



## Common Sense Tips on Board Leadership in Competitive Times

There is much written about the responsibilities inherent in board leadership. BoardSource and the Association of Governing Boards of Colleges and Universities (AGB) provide the best information and guidance on these issues. Through hands-on experience over the past 30 years, there are several “common sense” principles that I have seen effective boards utilize to deal with the day-to-day reality of board leadership in competitive times. The following “tips” reflect that experience.

### No Margin...No Mission

Healthy nonprofits succeed in competitive times when they employ sound fiscal policies. It is important to take the necessary steps to balance your budget in the context of your mission, purpose, and long-range plans; and to ensure the steps that are taken have a positive impact on your service delivery.

Solid service delivery practices include: examining strategies to enhance revenue as well as manage expenses; partnering with your organization’s Chief Executive to find ways to increase net revenue; and finding opportunities to become stronger and more balanced.

### Review Your Investment Policy

Wise investment of your organization’s assets is a fundamental fiscal responsibility for the board. Investment policies are a necessary discipline in both good *and* challenging times. If your organization does not have an investment policy, create one that makes sense for the size and type of your organization. If you have a current investment policy, now is the time to review it to be sure that it is still appropriate.

With the status of current investment returns, you may also need to review your organization’s spending policies in relation to your strategic plans, and the goals and objectives of your organization. Ensure that your decisions about the current and future operation of your organization are data-driven—avoid conjecture and speculation.

### Your Competitive Advantage

Review your Case for Support and be specific about how and why you raise money, and why you do what you do. Talk about the programs you execute that are the best. Where are you the leader? Where are you first? What makes you unique in the philanthropic landscape?



### **Invoke the Common-Sense Rule**

Act with prudence in competitive times. There are very smart people on your board—people who manage and lead other organizations. This is the time to act with a cool head and with thoughtful advice. Avoid reacting quickly to problems or opportunities, and partner with your Chief Executive and staff leadership to make the best decisions.

Do your decisions—as difficult as they may be—make sense for your organization, given its mission, purpose, goals and objectives?

### **Act with Courage – Don't wait for tough times to make tough decisions.**

Demonstrate positive leadership and focus on how your organization can be positioned to be stronger, more resilient, and more relevant in competitive times. Can your organization learn to “take a punch”—or rebound positively—from a punch that it has taken? Can you work more productively as a team? Can you keep morale strong and keep doing your “good work” well?

### **Be Worthy, Not Needy**

Conduct a mission check. Are you relevant? Do you do what you say you do? Are you an organization that is worthy of external support or are you an organization that is constantly in need of help to keep its budget balanced to stay afloat? Which type of organization are you? Which do you want to be?

Think of your organization as an investment – are you worthy of investment?

### **Partner with Your Donors**

Your organization's ability to attract more resources and support—both in good times and bad—relies on the positive relationships you have established with your constituents. If you want prospects to make a first-time investment in your organization, and your donors to repeat or increase their support, you must have a strong and positive relationship with them. Be deliberate and intentional about strengthening those relationships. Spend time cultivating prospects and donors. Find ways to get your donors more involved in what you are doing so they can see both the reasons for giving, and the need for your organization to do what it does. Competitive times mean that many—if not all—of your major donors are being asked to support other organizations as well. They may be in arrangements where they are paying off current pledges to those other organizations. Make it easy for your donors to say “yes” by making them part of the “family;” acknowledge other obligations they may have and be flexible with strategies they can use to support your organization.

### **Communicate**

Take a proactive stance by regularly disseminating the good news about your organization to your constituency. Increase the frequency and content of your messages. Utilize all existing methods to keep people informed of your mission, purpose, plans, and relevancy; and explore new opportunities to communicate more often at lower cost.

Employ strategies to segment your market and sharpen your messaging. Create separate communication strategies for each of your constituent segments: foundations, corporations, and individuals (annual, major and potential planned gift donors, current donors, lapsed donors, non-donors). If you can keep them informed, you can get them involved. If you get them involved, you will get them inspired to invest.

### **Say “Thank You” -- and Mean It.**

Enhance gift acknowledgement efforts to ensure every donor is clear about how much their support is appreciated. Participate in the acknowledgement process by writing thank you letters and notes, and picking up the phone when appropriate, to express the appreciation of not only the organization, but the board for the contributions received. Let donors know that you appreciate their support and that their dollars are making a difference.

### **Ensure the Strength of the Board**

Take some time to review the composition of your board in relation to your mission, purpose, and the goals and objectives of your strategic plan. Do you have the kind of board you need to fulfill the objectives of your strategic plan? Create a profile of the skill sets represented on your current board. Compare those skill sets to what you feel is needed to move your organization forward. Form a Governance Committee as opposed to a Nominating Committee to monitor identification, enlistment, training, utilization, evaluation, and stewardship of board members.

### **About The Compass Group**

The Compass Group headquartered in Alexandria, VA, provides strategy, education, and coaching to organizations that must be successful in fundraising. In a working partnership with your staff, volunteers, and board, Compass will help you to enhance and develop the philanthropic culture of your nonprofit organization and achieve fundraising success. Our specialty areas include Arts & Culture, Environmental, Health Care, Higher Education, Human Services, and Independent Schools.

### **About Frank Pisch**

Frank S. Pisch is a senior fundraising executive and nonprofit leader with more than 40 years of successful experience. His strengths include board and staff training, campaign design and management, board and staff development, effective utilization of volunteers and all other aspects of fundraising, including creation of effective fundraising teams.

Mr. Pisch has consulted on capital campaigns and major gift fundraising and strategic planning for a wide spectrum of nonprofit organizations, private and four-year colleges, public universities, community colleges, university foundation boards, independent schools, hospitals and medical centers, human service and environmental agencies, youth groups, arts organizations, and trade associations.

