

Insight and Ideas for Nonprofit Governance

BOARD MEMBER®

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SUMMER READING	2
AGENTS OF CHANGE	4
STEWARDING YOUR BRAND	6
BRIDGING THE GENERATIONAL GAP	8
DEAR JON	14

Departments

EXECUTIVE'S CORNER 7	ASK OUR CONSULTANTS 12
BOOKMARK 13	A BOARD MEMBER SPEAKS OUT 13

X, Y, and You



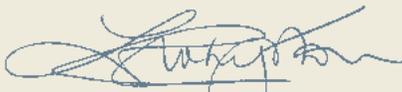
Did you know that the word “blog” is a portmanteau or blend of the term “web log”? For those few who aren’t hooked on reading, commenting on, or even writing blogs, this little tidbit of information goes a long way in explaining what a blog is.

BoardSource has a blog — two, in fact. In “Transformative Governance,” I share my insights on nonprofit board service. Our other blog, “Board Life Matters,” is designed to inspire and engage the next generation in nonprofit board service. Several Generation X and Y members of BoardSource’s staff contribute to this blog as do other Next Gen individuals who serve on nonprofit boards throughout the country.

I visit “Board Life Matters” regularly and encourage you to do the same. All contributors, including those who post comments, offer candid reflections on the benefits and barriers to board service, along with tips and techniques that young individuals need to know (but might be afraid to ask) to get started on the right track as a nonprofit board member.

Before you head over to “Board Life Matters,” however, please read the feature article in this issue of *Board Member*®. “Bridging the Generational Gap” focuses on generational diversity and competence in the boardroom. It explains why your board should be age diverse and how you can get there. It also addresses the challenges that can surface when generations work together and how you can resolve them.

Finally, I invite you to continue this important conversation at the BoardSource Leadership Forum in November. Maya Enista, CEO of Mobilize.org, will be presenting the enticingly titled session, “Is Board Service Service? (Yes, Say the Millennials, and They Want More of It!).”



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Summer Reading

Board Member’s *third annual summer reading list* features *thought-provoking selections recommended by presenters at this November’s BoardSource Leadership Forum.*



Worst Instincts: Cowardice, Conformity, and the ACLU

Wendy Kaminer

Worst Instincts is painful to read! It’s about dissent and the challenges of nonconformity. It’s about an organization that, according to this account, abandoned its core principles. And, it reveals a dark side of human nature — the desire to fit in, even when it overrules what we know to be right in our hearts and minds. Don’t let this stop you from reading this book, however. As they say: No pain, no gain.

Board members often struggle to find the right degree of oversight that does not tilt to intrusion, with what and how much information they should demand from management, and with what to do with that information. Kaminer disturbingly reminds us that facts are often overlooked when

- loyalty to team matters much more than the merits of any dispute
- they’re complicated and voluminous and understanding them takes time and intellectual energy — Why examine the facts when you can take the word of a trusted leader?
- acknowledging them is painful, socially disruptive, or requires actions we’d rather not take
- they’re publicized or confirmed after people have formed opinions and chosen sides

Worst Instincts is a wakeup call not just for boards on autopilot and complacent or complicit board members. It’s for all boards, because the conformity trap is all too easily set and often goes unrecognized.

Recommended by Cathy A. Trower, governance consultant and research director, Harvard University, Graduate School of Education. Trower is presenting “Governance as Innovation: Why Experimentation Is Necessary for Great Governance” at the 2010 BoardSource Leadership Forum.



The Shallows: What the Internet Is Doing to Our Brains

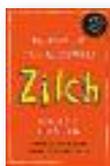
Nicholas Carr

In this thought-provoking new book, Carr explores behavioral and biological change in a world of e-communication. He reminds us that as we habitually skip and skim through reading material, we miss the richness found within longer works. It’s a *Cliff Notes* and *Headline News* world. Yet so much of learning is found in contextual understanding, which is far more difficult — if not impossible — to appreciate while skipping and skimming.

The same is true in the world of governance. Boards adopt strategies (e.g., the consent agenda) for moving adeptly through business items. This is a good practice if it frees up time for the board to address critical issues, such as the nonprofit's risk-taking opportunities, alternate futures, and financial sustainability. I applaud boards that regularly include a board education segment in their agendas and chief executives who bravely include weighty background reading material in board packets.

Focusing on a single issue or challenge helps the board swim past the shallow waters where so much board work takes place and reach the richness in the ocean of contemplative governance.

Recommended by Melanie Lockwood Herman, executive director, Nonprofit Risk Management Center. Herman is presenting "Governing in a New Era: What's the Risk?" and "Top 10 in 2010: Legal Risks Facing Nonprofit Boards" at the 2010 BoardSource Leadership Forum.



Zilch: The Power of Zero in Business
Nancy Lublin

For years, we've been told that nonprofits should learn from the practices of the corporate world. And for all those years, we in the nonprofit world have known better. Now, at last, there is a book offering much-needed lessons the business world can learn from successful nonprofits.

Zilch gives deep insight into the best practices of some of America's most successful nonprofits, including Kiva, Teach For America, The Mozilla Foundation, Idealist.org, and DonorsChoose.org. I've long admired many of these organizations, and Lublin's insight into their successes and setbacks helped me think through the learning that comes with my own work.

