

Transitioning Boards

Transitions Unlimited – *Solutions for nonprofit businesses*
KC Henry
www.TransitionsUnlimited.net

Stages of Nonprofit Organizational Development

- 1) **Heart:**
- 2) **Growth:**
- 3) **Established - Responsive:**
- 4) **Turn-a-rounds:**

1) **Heart:**

- Founders often still heavily involved
- Board - Strong individual motivation and hands-on in operational management
- Leans heavily on volunteers and the staff wears many hats
- Often found putting out fires, or being reactive to organizational challenges
- The board often reflect a group networked from a smaller community
- Policies and procedures may not be documented in detail
- Fundraising is frequently dependent on a narrow number of non-diverse sources
- Often special events are thought of as “friend raisers” and are not focused on for hefty fundraising potential
- Office resources and administrative help are limited
- Programs may serve a small number of constituents with limited resources
- New programs develop according to the interests and abilities of staff/volunteers
- Media and marketing coverage and database growth occurs inconsistently, often motivated by volunteer efforts or through special event outreach

2) **Growth:**

- These programs are working at developing formal evaluation of staff, program and board
- Staff positions are starting to reflect a division of responsibilities and salaries are becoming more competitive
- Policy and procedures are defined
- Budgets are developed well in advance of the fiscal year, with a focus on strategy planning
- The board is becoming more diverse, seeking professionals as well as members who represent the service consumer
- Mission and vision may be reviewed with an eye on the future. 'Ownership' and passion for the program expands beyond the founder(s)
- Focus is changing to assessing the community/consumer needs relative to the mission and developing responsive programs

- The first capital or other special campaign often occurs at this time, as a means to grow programs, find a permanent home, or to expand to new geographic areas
- Collaborations with other similar and complementary organizations are being established

3) Established - Responsive:

- Constantly thinking outside the box - responding to stakeholders interests and needs
- This organization is stable and confidently sustainable, with a proven track record of success
- Outcome based results are clearly tracked and documented
- Fundraising sources are diverse, consistent and growing. The organization hosts signature fundraising events (raising friends and major funds)
- This organization communicates routinely with stakeholders and community, provides regular press releases, annual reports, newsletters, etc.
- The staff is highly professional, specifically trained / experienced in their area of expertise and is competitively compensated
- The board thinks strategically and focuses successfully on governance and planning, renewing its membership regularly and developing resource potential
- The organization is seen as a key player in the industry in which they are working, and is sought out for input in all areas of management by similar organizations, other startups and by the media
- Pursuing moves into new areas including applied research, advanced assessment procedures, staff training, etc.
- An endowment fund is often a significant part of this organization

4) Turn-a-rounds:

- This organization has become complacent – typically the board and or staff are serving past their productivity years
- The organization is no longer responsive to needs and trends
- Fundraising is no longer diverse or increasing but instead has become stagnant
- These programs are dormant and are not actively seeking outreach and evaluation opportunities

At this point the organization will fold, or it will go through a comprehensive capacity building process that will guide its turnaround toward renewed success.

<h3>Primary Problems When Dealing with Board:</h3>

- Lack clear expectations
- Lack of accountability process
- Impaired Board – Staff relationship
- Not Mission driven
- Need to improve management of meetings
- Weak or inappropriate committee structure
- Weak Board resource committee – recruitment and orientation
- Lack diversity on Board

Board Responsibilities:

Mission and purpose
Select a CEO, provide on going input and evaluation
Engage in on going organizational planning
Ensure adequate resources and manage them effectively
Monitor organizations programs and services – ensure quality
Enhance the organization's public image
Select orient and involve new board members
Assess the board's own performance regularly

Clear Goals for every Board Member

Board Orientation/Training
Board Manual
Board Reports
Diversity
Term limits

*Highly functional Boards are mission driven – ask any one of them and they will repeat the mission verbatim **and** why they are the essential link in the chain to getting the mission realized.*

