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CREATING A SUPERB, SELF-MANAGED BOARD

**Laurie Dowling, Senior Consultant; Susan Trapnell, Senior Advisor;
Kathryn R. Martin, Vice President**

Although many factors contribute to the health of cultural organizations, the effectiveness of the Board of Trustees is often the single most important internal determinant of an organization's ability to effectively pursue its mission and serve its community. The nonprofit Board, as a unit, is an organization's ultimate governance authority and thus sets the standard for its culture and ideals. When a Board of Trustees expects a great deal of itself, it sets the tone for everything that impacts organizational health, including problem solving strategies, resource development, strategic thinking, and adherence to mission and vision. Artistic and administrative professionals can be inspired to extraordinary excellence by Board vision, spirit, and responsibility, or they can be reduced to mediocre performance or stagnation by myopia, group think, and lack of accountability. Ultimately, the Board of Trustees holds the cultural institution "in trust" on behalf of its community and is meant to protect the organization's legacy for future generations.

WHY CAN BOARD EXCELLENCE BE SO DIFFICULT TO ACHIEVE?

In every way, the volunteer nonprofit Director has a very complex set of duties. They are asked to:

- Ensure the financial health of the organization while preserving its mission
- Add value to a business with which they have little or no experience
- Represent a myriad of stakeholders with different interests, including artists, audiences, educators, students, business leaders, and donors among others
- Serve the mission with sometimes subjective benchmarks to track progress
- Hire the right leadership
- Give money and uncompensated time to these ends and ask others to do the same

Add to the above that Trustees must also maintain their standing in the community and complex relationships with peers, artistic and executive staff, and it's amazing that anyone is willing to take on these obligations or that Boards are ever effective. Those in the arts and culture sector, however, know differently. Board members make good things happen in a community. They advance arts and culture. They create lasting legacies. They make a difference in people's lives.

When the mission and vision of an organization aligns with an individual Board member's personal values and goals, service on a nonprofit board provides them with an incredible opportunity.

The nonprofit governance structure in which Board members operate is not always an intuitive one or easy to navigate. It looks like a for-profit corporate structure but is usually quite different. A for-profit Board has a primary duty to the shareholders of the company, and the interest of this group is defined by return on investment, usually measured in dollars earned. For-profit Directors are usually hired and compensated for their service, and there are clear parameters about their roles and responsibilities and how their effectiveness is measured. Not-for-profit organizations, on the other hand, are governed by volunteers who have a duty to support and protect the mission of the organization, in support of which "the public" has foregone tax revenues in exchange for public benefit.

There is no firm national standard to set roles and responsibilities and no uniform measure of effectiveness required by statute. The true measures of success in many cases are not quantitative but qualitative. The profit and loss statement, cash flow, and the balance sheet are critical to assessing the viability of an organization, but they provide little guidance in assessing the value added to a community - a key purpose of nonprofit organizations. In other words, nonprofit Boards often have to create their own standards, roles and assessment instruments. This isn't to imply that there aren't extensive tools available to help nonprofit Boards with the tasks of governing. But nonprofit Boards of Trustees, in essence, must manage themselves, and thereby rests the difficulty.

WHAT MAKES A SUPERB BOARD?

Almost without exception, directors on the Boards of arts and culture organizations are individually accomplished, professionally respected, motivated, well intentioned, and highly intelligent. However, it is not an individual trustee that makes the difference between a strong board and an ineffective one. It is the collective effectiveness, commitment, and teamwork of the Board of Trustees as a whole that determines success.

The primary ingredient in a superb Board is disciplined and strategically directed leadership. Such Boards have a Chair who recognizes that she/he must create and inspire Board momentum and who works to ensure that there is a core of dedicated and responsible leaders who also are committed to infusing energy throughout the organization – all in support of its identified mission, core vision, and institutional values.

In most cultural organizations, someone must pull together a disparate and ever-changing group of individuals whose primary compensation is love for the organization into a self-managed group that ensures the financial health of the organization while guiding it toward the next phase of its evolution. In most cases, it is the Board President or Chair who is critical to leading the Board to agreement on how to define success, how to achieve it, and how to measure it once achieved. To succeed in this setting is a challenge that requires equal measures of energy, patience, vision, creativity, astuteness, transparency and enthusiasm.

WHAT CAN WE DO TO GET THERE?

Know Your Organization / Know Your Community

Is your organization unique? Why and how do your programs and services matter to your community? Who is positively impacted? In what ways? How do you know this? Conversations, surveys, and a process to engage the community in public dialog all provide tools to ensure that internal stakeholders understand and can articulate the value of the organization for its stakeholders. This basic step often provides a foundation for consensus and understanding.