Lublin knows about best business practices in both the for-profit and nonprofit fields. As the founder of Dress for Success, she turned it into a powerful global franchise that provides low-income women with interview suits and career development training. Then, as CEO of DoSomething.org, she turned a struggling, debt-ridden nonprofit into one of the largest and most successful youth volunteer groups in the world.

In *Zilch*, Lublin shares insights on how any business can build a powerful brand with less cash, maximize its board,

empower its staff, and apply creative thinking to its culture. Her amazing energy and imagination comes through in every chapter. To put it simply, *Zilch* is a no-nonsense book on how to run a business in the most efficient and pragmatic way. It's an easy and important read for anyone working in the nonprofit sector.

Recommended by Maya Enista, CEO, Mobilize.org. Enista is presenting "Is Board Service Service? (Yes, Say the Millennials, and They Want More of It!)" at the 2010 BoardSource Leadership Forum.

Transformation is more than a buzz word; it is a challenge many board members are grappling with as they guide their boards and organizations into the future. Some know the future requires transformation; others are trying to catch up in a rapidly changing world. Here are three pertinent reads perfect for the beach, a screened-in porch, or a rainy afternoon.



Our Iceberg Is Melting: Changing and Succeeding Under Any Conditions
John Kotter and Holger Rathgeber

This is a memorable fable based on the acclaimed research of Harvard's Kotter. The story of emperor penguins denying, resisting, facing, and delivering change provides practical, proven counsel for boards endeavoring to bring transformation to their organizations.



How the Mighty Fall: And Why Some Companies Never Give In
Jim Collins

Collins gives insight into recognizing and reversing decline. More than hope, the book helps leaders understand and find ways to avoid perilous decline.

"What Makes Great Boards Great: It's Not the Rules, It's the Way People Work Together," Harvard Business Review
Jeffrey Sonnenfeld

This article, based on Sonnenfeld's research, identifies characteristics of a board's culture that are essential to effective governance and can be built over time.

Recommended by Fred Miller, president, Chatham Group, Inc. Miller is presenting "Where the Rubber Meets the Road: Breakthrough Adaptations in the Real Work of the Board and the Lives of Board Members" at the 2010 BoardSource Leadership Forum.



Forces For Good: The Six Practices of High Impact Nonprofits
Leslie R. Crutchfield and Heather McLeod Grant

To read or not to read — that is the question:
Whether 'tis nobler in the mind to suffer
The slings and sorrows of a shameful unawareness
Or to take arms against a sea of foolishness
And by opposing it... To learn, to enlighten —
To be more — and by enlighten to say we end
The ignorance, the thousand natural shocks
That minds are heir to. 'Tis a consummation
Devoutly to be wished. To learn, to enlighten —
To enlighten, perchance to discover
The six practices of high impact nonprofits
To uncover the secrets of success
To think in new ways, ay, there's the rub,
To change the definition of success
From less meaningful metrics resembling
Overhead ratios and, perchance to dream
Of how and why organizations have the most impact.
They say, great social sector organizations do six things:

- Advocate to government and serve
- Work with business
- Engage individuals
- Collaborate with other nonprofits
- Master the art of adaptation and
- Share leadership.

We have not the time for incremental change —
We need dramatic change to solve what plagues us today.
Read you now thy fair leader
Forces for Good
And by all your actions — and impact —
Be remembered.
With apologies to William Shakespeare

Recommended by Michael G. Daigneault, BoardSource senior governance consultant. Daigneault is facilitating "Chief Executives: Helping Your Board 'Get It' and 'Be It'" at the 2010 BoardSource Leadership Forum.

Agents of Change



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Are your board's vital signs flat-lining? Perhaps a massive transfusion of new blood is in order.

Today's nonprofits are sophisticated, layered, and complex organizations. To survive and thrive in the current economy, each and every one of them requires a board that is mission and vision driven and functions well. But what if it doesn't and the organization is at risk? What can and should be done then?

One of the advantages of a network such as the UJA-Federation of New York is the relationship we have with our agencies and their leadership. When a network agency appears to lack an active, policy- and goal-directed board, UJA-Federation is well positioned to offer assistance in recruiting new board members, as we view membership on a local agency board as a powerful form of donor engagement. Often, the need for revitalization surfaces through the federation's review and oversight process. Usually, the agency and its board have been independently trying, sometimes for years, to identify new board members, and they recognize and welcome the federation's support.

Over the past decade, UJA-Federation of New York has employed a unique "cluster placement" model to help agency boards in need of an infusion of leadership. We bring together a group of potential board members — varying from five to 10 people depending on the situation and size of the board — that is voted onto the

board at the same time and oriented together. The board members must, of course, bring skills desired and needed by the board to the table.

A novel but simple approach

The concept of a cluster placement is novel but simple. Typically, when single individuals join a board, they become part of the existing board culture. They usually receive an orientation and are told how things work. With fresh eyes, they may see untapped opportunities or potential pitfalls, but, being the lone new member, feel as if they are swimming upstream against a strong current. If not listened to, or even ignored, such new members often resign in frustration or stay on the board and adapt to the existing culture. Neither of these outcomes promotes the necessary evolution of the board.

In our experience, if you add a group of new board members at the same time and in the right way, the shift in dynamics can result in dramatic change. In every agency board that the federation has helped implement a cluster placement, most of the existing membership had been in place for a long time with no term limits. And typically, these boards did not consider fundraising a board responsibility. These conditions were a recipe for trouble.

