

Christian Leadership Alliance TeleSeminar

6 Best Practices

for More Effective Boards

Tools and Templates for Focusing on Results—Not Activity

Friday, March 27, 2009

12 pm ET / 11 am CT / 10 am MT / 9 am PT

Presenter: John Pearson

For questions during the call, contact seminar host
Mike Buwalda at Mike@ChristianLeadershipAlliance.com.
After the call, contact John@JohnPearsonAssociates.com
or visit www.ManagementBuckets.com.

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Introduction and Opening Thoughts



◀ John Pearson
Mike Buwalda ▶



Peter Drucker's Wisdom

**AGREE OR
DISAGREE?**

“All boards
have one thing
in common,
they do not
function!”



Caution! Board governance is not a silo unto itself!

There are **20 critical competencies** for leading your nonprofit ministry.



The 20 Management Buckets

ManagementBuckets.com

CAUSE

1. The Results Bucket
2. The Customer Bucket
3. The Strategy Bucket
4. The Drucker Bucket
5. The Book Bucket
6. The Program Bucket

COMMUNITY

7. The People Bucket
8. The Culture Bucket
9. The Team Bucket
10. The *Hoopla!* Bucket

11. The Donor Bucket
12. The Volunteer Bucket
13. The Crisis Bucket

CORPORATION

14. The Board Bucket
15. The Budget Bucket
16. The Delegation Bucket
17. The Operations Bucket
18. The Systems Bucket
19. The Printing Bucket
20. The Meetings Bucket

6 Best Practices

- #1. Annual CEO Standards of Performance**
(including your BHAG)
- #2. Monthly CEO Dashboard & Leading Indicators Report**
- #3. CEO's Monthly "5/15" Report to the Board**
- #4. Annual CEO Assessment & Annual CEO Board Self-Assessment**
- #5. Quarterly Board Meeting – Standard Template**
- #6. Board Member Orientation Binder**

6 Best Practices

#1. Annual CEO Standards of Performance

(including your BHAG)

The RESULTS Bucket (Ball #3) – pages 31-33

Create clear goals and a rigorous accountability system with celebration milestones.

Option #1: Activity-Driven & Anecdote-Driven

- Invest minimal time in CEO goal-setting.
- Live with fuzzy targets and unmet expectations.

Option #2: Results-Driven

- Invest in goal-setting.
- Eliminate expensive wrong turns and blind alleys.

6 Best Practices

#1. Annual CEO Standards of Performance

(including your BHAG)

5 to 10 Annual SOPs that meet the S.M.A.R.T. test:

SPECIFIC: what results will be achieved?

MEASURABLE: the exact finish line

ACHIEVABLE: no pie-in-the-sky stuff!

REALISTIC: rooted in reality and aligned with resources. Does the team agree?

TIME-RELATED: specific target date

6 Best Practices

#1. Annual CEO Standards of Performance

5 to 10 Annual SOPs that meet the S.M.A.R.T. test:

The STRATEGY Bucket (Ball #1) – pages 58-60

Ignite the awesome power of a team-crafted BHAG!

SOPs must be aligned with your B.H.A.G.
Big Holy Audacious Goal

Examples:

“To put a man on the moon by 1970...”

“To recruit 2,000 campus partners 2011.”




6 Best Practices

#2. Monthly CEO Dashboard & Leading Indicators Report

SOPs without accountability are worthless.

- **CEOs:** Use the Monthly Dashboard report to update the board on both good and bad news.
- **Board Members:** Read and react to each report.

CEO Monthly Dashboard Report

| FY2009 SOPs | Target Date | 3-Month Report Ending 3/31/09 | Q 1 | Q 2 | Q 3 | Q 4 |
|---|----------------------|--|---|--------|--------|--------|
| <p>#6. Vision 2020 Resource Center. Implement the Phase 1 Pilot Program of the Vision 2020 RC...and recruit 2 state coords., 10 area coords., and 50 local church ambassadors.</p> | <p>Dec. 31, 2009</p> | <ul style="list-style-type: none"> On target! Jane Doe has agreed to be our State of Hawaii coordinator! And...17 new coordinators have also become Donors (Level 3). |  | | | |
| <p>Download template at ManagementBuckets.com</p> | | | | | | |

FY 2009 Leading Indicators Report

The RESULTS Bucket: *Measure Your Results* (pages 33-35)

Download template at ManagementBuckets.com

| LEADING INDICATORS | POINT PERSON | ANNUAL GOAL | YTD GOAL (3 Months) | YTD ACTUAL (3 Months) | YTD DIFFERENCE |
|--|--------------|-------------|---------------------|-----------------------|----------------|
| #3. NEW DONORS (\$500 or more/yr) | SUE | 175 | 45 | 39 | -6 |
| #5. REGIONAL REPS. TRAINED & CERTIFIED | ROB | 25 | 7 | 10 | +3 |

6 Best Practices

#3.

**CEO's Monthly
"5/15" Report to
the Board**

- **5** Minutes to Write
- **15** Minutes to Read



6 Best Practices

#3. CEO's Monthly "5/15" Report to the Board

"5 Minutes to Write—and 15 Minutes to Read"

- **CEOs:** Use this monthly report template and delegate the "starter" to a team member. Then you finish it with your unique style. Email it on the same date each month.
- **Board Members:** Feedback is the breakfast of champions. Email a quick "Thanx—I got it!"