Strategic Planning : to define and secure the preferred future

- **MISSION:** the purpose or why the organization exists (what need or opportunity do we exist to resolve); it reflects the value or beliefs that guide the organization.
- **VISION:** a vision statement typically reflects an image in words of what success will look like – how would the world/our environment be changed when we are successful; a picture of the preferred future.
- **CORE VALUES:** the basic principals that provide guidance and inspiration to the board and staff: setting the foundation for how the organization will operate.
- **SWOT ASSESSMENT:** Identifying strengths, weaknesses, opportunities and threats that are unique to the organization.
- **GOALS:** Broad long term aims that define accomplishment of mission; fundamental, directional and future oriented
- **OBJECTIVES:** Specific, quantifiable, realistic targets that measure the accomplishments of a goal over a specified period of time.
- **STRATEGIES:** Activities designed to achieve an objective, control a critical success factor or overcome a barrier:
- **BENCH MARKS – IMPLEMENTATION GRID:** Trackable progression of steps designated by an easy to read time line.

Committees

Executive Committee – sometimes a hindrance
Fund raising – Development - Committee
Board Resource - or Governance - Committee

Finance Committee
Ad hoc or taskforces
Accountability
Annual goals
Reports

Board Members

3 w's – Wealth Wisdom Workers

Identify, educate, cultivate, solicit, gratitude

Know the needs of your organization

Recruiting – think big, plan well

Legal

Business – small and large

Accounting

Education

Medical

Philanthropic

Community representatives/leaders

Program Stakeholder

Diversity of all kinds (age, culture, geographic, gender...)

The Butcher, The Baker, The Candlestick Maker...

Board Meetings

Plan ahead!

Good location

Food

Introductions

Agenda - timed!

Attendance

Reports

Get every one's opinion

Delegate

Confidentiality

Conflict of interests

Board as Fundraisers

3 Gs: Give, Get, or Get off

Three axioms of Fundraising

1. You won't get anything if you don't ask for it.
2. You have the right to ask for anything if appropriate and polite.
3. Marketing is the front door of the development department.

Fundraising fundamentals

1. People give to people! Not to causes.
2. Institutions don't have needs... people do.
3. People support successful programs-not needy institution.
4. It is seven times easier to secure a gift from a previous donor than a new donor. Profitability in fundraising is directly related to efforts to renew and upgrade ongoing donors.
5. Of all donors who have given for the past two or more years consecutively, 10% to 20% will not give to you next year-no matter how hard or how often you try to renew.

6. Of all those who gave to you for the very first time this year, 35% to 45% will not give to you next year-no matter how hard nor how often you try to renew.
7. If your goal for this year is to do only as well as last year, you will still need to have active programs for reinstating lapse donors and acquiring new donors in order to compensate for normal attrition and inflation.
8. If you want to grow in number of donors and dollars over last year, you will need active programs for reinstating lapse donors and acquiring new donors in order to compensate for normal attrition and inflation.
9. If your total development income for this year follows national trend, around 85% is likely to come from individual and 15% from foundations and corporations.
10. 60% of your contributed income will come from 10% of your donors. 20% of your income will come from 20% of your donors (repeat contributors). The remaining 20% will come from 70% of donors (generally new donors through acquisition strategies).
11. Of every 100 new donors acquired this year, one will become a planned giving participant.

What is the Board's role?

- Identification
- Education
- Cultivation
- Solicitation
- Appreciation

What the board can expect from the organization it serves

1. Good communication
2. Accurate record and information
3. Effective, well prepared and accurate solicitation mailings
4. Timely follow-up and acknowledgment

What the organization should expect from the board:

1. Enthusiastic advocacy
2. Help in identifying prospects and donors
3. Leadership in special events
4. Participation in the appreciation process
5. Participation in the solicitation process (as appropriate)
6. Personal thank you call/notes
7. Personal financial support- leading to 100% board participation in the annual campaign

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