To form a cluster, UJA-Federation professionals with expertise in leadership development and organizational capacity-building recruit a diverse group of smart

individuals who have governance experience, are seeking board involvement, and are ready to roll up their sleeves and do something meaningful. Recruitment techniques cannot just depend on personal referrals from existing board members. A good prospecting team is strategic. At UJA-Federation, we actively prospect for cluster team members from our own donor base. There, we find talented, philanthropic, mission-aligned leaders who are intrigued by the capacity to serve as agents of change.

It is critical to the cluster's success that the members receive an orientation on nonprofit board governance as a group. They should have an opportunity to discuss what it means to be a part of a vision/mission-driven organization, how the group can actively engage in strategically directed change without being viewed as a juggernaut, and how to serve as agents of change. It also is important that they be processed through the agency board's regular and appropriate nominating and voting mechanism. This gives all members, as well as the process, legitimacy. The UJA-Federation also involves the agency's chief executive in the orientation training so he or she can begin to view the lay-professional partnership in a different manner than he or she did with the board that had been allowed to stagnate.

Specifics vary case by case

In the last 10 years, using different variations of cluster placements, UJA-

Federation has aided in the reinvention of a number of New York agencies. The specifics of a particular cluster placement are largely dependent on the exact situation, including the condition of the sitting board and the fiscal health of the institution.

In one case, the agency was in serious fiscal condition with a board dominated by members who could not separate their history and personal needs from the changing needs of the community that the agency served. Ultimately, the changing demography, demand for services, financial realities, and influence of a visionary new chief executive forced the resignation of the existing board. An interim board, comprising people recruited from UJA-Federation lay leadership as well as prominent community members, took the helm. Working hand-in-hand with the chief executive, the board

began to stabilize the agency's finances, encourage community-friendly programming, and identify additional people to serve as standing board members. Today, the organization has a stable, forward-thinking board in place that serves as a partner to the chief executive, a building bursting with successful programs, and a renewed visibility and strength in the community.

In another case, a dynamic interim board was put into place to evaluate the viability of a community-based agency struggling to rebuild its standing in the community, regain its status as a vibrant service provider, and remain an independent, free-standing organization. After evaluation of numerous possibilities, this transitional cluster group concluded that the best solution would be for the agency to enter into a management agreement with a stronger, mission-

aligned network organization. This cluster group was disbanded once the agreement was signed, though several members of the cluster group were invited to join the board of the new lead agency. The interim board did its job and made the wisest choice, even if it might not have been the most popular.

A third example of a cluster placement saw a group of seasoned leaders come together to serve as an advisory group to a new board president of an active, community-based agency with a board in need of revitalization. For a period of months, this team of local leaders focused their efforts on supporting the new board president, examining issues surrounding board leadership and recruitment, marketing/branding, capital needs, and professional infrastructure. By the conclusion of the consultation, a full board prospecting effort was underway, and many of the members of the transition team were so highly invested in the process that they agreed to serve on the board. As of the writing of this article, UJA-Federation anticipates that this cluster placement will result in the strategic recruitment of up to 10 new board members, bringing new life to a longstanding, tired board.

Placement is just the beginning

UJA-Federation of New York wants our network to comprise agencies of excellence, agencies that add value and advance our vision for building a caring, inspired community. Strong leadership is the foundation from which great organizations grow, survive, and thrive. We therefore work closely with boards, knowing that a board's composition is pivotal to its ability to think strategically and lead. The placement of a cluster of new board members is just the beginning of an agency's journey to reinvent itself and to once again become an outstanding vision/mission-driven institution.

RESOURCE:

Governance Committee by Berit M. Lakey, Sandra R. Hughes, and Outi Flynn. BoardSource, 2004.



Stewarding Your Brand



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With increasing competition among nonprofits comes a new board responsibility: brand management.

If you have heard of the Red Cross, then you know the power of a strong brand — instant recognition and strong fundraising appeal. But powerful brands don't just happen, they need to be nurtured. And boards can play an important role in building their nonprofit's brand so that it engenders trust, inspires donations, and can be leveraged for corporate sponsorships.

What is a brand?

Your organization's brand is its reputation — it's how people perceive your effectiveness in achieving the mission. Your brand effectiveness depends on how well you articulate your message, convey it to your audience, and deliver on your promise. Organizations with strong brands — such as the American Cancer Society and the Make-a-Wish Foundation — have focused missions, reach their audiences effectively through their marketing, and inspire trust through their services.

Even small organizations can manage their brand to inspire confidence by organizing their values and crafting their stories in a compelling manner. While branding agencies are often called in to assist with this process, which can result in an updated logo, Web site, newsletter, or other outreach materials, boards play an integral role.

Board responsibilities

There are four ways that boards can help manage their nonprofit's brand. I call them the "Four Ps."

1. **Produce:** Define the organization's values, message, and look.
2. **Project:** Get the word out about the organization.
3. **Protect:** Ensure consistency and protect against infringement.
4. **Parlay:** Leverage the nonprofit's goodwill into corporate sponsorships.

1. Producing your brand

In order to cut through the media clutter, your nonprofit needs to be distinct. Whether you are a new nonprofit looking to establish credibility or a mature organization seeking to remain relevant, the board is often instrumental in initiating the need to address branding.

Boards that participate in shaping their nonprofit's brand have a better understanding of their organization and are more invested in advocating for it. Therefore, the board should be involved throughout the brand development process, which is often conducted by a branding agency or consultants. I recommend that at least one member of the board serve on a marketing or branding task force that

oversees the process.