Know Your Team

To successfully create the synergy of a superb Board, the Chair needs to know her/his colleagues well, preferably before they even join the Board. Understanding what they value, what motivates them as individuals, what moves and inspires them – both in terms of their life outside the organization and their relationship to it – is key to a successful Board team. In this context, one can best determine what specific role or roles each can best perform as a director. Conversations, board assessment tools, orientation, and team building experiences all provide opportunities to reveal this important information.

Create and Articulate a Sense of Strategic Trajectory

What is your organization looking to accomplish over the short- and long-term and why? We have all seen the effectiveness, enthusiasm, and level of engagement that can come with a targeted initiative. Even if an organization does not currently have a campaign underway, by framing meetings, committee work, roles and responsibilities, etc. in the context of exciting and specific goals and vision – rather than a list of “dry” rules and tactics - Board members and others can feel connected and have a sense of urgency and pride in the organization and its future.

Create a Board Governance Structure and Culture to Support the Trajectory

What is needed from the Board as a whole, and as individuals, to make certain that the organization’s vision is realized? There are a myriad of best-practice constructs that support organizational consensus and can provide proper context for all decisions.

BOARD STRUCTURE AND CULTURE

Several key elements must be in place for a Board to pursue their organization’s vision effectively. Let’s examine the components that leadership must have in place to guide organizations toward success.

Board Committees

Over the years, committee structures may have been created that, in the setting of current vision and goals, may no longer be relevant or effective. Each committee and its members must have a clear connection to a short-term goal that advances the organization and its work. Strong committee work provides Directors with a forum to find individual connection to the organization.

Roles & Responsibilities

Having clearly defined and written expectations of Board leadership and service that are communicated to candidates for Board membership before they are brought aboard is important – not only to ensure overall goals can be achieved, but to ensure that potential board members understand expectations of them and how they will be asked to participate beyond financial contributions.

Nonprofit Board and staff can find themselves at loggerheads because of poorly defined, overlapping parameters of responsibility. The difference between “governance” and “management” must be clearly defined for the Board to function effectively with members. In the early days of many organizations, Board members may fulfill traditional staff roles out of necessity. However as an organization grows and hires professional staff, it must transition from a working board to a true governing board where staff, not Board members, are responsible for day-to-day operations.

The Team

Individual Directors do not accomplish greatness for their organizations by themselves. Not only is there a collective group that comprises the Board with whom they partner, but most nonprofits have both a professional staff and dedicated volunteers who have a big stake in the ultimate success of the organization. Ironically, the Board is usually comprised of accomplished and experienced leaders or professionals from every field except the one for which they are now assuming responsibility, so the collaboration between Board and staff and volunteer leadership is crucial – each has unique knowledge and skills that are required for the delivery of mission.

Most of the work of the Board centers on building relationships and credibility in the community and triggering their support. Belief in the mission, understanding their impact on the community and organization, encouragement from fellow board members and, to some extent, friendly competition, can spur the entire group to reach goals that might otherwise be unattainable.

Communication

The tough economic climate which now faces arts and culture organizations can put enormous stress on the Board. Again, a clearly articulated vision and goals are critical to avoid impulsive decision-making. Strategic decisions such as reductions in expenses or programs, increases in fundraising goals, and focus on maximizing earned revenues can only be navigated through the lens of mission and impact. The best way to ensure that the Board is effective is to maintain regular communication channels with members, staff and stakeholders.

The Board's responsibility is to the community served by the organization. The best boards operate like a huge deep dish antenna – facing out to the community: receiving information from it and transmitting information about the organization to it. How the Board processes what it hears and how the Board transmits what it knows helps determine the reach, scope, vision and potential of the organization.

A Culture of Opportunity

Times of financial uncertainty put pressure on the organization, but they also can offer significant opportunities. Don't be afraid to reassess, reaffirm, look inward, engage the community, and make changes that can strengthen the organization, create new momentum and, perhaps, relevancy. The Board and staff must work together to reach decisions that serve both mission and organizational sustainability.

Agree to Disagree

A challenging flipside of Board collegiality is that it can sometimes be difficult for Directors who disagree to speak up and share their opinions. It is human nature to want to be liked by peers and Board service is no different. The wise Board creates an atmosphere in which opinions can be shared safely and with respect.

Active Self-Assessment

The best Boards measure their own progress regularly, in the context of their vision and goals. Without ongoing Board assessment, strengths go unacknowledged and any weaknesses deriving from the composition of the board will continue to impact the whole organization.

CONCLUSION

The arts and culture industry is indebted to the army of Trustees who give their time, expertise, passion and financial support to help organizations reach their goals and impact the communities they serve. Superb Boards create consensus on a strategic trajectory and determine how each board member can contribute to help achieve organizational goals. Exemplary Boards work to create an environment that brings out the best in themselves and in their artistic and managerial leadership. When a Board is effective at building community support, and the staff is effective at delivering on mission-based promises, the results can be extraordinary.

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IN MEETING TODAY'S GOVERNANCE CHALLENGES
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