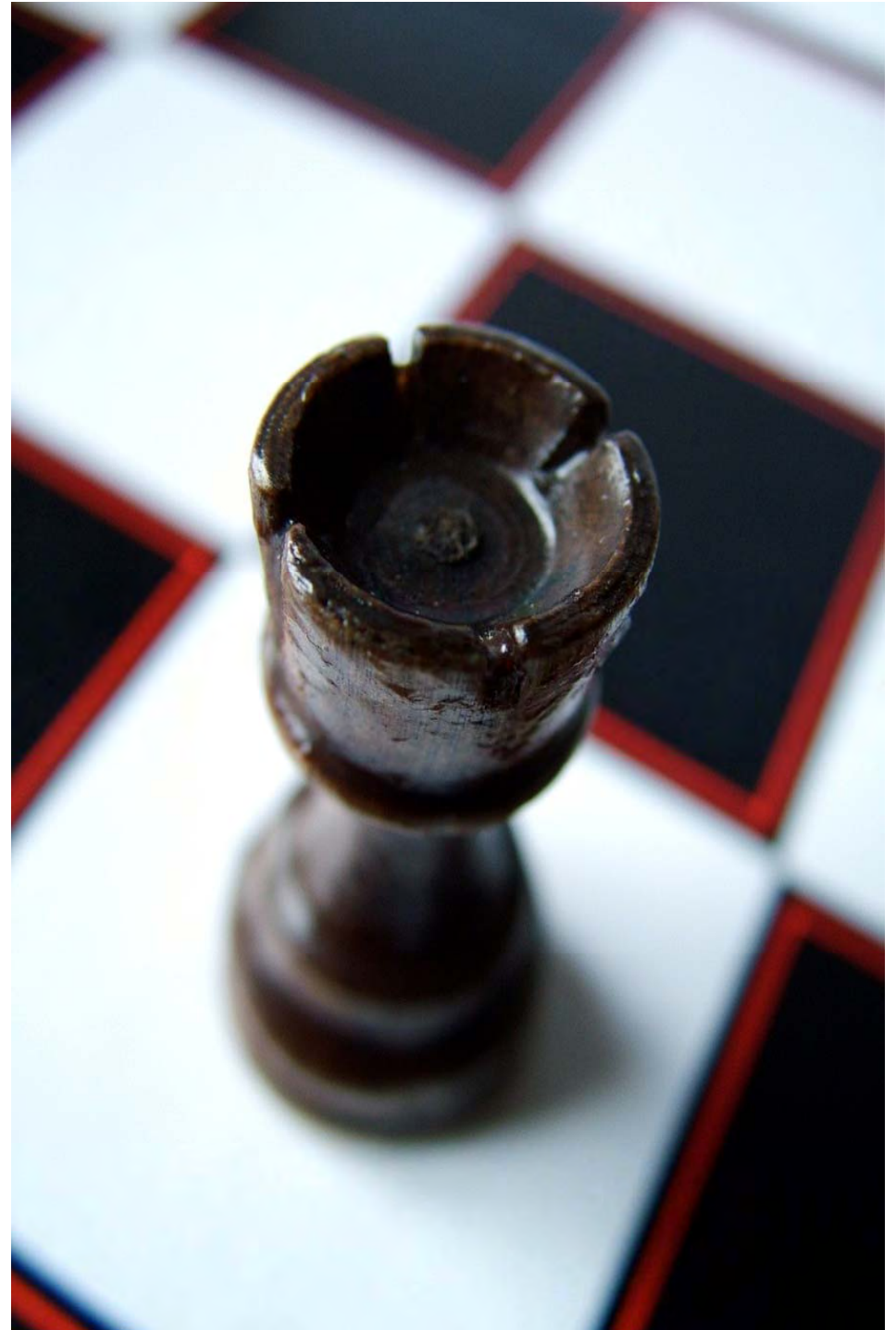
---

Fiduciary Duties  
Transparency  
Policies



# In a Knowledge-based Organization:

Leadership's special responsibility is to **focus on effectiveness issues** to ensure that the organization is doing *the right things*