The board also might be involved in branding discussions about your organization's value, vision, and philosophy, as well as provide input into the logo, tagline, and key marketing materials. This process requires a delicate balance of providing strategic input while not micromanaging the details.

For example, in updating the brand for Friends of Karen, a \$3 million nonprofit that helps families of children who have cancer, the board was involved in three ways:

- Some board members were interviewed as part of the discovery process to get a full picture of the organization.
- The full board participated in a discussion of brand values, logo, and Web site. This discussion helped everyone see the need to move the organization forward and the rationale for doing so. It also gave the board a stake in the updated logo and Web site.
- After rounds of refinement with the organization's marketing team, the board reviewed and approved the final designs.



Your board's role in this process will vary according to the life-cycle stage of your nonprofit. Boards of new nonprofits can be particularly helpful in ensuring that the organization's brand reflects a well-articulated message and not just the passions of the founder. The boards of more mature organizations have a pulse on the sector and can make sure their nonprofit is leading the way, or at least keeping pace, with donor expectations. In organizations facing major challenges, boards will take a more active role in shaping the brand, typically through a strategic planning process that addresses operational issues.

2. Projecting your brand

Once the brand has been established, it needs to be projected to the world to create brand awareness. Board members are the key "brand ambassadors" who can speak effectively about the organization, getting the word out to donors, the business community, and the media.

A successful branding process will empower board members to speak clearly about your nonprofit by providing them with an "elevator speech" and specific language to use when talking about the organization or presentations to use with donors. Tools, such as brochures, newsletters, and social media, aren't just for staff use either. Board members can take an active role in communicating their nonprofit's brand to key audiences by disseminating brochures to business associations, lining up presentations with corporations, and participating in social media channels, such as their organization's Facebook page.

3. Protecting your brand

The board's third major role as brand steward is to protect your organization's brand from internal or external threats.

Even a well-crafted tagline, logo, and Web site can lose its potency if it is not used consistently, squandering your organization's opportunity to establish a positive reputation. A brand manual will help keep your organization on track by specifying

guidelines regarding message and values, logo, colors, and typefaces, as well as guidelines for language and social media.

All board members should have a copy of the organization's brand manual and should be familiar with it so that everyone tells a consistent story. This is important because consistency builds brand recognition, which leads to increased fundraising, engagement, and partnerships.

The board also must ensure that the organization's brand is not being infringed on by other organizations. Just as you avoided a name or logo that sounded like or looked like that of another business or nonprofit so, too, should you make sure no one else takes a bite out of your brand. Only when the board fully understands the brand can it recognize when it becomes compromised and act to protect it.

4. Parlaying your brand

Once you have built a strong brand with a positive reputation and goodwill (often called "brand equity"), you can attract corporate partnerships that bring additional resources or visibility.

It is the board's role to ensure that relationships are made with partners whose missions are aligned with the organization's values. The wrong relationship can undermine your brand and cost you support. For example, if your mission is providing for the well-being of children, you will want to partner with companies that value the nurturing of children's creativity rather than exploit them as consumers.

Smart boards recognize that their nonprofit's greatest asset is its reputation and will act to build it, enhance it, and protect it for the long-term success of the organization.

RESOURCES:

The Nonprofit Brand Institute.
www.npbrandit.com

Generating Buzz: Strategic Communications for Nonprofit Boards by Sally J. Patterson.
BoardSource, 2006.

Executive's CORNER



KAREN SCHROCK
President and CEO
Adult Well-Being
Services
Detroit, MI

Is your board accredited? I'm proud to say that the Adult Well-Being Services board is.

A 57-year-old nonprofit, Adult Well-Being Services has embraced a strategic approach to its work for the past 20 years. While the board felt effective when it helped develop the current strategic plan, it committed to excellence by including a goal to "Demonstrate Exceptional Board Governance."

As the organization prepared for its 2009 accreditation by the Commission on Accreditation of Rehabilitation Facilities (CARF), the board found a way to meet its goal. A few years ago, CARF developed a set of standards around governance. The board decided to conduct an objective review of its policies, procedures, and practices against this set of national standards.

Executive staff did a preliminary assessment of the board's compliance with the standards, indicating areas in need of improvement, if any. The board then reviewed and referred the recommendations to various board committees for further review and implementation.

One of the practices required for accreditation was an annual review of all governance policies. While the board had previously reviewed its policies periodically, it committed to reviewing them, as well the organization's bylaws, on an annual basis. This has now become part of the Leadership Development and Governance Committee's annual work plan.

After applying the CARF standards to all of its policies, procedures, and practices, the board sailed through the accreditation process. It was invigorating and inspiring, and the board is now committed to ensuring an annual review of compliance with the standards.

Bridging the *Generational* Gap





EMILY HEARD
Senior Staff Consultant
BoardSource
Washington, DC

Where does your board stand regarding generational diversity and competence? Where would you like to be? And how are you going to get there?

What has been a major experience in your life? World War II, the Cold War, man setting foot on the moon, MTV, or reality TV?

What motivates you? Stability and security; recognition, respect, and success; options and flexibility; or impactful work?

Your answers to these questions hint at which generation you belong to — the Greatest Generation (b. 1901–1924), the Silent Generation (b. 1925–1945), the Baby Boom generation (b. 1946–1962), Generation X (b. 1963–1980), or Generation Y/Millennials (b. 1981–2002).

