Has Your Board Overpromised and Underdelivered? If So, You Aren't Alone

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In this Q&A session, we are tapping into his experience to gather insights on issues facing nonprofit boards today.

As you travel around the country visiting nonprofit clients and attending conferences, what is the one *board related* issue that nonprofit leaders ask you about the most?

Reynolds: With funders under pressure and tax changes impacting donors, nonprofits are facing many challenges. Related to the board itself, the number one question I hear would have to be, "How can we improve board performance and board engagement?"

Nonprofits are finding that contributions from the board, in terms of thought leadership, participation in meetings and events, and financial support of the mission, are below their expectations. Now, more than ever, nonprofit leaders and their staff need the full support and engagement of their board of directors for it to continue to fulfill their mission. Nonprofits have always tended to be understaffed and under-resourced, but these additional challenges require greater support from all involved.

Do you have any suggestions on how to address these concerns related to board performance and board engagement?

Reynolds: Poor performance and lack of engagement often mean you don't have the right people on the board. I always recommend going back to the beginning and reviewing the board recruitment process that put the current board together. My experience has shown that a more thoughtful and rigorous approach will ensure that alignment exists before an invitation is given to join the group. Successful organizations use a matrix of some sort to determine what attributes, skills, and characteristics should be reflected on their board. They then make an inventory of what the existing board members contribute to the mix to help expose gaps. This allows them to be more intentional in their recruitment efforts. Far too many nonprofits accept people that are available rather than working to find those that fill a specific need.

Another thing I would recommend is to be honest and upfront about what you need from your board members. If yours is a "working board" and you need their time, then tell them so. If you need a contribution and/or access to their rolodex, then tell them that, as well. Too often, nonprofits focus on getting them to say "yes" than ensuring they are the best fit for what you need to get done. It can be challenging when you are recruiting a well-known community leader, a wealthy individual, or a high-ranking corporate executive, to ask difficult questions that could turn them away. However, it is precisely those questions that will help you avoid disappointment later.

The last thing I'd mention is to avoid accepting people who are already "over boarded," meaning they are already engaged with numerous other nonprofit or for-profit boards. There are only so many hours that one individual can devote to their philanthropic pursuits. If you are their third or fourth board, do you think you'll get the level of engagement you're seeking? In most cases, you won't. You must keep them from doing disservice to you and themselves by not allowing them to overcommit. If they are truly interested in your

organization, keep them close but wait until they have the capacity to fully engage.

In the current environment, nonprofits will need to rely on their endowments more than ever. Any suggestions for the Investment Committees as they prepare for the year ahead?

Reynolds: The one thing I always encourage is having an ongoing continuing education plan for members of the Investment Committee. Incorporating some educational component into each meeting will help the members remain knowledgeable in areas impacting the portfolio. Nonprofits can do this by tapping into the subject matter experts from the vendors who support their endowment (consultants, investment managers, custodians, etc.). Whether it's taking time to review different asset classes, getting the latest trends on spending policies, or discussing the current economic environment, investing in your committee's education is something that will pay dividends in the long run.

Do you have any books you recommend for board members?

Reynolds: I have read many excellent books that have helped me as a board member, but two come to mind. The first is *Giving: How Each of Us Can Change the World*. It was written by Bill Clinton in 2007. It is a call to action for people, businesses and organizations to contribute to solving big problems through giving time, resources and skills. It reaffirms that everyone, regardless of circumstance, can make a difference.

The other is Patrick Lencioni's 2002 best seller *The Five Dysfunctions of a Team*. The book is written as a fable and explores why teams struggle and how to overcome those struggles. A nonprofit board is nothing more than a team made up of volunteers. It is one of the hardest things to manage because the leaders have no power or leverage over the volunteer team members. The team dynamics explored in Lencioni's book provide insights on how to overcome adversity and dysfunction to accomplish goals.

If you look out into the future, what is one of the most overlooked issues facing nonprofit boards?

Reynolds: In my mind, it will be finding future individuals who are interested in board service, the way we know it today. The ideas around what it means to be philanthropic and how that gets manifested are changing. I'm not sure we are doing what is needed to develop our next generation of philanthropic-minded people who understand the importance of giving back and recognize that all problems cannot be solved by the local, state or federal government.

Organizations that are positioning themselves to address this are ones that are intentionally engaging young professionals, early in their careers, and showing them a pathway to getting involved. Some have created junior boards that perhaps focus more on a single fundraiser or community project as an introduction to board service. In that situation, the group may be asked for more in-kind support (time and talent) rather than financial support, to better align with their stage of life. Others have expanded board committees to include non-board member volunteers with the same goal in mind. They help in achieving the assigned committee's goals while getting more exposed to the organization and how board service benefits an organization.

If you have any questions about this report, please reach out to your relationship manager.

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