# Board Products



**This product ...**

- Articles of Incorporation ...
- Bylaws ...
- Policies & Procedures ...
- Motions & Minutes

**... is your agreement with:**

- ... Your state
- ... Your members
- ... Your staff
- ... Your members



# Fiduciary Duties

*Duty of Care*  
*Duty of Loyalty*  
*Duty of Obedience*

You must act in the best interests of the *organization*

**Money**

**Trust**

**Transparency**

## → *Act:*

→ *Reasonably*

→ *Prudently*

→ *In the best interests of the organization*

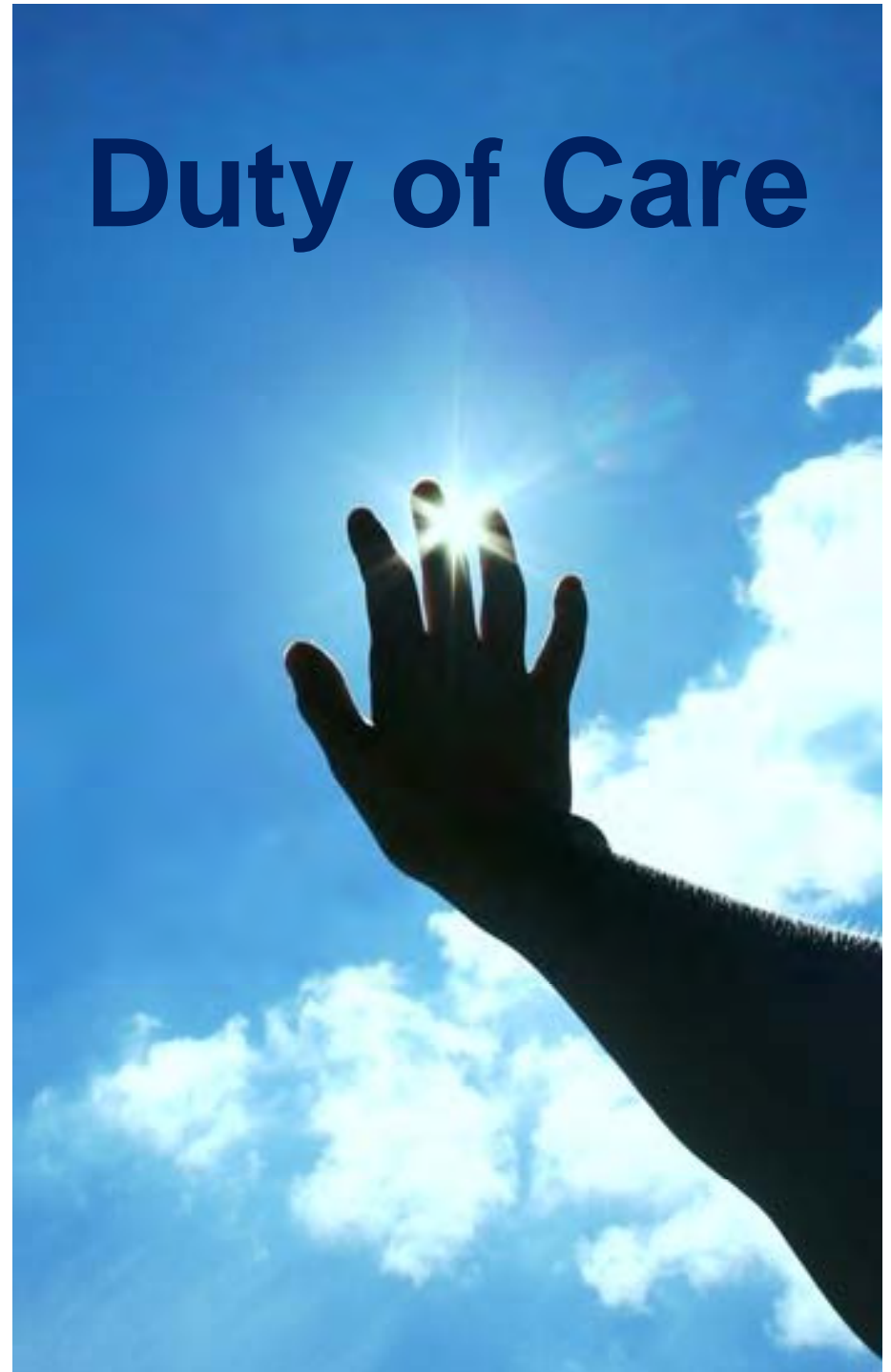
## → *Avoid:*

→ *Negligence*

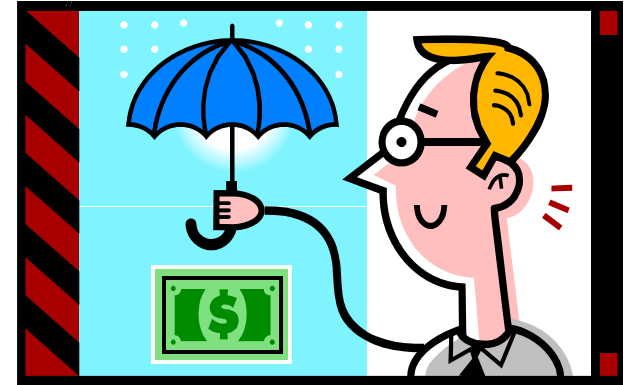
→ *Fraud*

→ *Conflicts of interest*

# Duty of Care

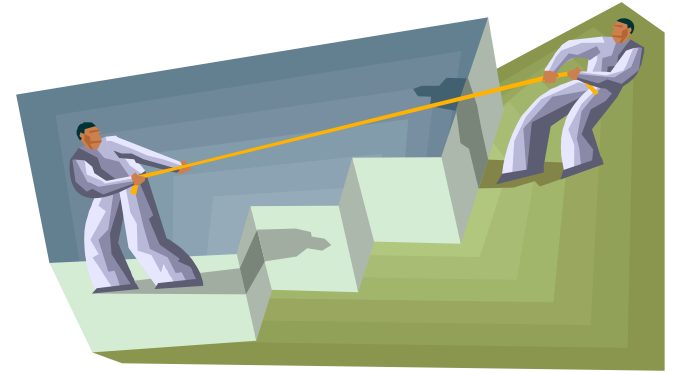


# Duty of Loyalty: Undivided Allegiance



- Put association interests *above personal interests*, including:
  - Outside business
  - Professional, or financial interests
  - Interests arising in other organizations
  - Interests of family members
- Give undivided allegiance to the association when making decisions affecting it

# Duty of Loyalty: Disclose Conflicts



## Officers and directors must ...

- disclose even *potential* conflicts of interest to the board of directors
- recuse themselves from deliberation and voting on matters in which they have personal interests
  - For pervasive and continuing conflicts, resignation from the individual's association leadership post, or from the outside conflicting responsibility may be required

# Duty of Obedience: Obey the Law

- Unswerving allegiance to:
  - Federal Laws
  - Articles of Incorporation
  - State Laws
  - Bylaws
  - Policies and Procedures
- Not negotiable!





# Making Policy

- Boards can only act legally by consensus of a quorum ... only in a duly constituted meeting
- Responsible for the actions of *anyone* to whom authority is delegated
  - “Apparent authority”

# Resources



[www.regionalassociation.org](http://www.regionalassociation.org)

**Regional Leaders / Idea Sharing**

***Building a Knowledge-Based Culture***

Tecker, Eide, Frankel

***John Carver on Board Leadership***

by John Carver, Sir Adrian Cadbury

[www.carvergovernance.com](http://www.carvergovernance.com)

[www.boardsource.org](http://www.boardsource.org)

[www.linkedin.com](http://www.linkedin.com) — see **BoardSource Group**