Now, does your board have members from all or several of these groups? Generational diversity can benefit your board, your organization, and, ultimately, your mission. And while working in collaboration with people of many ages can be challenging at times, there are ways to be “generationally competent” in both board building and board work.

Why boards should be generationally diverse

Given the recent troubled economic times, it has become increasingly clear that the future for nonprofits will be very different than once expected. As nonprofits navigate the “new future,” they will need new donors and circles of influence, creative solutions to their challenges, and new approaches to carrying out their missions to remain relevant and effective.



DAVID STYERS
Senior Governance
Consultant
BoardSource
Washington, DC

Having a mix of perspectives, skills, backgrounds, and resources increases the board’s ability to approach issues or problems from a variety of directions, to probe assumptions, and to generate fresh, innovative ideas. Differing voices play an important role in increasing understanding of constituent and community needs and advancing an organization’s mission.

Each generation brings unique perspectives and talents to the boardroom. For example, members of the Silent Generation and Baby Boomers benefit boards because they have built up contacts and connections, professional and personal experiences, and, often, resources that they can contribute. Members of Generations X and Y have access to new networks and donors as well as fresh takes on old problems. A mix of generations increases the board’s ability to chart its organization’s future in these turbulent times.

Why boards aren’t generationally diverse

So, if generational diversity is important, why don’t more boards have members from all generations? And specifically, why aren’t more members of Generations X and Y on boards? According to the *BoardSource Nonprofit Governance Index*, in 2007, only 2 percent of board members were under the age of 30, whereas 62 percent were over the age of 50. (Approximately, a quarter of the U.S. population is over the age of 50.)

We know anecdotally that board members tend to recruit others like themselves, which contributes to a lack of age diversity on boards. Also, in some cases, members of Generations X and Y are not recruited

BOARD FELLOWS’ PERSPECTIVES ON BOARD SERVICE

Many MBA programs are encouraging students to participate in board fellowship programs with nonprofit boards. Here are some perspectives from students who have participated in such programs:

- * Strong sense that young leaders have to work hard to “sell their skills.”
- * Strong desire to make an impact but found it hard to do.
- * It takes a long time to get anything done.
- * It is hard to feel connected to an organization with just quarterly board meetings.

to serve on boards because there is skepticism about the need to have them, misconceptions about commitment, or uncertainty about where to find younger members. Some organizations also prefer to have a “C-Suite” or corporate officer type on the board and assume that younger people don’t have contacts with resources.

In *Next Generation and Governance Report on Findings*, a BoardSource report based on interviews with 50 nonprofit chief executives and senior staff leaders, many of those interviewed suggested that those currently serving on boards “need to adopt a more positive outlook toward younger leaders.” They encouraged board members to “view Generations X and Y as leaders today.”

On the other hand, members of Generations X and Y are sometimes hesitant to seek board service opportunities because they don’t think they are qualified and perceive boards as inaccessible. They also may be unaware of the impact of board service, don’t know how to join a board, and are uncertain about whether board service is a good use of their time.

NEXT GENERATION AND FUNDRAISING

A common misconception is that Generations X and Y do not fundraise and do not have financial resources to contribute. In 2008, BoardSource interviewed 50 nonprofit chief executives and senior staff to discover if, why, and how they engage Generations X and Y in governance; the resulting report contained some interesting comments regarding fundraising.

- * Younger generations often are not burdened by the task of asking for money – particularly if the ask can be made online. “Younger generations are very willing to get involved in fundraising, and they’re not nearly as burned out because they haven’t been doing it for years,” said Connie Williams of PENCIL Foundation. “They see it as an opportunity to expand their social network and are enthusiastic to build support for a cause they support. Their enthusiasm is the key.”
- * Younger generations can raise awareness of an organization’s mission through technological vehicles, such as blogs, Facebook, Twitter, and other forms of social networking. The result is donor bases that go beyond the corporate or foundation world.
- * Giving does not have to be an issue for young board members if the board does not expect a set dollar amount. Leadership Tomorrow expects each board member to give at a level that is significant to him or her. This approach helps level the playing field for all members and alleviates any resentment among givers.

Building a generationally diverse board

Therefore, boards committed to becoming generationally diverse must be intentional in their board building and in addressing the challenges that often surface when working across generations. They must have generational competence.

To build a generationally diverse board, BoardSource suggests you follow a board-building cycle.

The first step is to *identify your needs*. Many boards already use a board matrix to do this. The board matrix helps a board chart various characteristics, skills, and talents that currently exist within its membership, while also identifying gaps. Add generation as one of the many factors to consider when focusing on board development.

Steps two and three: *cultivate* and *recruit*. Look to various sources for prospective younger members and then keep these pipelines open. Many local United Ways and community foundations have emerging leaders programs. Universities with MBA, nonprofit management, and other

graduate programs increasingly have board fellow programs, which provide students with the opportunity to work with a board on a project or on a limited basis. Many chapters of Net Impact, a membership organization of current and emerging leaders in corporate social responsibility, social entrepreneurship, nonprofit management, international development, and environmental sustainability, also have board fellow programs. Leadership programs, such as Teach for America and Public Allies, promote board service to their alumni, and Young Nonprofit Professionals Network groups are also a good source for Generation X and Y leaders.

Your board should learn what motivates each generation and then tailor your recruitment pitch to each. For example, members of Generation Y generally prefer to have an immediate impact and work with smart, creative people.

