



Moving from a Founding Board to a Governing Board

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Nonprofit boards, like the organizations they govern, have life cycles – they have beginnings, they grow, they mature. At each stage they have different needs and characteristics. The astute overseers of non-profits - managers, executive directors, boards - must be aware of these different stages of organizational development; and must recognize when change is in order and how it is best achieved.

Whether the nonprofit was founded by a charismatic leader with a vision to bring about change, or by a group of individuals coming together to meet an identified need, founding boards have some common characteristics. They are typically small, homogenous in their membership, and generally act as a committee of the whole. Members are enthusiastic, hands on and see no obstacle as too large to challenge.

Those organizations founded by a charismatic leader tend to have boards that operate with few committees – the leader does it all with minimal staff; board members take no significant role in fundraising for the nonprofit. The board members' commitment is to the leader and this often results in less engagement and ownership of the organizations. One environmental group we worked with had a five person board. The board has no committees, and the members' activities were limited to attending occasional board meetings and providing the executive director occasional advice. Over time the executive director has become increasingly frustrated as he spends his energy on fundraising and community outreach, rather than core environmental programs.

Those organizations founded by an enthusiastic group of volunteers have boards that are willing to do all the tasks necessary to assure organizational success – they micro manage. Rivalries may develop over who will become the “first” staff person and there often can be mistrust of “outside” staff. Board members are involved in fundraising but typically of the grassroots variety. An organization of young professionals took over two years to make the decision to recruit and hire its first staffer, even though it was apparent from the beginning that they could fund the position. The board was not ready to let go entirely, so they chose to hire an administrator to “keep things moving” as the board continued to work on the essential tasks of the nonprofit.

It is when the organization gets to the adolescent or growth stage – as any parent will recognize – that frictions begin to arise. A crisis usually brings things to the tipping point – a concern about finances or a conflict between board and staff.

The transitions from start-up through growth to maturity are no more clearly marked for boards and nonprofits than they are for the average person. And chronological years provide no useful benchmarks. It may be two or 20 years after an organization is founded before it begins its growth and maturation. But the symptoms are easily identified.



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- ♦ Board and staff are confused and frustrated
- ♦ Board turnover increases
- ♦ Staff turnover is likely
- ♦ New board members with more extensive board experience bring new expectations
- ♦ Change can be too fast for founding board members and too slow for new members

Boards that follow the charismatic leader may not have the skills in financial management, planning or fundraising to take the organization to the next level. They may be unable or unwilling to step into a larger role on behalf of the organization; they may not be effective communicators or fundraisers or committee leaders. A small NGO was just completing its basic accounting infrastructure with the help of a new treasurer. The new budget showed a large gap to be filled by fundraising, yet there was no fundraising system or development plan. Most of the board had no connection to fundraising, beyond modest personal giving. The development committee chair had sponsored one event, but has now resigned.

Boards that have come together around a common purpose find they are no longer able to get all the necessary tasks done. An increasing amount of the workload must be delegated to staff who are probably ready to take more control anyway. A “friends of” an environmental education facility” functioned for years as a committee of the whole without a staff. A severe funding shortfall at the education facility, coupled with an environmental crisis, suggest a stepped up role for the friends. The directors know they are not up to the task as they are organized, but the thought of working more cooperatively with potential “staff” at the education center is progressing at a crawl, while the suggestion to hire their own staff makes some of the directors cringe.

The consultant’s role in working with any board or nonprofit in transition is to help the organization understand and guide the process; to help the board understand that this is a perfectly healthy and desirable situation; and to advise on a new and more organizationally functional structure.

For the board following the charismatic leader, that will mean stepping up their role in governance, taking responsibility for the organization’s well-being and longevity. It may mean moving the charismatic leader from an “executive” position to that of organizational cheerleader or motivator.

Those boards that have come together for a common purpose need to withdraw from the day-to-day operations of the organization and become its cheerleaders.

Such change does not happen easily or overnight.

What are the further implications for the organization and its board as it moves through these transitional phases? Regardless of the origins of the founding board – charismatic leader or common goal – it means a stronger and more balanced partnership between the executive director and the board chair. There will be a healthier division of responsibilities between the board and the staff – and greater mutual trust.



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Internal systems will have been put in place or strengthened, positioning the nonprofit better to competently and consistently deliver the programs it has developed. All board and staff members will understand their responsibilities (the staff, the board and its committees will have job descriptions!)

The board may need to expand its size and create committees to accomplish its work. The board will need to assess the skill sets for its membership going forward, determine if those skill sets are currently present on the board and, if not, seek out new members with the necessary experience and skills. Those “founding members” are not to be discarded; however, they should be invited to serve in advisory or emeritus status to keep them engaged and supportive.

As consultants, we need to recognize these stages and be flexible in our approach. We recently put a strategic planning process on hold for a social service nonprofit with its first “real” executive director, while we sorted out the board/staff relationship. A similar situation developed with a small nonprofit which serves the homeless; where the charismatic founder was in trouble with her board, and that needed to be addressed before we could continue with a meaningful strategic planning effort.

What emerges at the other end of the transition is an involved and committed governing board which has as its prime responsibility ensuring that the organization is well managed. It will be future and externally oriented. It will focus on strategies, not tactics. Board responsibilities are uniform, whether they are called fiduciary, programmatic and financial; or mission, money and management. The governing board will

- ♦ determine mission
- ♦ appoint/support chief staff officer
- ♦ review/approve long-range plans/budgets
- ♦ assure financial resources are secured
- ♦ acquire new board members
- ♦ appraise its performance.”ⁱ

John Carver suggests that “the most important work of any governing board is to create and re-create the reason for organizational existence. This is not simply the approval of a purpose statement. Nor is this a task done once, then forgotten. It is a perpetual obligation, deserving of the majority of board time and energy.”ⁱⁱ

ⁱ Maggie Ford, “Organizations of Excellence”, PowerPoint presentation. May 2000.

ⁱⁱ John Carver, *Boards that Make a Difference: a new design for leadership in nonprofit and public organizations*. San Francisco: Jossey-Bass Inc. 1997.

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