

GOVERNANCE BY DESIGN

"SIX CHALLENGING DISCUSSIONS YOUR BOARD NEEDS TO BE HAVING NOW"

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(AND BOARDSOURCE LEADERSHIP FORUM SESSIONS THAT WILL HELP YOU TACKLE THEM)

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DANIEL WILL BE PRESENTING AT BLF2014!
"BECOMING GREATER THAN THE SUM OF YOUR PARTS:
A NEW MODEL OF BOARD PERFORMANCE"

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201
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In 2014, thousands of good intentioned, nonprofits will cease to exist. Many will blame lack of funding as the impetus for their demise. There is more to it than that, however. Funding goes to organizations that demonstrate strong leadership and vision. Nonprofits experiencing a lack of funding often lack strong leadership and vision.

With the fiscal cliff now averted, it is tempting for board and organizational leaders to lull themselves

into thinking that growth is now within sight. But the fact is, there is no growth trajectory for organizations incapable of reimagining who they and how they operate in today's environment. Boards must lead like never before; camaraderie and common interests must give way to breakthrough conversations sustained across months and years. Boards must "govern by design." Only the uncommon thinkers and bold actors will survive.

Here are **six** topics that your board should be discussing now and in the months ahead.

1.

Creating a Values-Based Culture

Are your leaders pushing back on one another and openly discussing the awkward and uncomfortable issues — especially in the face of powerful voices and personalities. The culture of Penn State serves as a beacon that moral courage must be nurtured and embedded within every institution. Boards must ensure that a social contract with declared core values is enabled across the organization. "Dissent" should be a welcomed value as decisions are made and leaders are held accountable. Values are always

driven from the bottom up. Boards must ask: What are our organization's values, and what consistent behaviors do they drive for the betterment of our purpose?

Learn more in these BLF2014 sessions:

- [Build a "Get it Done" Culture](#)
- [Custom Designing a Better Board Culture](#)
- [Ethical Leadership](#)
- [Forward Momentum: Taking on Conversations That Matter](#)

2.

System-Level Thinking

A nonprofit's impact and results matter to those funding the organization. It's therefore imperative for nonprofits to take a "system-level view" of how the donation will enable change to take place. Mark Zuckerberg, CEO of Facebook, committed \$100 million to enable the schools of Newark, New Jersey, to emerge from their years of stagnant performance. What lacked at the outset of this large donation was a system-level view of where the greatest need was within the Newark School system. Today, networks and ecosystems of actors surround every problem

set. Even multi-million dollar donations can be quickly consumed without the larger context at the ready. Boards should ask: What is the system or set of systems in which we operate and what problems rank high in term of our ability to drive change?

Learn more in these BLF2014 sessions:

- [Governance 3.0: Determining Your Organization's Role in the Social Ecosystem](#)
- [Moving from Incremental Progress to Social Transformation](#)
- [Board Members as Leaders of Change](#)

3. Questioning Orthodoxy for How the Mission is Done

Orthodoxy is a set of ingrained beliefs that often holds an organization to its current levels of performance. It's tough to question orthodoxy and even tougher to change it. For example, one exercise that every board must do is to "stress test" the reality of their funding streams (often a core orthodoxy) tied to charitable giving and personal deductions taken by donors. What role does that deduction play in the giving experience? While the deduction is a tactical concern, boards should consider a scenario driven exercise that examines the real forecast and what could happen if the government banished the incentive today. Reality may then take a different form.

Learn more in these BLF2014 sessions:

- [Champions for Change or Stalwarts of the Status Quo?](#)
- [Forward Momentum: Taking on Conversations That Matter](#)
- [Meet Your Mission with Advocacy/The Missing Link: Nonprofit Board Advocacy](#)
- [Open the Floodgates to Sustainability: Seven Income Streams, Endless Variations](#)
- [Using "Design Thinking" to Enhance Your Organization's Impact](#)

4. More Transparency and Openness

Transparency and openness does not mean that your organization simply follows the criteria so powerfully suggested by examples such as [glasspockets.org](#). Your nonprofit's digital presence in every channel is under constant scrutiny as constituencies seek insight into decision making and how money is flowing to drive impact. Waiting for a journalist to ask a question is not openness and living

transparently. Boards should ask and then frame their definition of transparency and how high a standard they can set — regardless of how others are living it.

Learn more in this BLF2014 session:

- [Governing the Digital Beast: How Technology is Shaping Your Organization's Relevancy and What You Can Do About It](#)

5. Developing True Partnerships

I have the honor of working with many organizations focused on navigating the massive re-integration that is unfolding within our country for returning military service members and their families. There are at least 45,000 thousand nonprofits in this space alone — many with duplicitous missions and fighting for scarce dollars from scarce donors. Partnering and consolidating are far better strategic moves than going out of business. Boards should ask: If we

needed to link to another nonprofit today in order to live out our mission, who would it be? Why would we engage? Is there a case to consolidate now for the benefit of our target populations?

Learn more in these BLF2014 sessions:

- [Navigating the Collaboration-to-Merger Spectrum](#)
- [Nonprofit Collaboration: Is it Right for You?](#)
- [The Board and CEO's Role in Organizational Redesign](#)

6. Understanding Your “Why” and Your Purpose

With the global and national uncertainty that will remain the hallmark of operations for years to come, the most powerful exercise that a board can initiate is asking, ‘Why do we exist?’ And, ‘If we ceased operations today, would anyone care?’ Purpose is what grounds all of us, and it drives employee behavior. Many boards focus occasionally on their organization’s mission statement. Never before has a mission statement been so important. So often the

words within such statement describe “what” and “how” the organization wants to operate. As author and thinker Simon Sinek has taught all of us: always ‘start with why.’ Boards that start with ‘why’ will finish with a ‘why’ that will drive deeper connections to stakeholders, donors, and the employees they are seeking to inspire.

Learn more in this BLF2014 session:

- [Achieving Results = Asking the Right Questions](#)

These above six topics are challenging conversations for boards to have across months and even years. We have all observed the vicious way that scrutiny and speed consume poorly considered ideas. To be successful requires discipline and a mindset that everything the organization holds true can evaporate in moments. Boards must bring this level of agility and context to the work they take on — or they will quickly discover how fast it can all be taken away.

ABOUT THE AUTHOR:

Daniel Patrick Forrester is the founder and managing Partner of [Thruue, Inc.](#) He is an author, strategist, and navigator of organizational and cultural change impacting commercial, nonprofit, and government entities. He frames and facilitates moments of profound reflection where disruptive initiatives are imagined and then launched; or, he helps organizations question their relevancy, plan for the future and often rethink the language and ideas that bolster why they exist. Daniel is the author of [Consider: Harnessing the Power of Reflective Thinking in Your Organization](#), published by Palgrave Macmillan. For more information about Daniel, please visit his [website](#) and connect with him on [Twitter](#).

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