You also may want to consider inviting prospective board members to first serve on a task force or committee. This way, you can determine if they have what it takes to be effective board members.

Regardless of age, however, all board members need to be committed to the organization before seeking or accepting a board position. James Cleveland, president of Jumpstart, indicates that his organization seeks answers to three key questions during the cultivation and recruitment phase:

1. “Can this person be of value to us, and do his or her interests align with our needs?”
2. “Is this person good with organizations at inflection points and getting them to the next level of giving? When you look at your board, you have to look at donor fatigue and stagnation of advice and answers to questions.”
3. “Will this person contribute to discussions? When the same people talk at board meetings, it signals a lack of diversity on the board and cues the board to watch out for insular meetings.”

Additional steps are to *orient*, *involve*, and *rotate*. It’s important to orient all members the same way so everyone has the same information about board service and your organization. New members, regardless of generation, also may benefit from having a board mentor. And don’t forget to implement term limits or another mechanism for rotation to ensure ongoing room for diversity.

Finally, it is important to avoid tokenism. No board member wants to fill a quota, be expected to represent an entire subsection of the population, or feel isolated. Organizations are more successful integrating new voices when the new group equals 30 percent of the total — or, at a minimum, three people.

Becoming generationally competent in board work

As with all types of diversity, you should expect challenges to surface when working across generations in the boardroom.

To build generational competence, board members will need to work on building trust and respect for each other. It may be helpful for existing board members to remember what it

was like when they joined the board. They wished to be welcomed.

“The more experience we have, the more we tend to neglect younger people’s perspectives and experience,” notes Ben Nemenoff of American Humanics. “The ability to revert is key. I try to put myself in the shoes of a 22-year-old and ask: What was my thinking like at that age? Do I need to act differently? Does the culture of our board appeal to them? It gives some grounding as to how to respond.”

It’s also important to view all members as assets rather than as threats; all new members want and deserve the same. However, as noted in the *Next Generation and Governance Report on Findings*:

“Chief executives tell us that their older board members often view their younger counterparts as threats to traditional ways of operating. For instance, when a Generation X or Y board member presents a new idea or raises a question that challenges a current approach, some older board members respond by saying ‘We’ve always done it like this.’ Chief executives tell us their boards need to develop a willingness to think positively about both the presence and intentions of younger members in order to work well with them.”

Members of Generations X and Y, on the other hand, need to keep in mind that Baby Boomers do not identify as “seniors.” As noted by David E. Ratcliffe of the Merrill Lynch Center for Philanthropy and Nonprofit Management in the October 15, 2009, issue of the *Nonprofit Times Weekly*, Baby Boomers are not “over the hill; they move the hill.”

Here are some helpful hints to use when working across generations.

- Language is important. Refrain from using terms that can be condescending, such as “youngster” or “over the hill.”
- Challenge all members with meaningful, interesting work.

- Use time wisely. It is a valuable resource to all board members, and a work-life balance is of particular importance to Generations X and Y. Use of consent agendas can help.
- Make meetings matter. Make time for strategic issues, not just reporting. Schedule meetings for times that are convenient for all members. Listen to everyone, and give everyone an opportunity to participate.
- Focus on impact and outcomes.
- Determine how technology can aid the work of the board. Consider online board books and e-mail between meetings. Balance the needs of tech savvy and non-techie board members.
- Set policies, such as turning off cell phones during meetings.

Where does your board stand regarding generational diversity and competence? Where would you like to

be? And how are you going to get there? Some boards may need to amend their bylaws, structure, recruitment practices, orientation, and meeting agendas. Others may need to amend behaviors, biases, and prejudices embedded in their cultures. Bridging generational differences takes time and commitment, but those boards that build those bridges will be better positioned to thrive in today’s changing environment.

Editor’s note: BoardSource offers generational competence training for boards. For further information, contact us via e-mail (consulting@boardsource.org) or call 877-892-6293.

RESOURCES:

Generations: The Challenge of a Lifetime for Your Nonprofit by Peter C. Brinckerhoff. Fieldstone Alliance, 2007.

The Board Building Cycle: Nine Steps to Finding, Recruiting, and Engaging Nonprofit Board Members, Second Edition, by Berit M. Lakey. BoardSource, 2007.



Q Our members elect our board members. How can we help these board members focus on the organization's needs, not local needs?

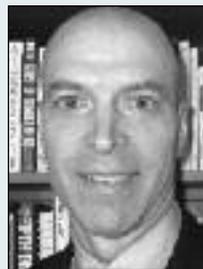
A It is usually misunderstanding that gets us into this situation, and better awareness of the nonprofit board members' legal duties can get us out.

The misunderstanding stems from the fact that in membership organizations, a board member is often elected by a particular geographic area, constituency, or interest group. It therefore seems natural to assume that these board members should "represent" the views of the group that elected them. However, when elected to the board, a board member's duty is to strategically serve the best interests of the organization as a whole, not represent a specific segment of the constituency.

The remedy to the misunderstanding is better awareness of the nonprofit board members' legal duties and responsibilities or "3 Ds."

- **Duty of Care** describes the level of competence that is expected of a board member, and is commonly expressed as the duty of "care that an ordinarily prudent person would exercise in a like position and under similar circumstances."
- **Duty of Loyalty** is a standard of faithfulness; a board member must give undivided allegiance when making decisions affecting the organization.
- **Duty of Obedience** requires board members to comply with applicable laws, adhere to the organization's bylaws, and be faithful to the organization's mission. They are not permitted to act in a way that is inconsistent with the central goals of the organization.

