

A team approach

... the partnership between senior management and the Board in turning around an organisation

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The look of a great organisation

- Common vision
- Clarity of values
- Inspirational leaders
- Culture of empowerment and accountability
- Fit for purpose – good systems and processes
- Public standing
- Culturally competent
- Contextually relevant
- Wise governance

Wise governance: the reality?

- They don't trust me to get on with the job
- She does not respect the Board
- He never gives me any feedback
- We never talk strategy or values
- They're always meddling
- I hate Board meetings

- Result: most NFP CEOs leave in tears

The warning signs of trouble ahead

- Results start slipping
- Stop listening
- Commitments start being broken
- Group think
- Focus on process not content
- Decision making slowed
- Inflexible in response to the need for change
- Poor manners
- Lack of self control

The exemplars?

- Classical management models jaded
- Business starting to look to NFPs (HBR Jan 2011)
- Iwi based leadership models
- Gen Y leaders – Google, Facebook, etc

What does a high performing NFP look like?

1. Advocate and serve
2. Make markets work
3. Inspire “evangelists”
4. Nurture non-profit networks
5. Master the Art of Adaptation
6. Share leadership

Leslie Crutchfield & Heather McLeod Grant (2008)

Forces for good: the six practices of high-impact non-profits; San Fransico: Jossey-Bass

Share leadership: Board

- Comparatively large Boards (reflecting diverse stakeholders)
- Handful of long serving members
- The CEO shares power with the Board – “no one on top”
- The Board’s are highly engaged
- Work well with the executive team

Share leadership: CEO and executive team

- CEO typically outward looking, visionary, relationship management
- COO running the operations
- Highly empowered, equipped executives

But not all NFPs alike

- Pioneering
- Transitional
- Sustainable

Pioneering NFPs

- Led by passionate, sometimes idiosyncratic heroes
- More interested in building a movement than an organisation
- Lurch from crisis to crisis
- Exist on the smell of an oily rag
- Limited systems and processes
- Governors muck in and do stuff
- Do amazing things against the odds

Transitional NFPs

- Maturation in governance
- Moved from operational to management board
- Emerging governance board

Sustainable NFPs

- Shared/distributed leadership
- Clarity re roles and relationships especially governance/management
- Systems fit for purpose
- Infrastructure in place
- Financially sustainable
- Good succession planning

Chair and CEO relationship

- The organisation's most fundamental relationship
- Environment of mutual respect, trust, empowerment
- Few surprises
- Requires elements of distance yet ...

“I knew that even on my worst day he would be there for me”

Dick Taylor on his coach

CEO/Chair first 100 days

- In-depth situation analysis
- Expectations
- Managing conflict (including between Chair/CEO)
- Agree the control (monitoring) and collaboration (mentoring) balance
- Communication styles (phone, email, etc)
- Deliverables
- Personal development needs

Key questions for the Chair

1. What is the optimal size for the Board?
2. What is the Board selection criteria and method of selection?
3. What makes for an effective Board member?
4. Do you play a major role in setting the Board agenda?
5. Does your Board understand its role in strategic planning process?
6. How is the Board living up to its organisational values?
7. What is the process for reviewing the performance of the CEO (especially poor performance)?
8. What are you doing to develop your CEO and Board member competencies?
9. Do you have a succession plan for your CEO and Board members?

10 key governance questions for the Board

1. How are we going against the plan?
2. Are our actions consistent with our values?
3. How are we performing financially?
4. What are the big risks we face?
5. Does the CEO have strategies to deal with these risks?
6. What are we doing to develop our CEO?
7. What is the CEO doing to develop his/her staff?
8. What is organisational morale like?
9. What is our public standing?
10. What value are we adding as a Board?

Governance checklist

1. Up to date constitution
2. Organisation wide code of conduct
3. Board standing orders
4. 5 year strategic plan
5. Annual plan
6. Delegations policy
7. Policies and procedures manual
8. Annual review process
9. Monthly CEO report to Board
10. Monthly financial report to Audit and Finance committee
11. “Vanilla” not bespoke systems
12. Succession planning and induction
13. Smart CEO and senior management KPIs

Questions?