A best practice that I have seen used in member-elected boards is to explicitly communicate these duties to board nominees before the election. That way, nominees go into the election with a clearer understanding of the expectations. Then include a robust discussion of the duties and responsibilities of a board member in the orientation.



JIM SCHWARZ
BoardSource Senior
Governance Consultant

An example may be useful to illustrate this situation. A national organization gave free training materials to local chapters. Chapters sold these materials, generating income for the chapter. Unfortunately, many members who purchased the materials no longer felt it was necessary to attend national trainings. As a result, the national organization experienced a loss in income. During the recent economic downturn, the national organization looked at the cost of the materials and resulting lost revenue. The CFO then recommended that the national organization stop giving chapters the free materials. Many national board members had been officers of local chapters and knew that the income generated by these materials was important to the local chapters. A healthy discussion ensued that weighed the needs of the local chapters against the financial sustainability of the national organization. The board decided its first obligation was to the national organization and therefore stopped providing the free training materials. The members also agreed that when financial times got better, they would consider reinstating the practice.

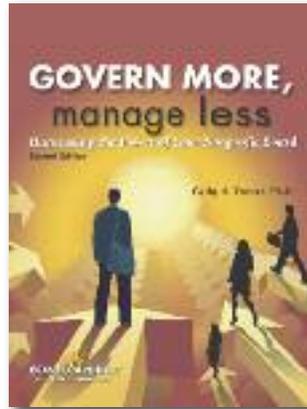
RESOURCES:

Legal Responsibilities of Nonprofit Boards, Second Edition, by Bruce R. Hopkins. BoardSource, 2009.

The Law of Tax-Exempt Organizations, Eighth Edition, by Bruce R. Hopkins. John Wiley & Sons, Inc., 2003.

The responses to the "Ask Our Consultants" questions are based on our consultants' experience working with nonprofit boards throughout the country. If you would like to improve your board's effectiveness, please consider contacting BoardSource's consulting team for assistance via e-mail (consulting@boardsource.org) or call 877-892-6293.

Govern More, Manage Less



Why do so many boards instinctively gravitate toward day-to-day operations and short-term management? Sometimes, it is due to chief executive issues.

- **The chief executive invites the board to manage** because the issues he or she brings to the table are already pretty well downstream. They have already been well considered and are presented to the board only for approval, not discussion.
- **The chief executive is not forthcoming with information the board needs**, forcing the board to demand detailed reports in order to raise relevant questions and make well-informed decisions. Boards must exercise restraint in requests for information and data and be able to distinguish between what they want versus what they really need.
- **The chief executive's actions lead to this behavior.** These actions may include the inability to manage the organization, to engage the board in strategic thinking, indecisiveness, or lack of urgency.

A board is too involved in management issues if it is

- approving the choice of vendors, office equipment, or software
- participating in staff hiring and defining job descriptions other than the chief executive's
- approving individual staff salaries

Here are a few criteria for deciding if your board may be overstepping:

- Would you engage in this level of detail on a corporate board?
- Is the issue manifestly related to policy and strategy?
- Are you a disinterested party or motivated by personal concerns?
- Is this an issue of execution or does it raise matters of values?

Concentrating the board's attention on governance requires that the organization act deliberately to counterbalance board members' tendency to drift into management. The best way a chief executive can prevent micromanagement is to relentlessly place before the board issues of true consequence and significance. Put a whale in the pool, and it will be darned hard to focus on the paramecia. If the chief executive is the issue, the board will need to provide him or her with insight on how to regroup or correct the problems. In a productive partnership, the chief executive uses the board as a sounding board. The two formulate strategic decisions together while leaving the details of implementation to the appropriate individuals.

Adapted from Govern More, Manage Less: Harnessing the Power of Your Nonprofit Board, Second Edition, by Cathy A. Trower, Ph.D. BoardSource, 2010.

A Board Member

SPEAKS OUT



TRACY BENNETT
Former Board Chair
The Forest Ridge School
of the Sacred Heart
Bellevue, WA

Chairing a board can be a taxing responsibility. Add a capital campaign to the mix, and the job can quickly become overwhelming. I know, having taken the helm of a board in the home stretch of a \$13m campaign. What is the biggest challenge? Adding hours to the day so that your "volunteer" gig doesn't take over your day job. Short of that, you'll have to limit your time and make sure it is used wisely.

First, delegate. Sending the board chair on every call to make a compelling case is ideal — but impossible. Engage your board members in making solicitations. Not only does it ensure that you aren't overcommitted, it gives your members valuable experience and increases their investment in the organization.

Second, ask questions. Is this donor really ready to be asked for a gift? Has he or she shown serious interest in the campaign? All too often, a meeting intended to be "the ask" turns out to be a cultivation effort — requiring yet another meeting to follow up.

Third, prioritize. As board chair, you will get pulled in all directions and consider it your responsibility to do it all — campaign calls, finance meetings, construction site visits. Remember that the role of the board is to be strategic, and it starts with you. Focus your energy on the big picture.

Lastly, have fun. While a campaign can be exhausting, knowing that you are impacting your organization's future is immensely rewarding. Don't forget to pat yourself — and your fellow board members — on the back and celebrate your hard work.

Dear Jon

A few hours ago, Jonathan Cruzue, the board chair of Victory Through Volunteering (VTV), received a troubling e-mail from one of VTV's board members, Gwendolyn Budrille. Though relatively new to the board, Gwen was a passionate go-getter with potential to become one of the board's most valuable members.

Hello Jon,

As I prepare for my fifth board or committee meeting this month, I have

been doing some serious thinking about my ability to serve Victory Through Volunteering at such a crucial time in its history.

I love the organization but worry that I'm not having much of an impact in my role as a board member. Due to demands on my time, I have difficulty following through with commitments. For example, despite my many efforts, I can't seem to schedule regular development committee meetings. And to be frank, even if I could, I'm not sure what I'm supposed to be

doing as its chair. I'm not financially well off or well connected to people who are.

In addition to serving VTV, I'm president of my home owners' association and on the board of my youngest child's preschool. I know I can handle one VTV board meeting a month, but when I add in finance and development committee meetings, I reach my breaking point.

Of all the boards I belong to, yours is the one I was most looking forward to joining. I believe in VTV and knew I would learn more serving on your board than I would on any other. This is still the case, but I feel as if I'm letting everyone down and not able to do the best job I can, which kills me.

I've therefore decided that I should step down from the board. I would, however, like to offer my services in any other way you see fit — serving on the silent auction committee, helping out with special events, or just basically volunteering.

I can't tell you how honored I've been to serve on the board and hope you can understand why I feel I must now resign my position.

Thank you,

Gwendolyn Budrille

Jonathan hates to lose Gwen as a board member and is wondering what he and the board could have done or might do now to prevent her resignation.

RESOURCES:

"What Makes An Exceptional Board Member." www.boardsource.org/spotlight.asp?ID=116.372

"Ways to Thank Nonprofit Volunteers and Board" by Molly Schar. http://volunteer-management.suite101.com/article.cfm/ways_to_thank_nonprofit_volunteers_and_board





SHARON BASS
Executive Director
Volunteer Center
Lubbock, TX

When I shared this case study with a group of nonprofit board chairs and chief executives, I saw knowing nods of heads around the room. Thrilled by the potential of promising new board members, we often overwhelm them from the beginning. Our passion for our work leads us to dream of getting Gwendolyns who will increase our impact — particularly in fundraising — as they “open doors” and create new funding partners.

In our excitement, we often forget to

- explore expectations with prospective board members
- orient new members so that they connect the dots — who we are, what we do, why we do it, and why it matters
- discover how the organization’s mission and a member’s personal mission mesh
- develop “best fit” for what the organization needs and the member can provide

Jonathan needs to pick up the phone and initiate a “Let’s talk!” conversation. As one of my local board chairs related, “It seems you always have time to do it right the second time around.” Let Gwen know how valued she is and welcome her ideas for engagement. Even though new board members may be willing to have strong, active roles, they should not be expected to immediately chair a committee, as Gwen does. Through dialogue, Jonathan and Gwen can build on her passion for VTV and define her role.

VTV has the impetus to create a stronger board development process. BoardSource’s book on the board

building cycle is a strong tool in reminding organizations that getting productive, engaged members is more than making a phone call and filling a chair.



DORINDA ROLLE
Partner
Transition Management
Solutions, LLC
San Antonio, TX

Because Jonathan has stated that Gwen has the “potential to become one of the board’s most valuable members,” he should not let her go easily. I suggest he reexamine the reasons why she was recruited to join the board. What talent or resources did she bring and what did the board hope she would do with that talent?

As a relatively new board member, Gwen is clearly overloaded. No board member should be expected to attend five meetings in one month for the same organization. Because Gwen has offered to continue her services in a different capacity, Jonathan should ask her under what conditions she could continue as a board member.

Would eliminating some of her committee work do the trick? Most board members are expected to serve on at least one committee, and Gwen did state that she could handle one VTV meeting per month. Because she does not feel confident as chair of the development committee, perhaps she could step down as chair but remain on that committee and simply resign from the finance committee. Or perhaps there is a committee that Gwen could join that does not meet monthly, which would allow her to fulfill her committee obligation.

Any board member who states, “I love the organization, but worry I’m not having much of an impact” is a board member I would fight to keep. Jonathan should do the same.



TINA PFAUL GONZALES
Board Member
Hispanic Chamber of
Commerce of Minnesota
Minneapolis, MN

Jonathan needs to have a face-to-face conversation with Gwen as soon as possible to talk through her concerns and see if her resignation can be avoided. What were her expectations going in and how did they end up so misaligned? She obviously feels passionate about the organization’s cause, but was it clear what skills she brings to the board and how they would be utilized?

On average, most boards expect six to nine hours per month (including the board meeting and one committee meeting), but five meetings in one month seems excessive. Does VTV have too many committees? Is the board practicing good governance or micromangement?

If Gwen can’t be saved, how can VTV do better next time? The exercise of developing or reviewing the board member job description is a great way for more seasoned members to reflect on their duties and realistically adjust expectations. Is everyone expected to serve on more than one committee? There may be someone better suited than Gwen to chair the development committee.

Another helpful way to ensure smooth transitions for new board members is a mentor program where new board members are paired with more experienced board members. A mentor can help someone like Gwen acclimate to the group and not feel overwhelmed. Through clearly communicating expectations up front and mentoring, we can ignite the passion of an incoming board member, not snuff it out.

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