Download template at ManagementBuckets.com

6 Best Practices

#4. Annual CEO Assessment & Annual CEO Board Self-Assessment

CEOs Deserve:

- Crystal Clear Expectations (SOPs)
- Regular On-going Feedback (*No Surprises!*)
- Annual Performance Review/Assessment
- Annual Compensation Review

Board Members Deserve:

- Position Description (& Board SOPs)
- Annual Board Development/Training
- Annual Self-Assessment Process

6 Best Practices

#4. Annual CEO Assessment & Annual CEO Board Self-Assessment

CEOs Assessment Process:

1. Annual SOPs & position description
2. Agreed-upon process/timeline
3. Self-assessment by CEO
4. Assessment by CEO's direct reports
5. Assessment by board members
6. Two-hour in-person meeting (including executive session without CEO)
7. Board chair shares verbal report in mtg.
8. CEO responds with written next steps
9. Repeat again in 12 months!

6 Best Practices

#4. Annual CEO Assessment & Annual CEO Board Self-Assessment

| GRADING PERIOD | 1 | 2 | 3 | 4 |
|-----------------------|---|---|---|---|
| BOARD | A | | | |
| WRITTEN COMMUNICATION | A | | | |
| PERFORMANCE | C | | | |
| NON-PERFORMANCE | B | | | |
| SOCIAL MEDIA | B | | | |
| CEO | A | | | |
| BOARD | A | | | |
| FINANCIAL EDUCATION | C | | | |
| TOTAL SCORE | B | | | |

Board Self-Assessment Process:

1. Annual board SOPs, position description and board development/training each year
2. Agreed-upon process/timeline
3. Self-assessment by each board member
4. Assessment by CEO
5. One-hour session to debrief written report
6. Board chair shares verbal report in meeting
7. If needed, board chair (or Governance Committee) meets 1:1 with non-performing board members
8. Repeat again in 12 months!

6 Best Practices

#5. Quarterly Board Meeting – Standard Template

Key Elements of an Effective Board Meeting:

- Agenda, reports and recommendations arrive 7 to 10 days in advance of the meeting*
- Every meeting is important because the advance agenda and written recommendations signal this—and unexcused absences are rare
- There is a balance of: relational and inspirational; good news and bad news; due diligence and faith-stretching; action and policy; focus on the current year but also the BHAG and the 3-year rolling strategic plan; *and never staff or volunteer work!*
- Board chair and CEO lead the board in leveraging the **3 Powerful S's**: **S**trengths, **S**ocial styles and **S**piritual gifts!

**Welcome to the Board! Buy your own printer ink!*

6 Best Practices

#5. Quarterly Board Meeting *Standard Template*

Download the template at
ManagementBuckets.com



6 Best Practices

#6. Board Nominee Orientation Binder

The Board Bucket Core Competency:

“We believe that board members must sense God’s call to serve on the board of directors. We invest time in cultivating, recruiting, orienting and engaging board members in their strategic role as stewards of our organization. The first step in organizational sustainability is to inspire board members to be highly committed and generous partners in ministry.”

The BOARD Bucket (Chapter 14 – pages 191-200)

6 Best Practices

#6. Board Nominee Orientation Binder

Strategic Balls in the Board Bucket

1. RECRUIT for passion, not position.
2. PRAY before prospecting.
3. DATE before proposing.
4. INSPIRE your prospect to give generously.
5. PROPOSE marriage.
6. CONTINUE dating!
7. LEAVE a legacy.

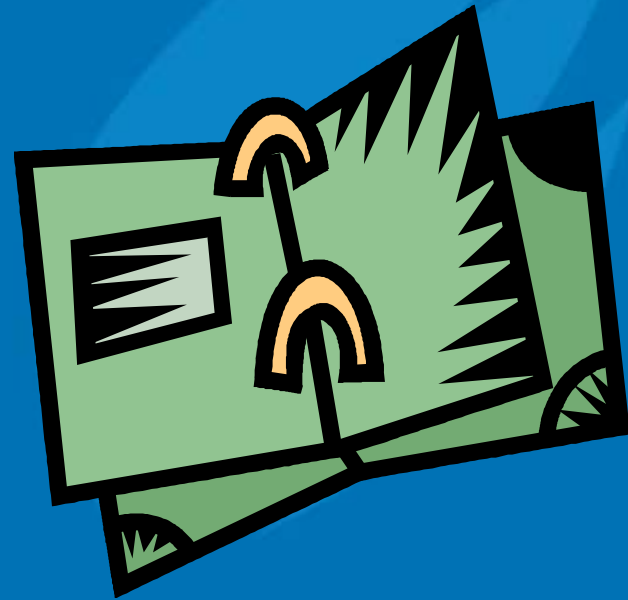
6 Best Practices

#6. Board Nominee Orientation Binder

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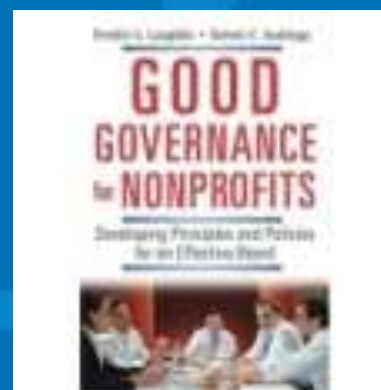
Download at ManagementBuckets.com



6 Best Practices: Check 2!

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Board Governance Resources



Board Governance Websites

- **ManagementBuckets.com**
 - Click on “The Buckets,” then “The Board Bucket”
- **BoardSource.org**
- **PolicyGovernance.com**
- **TheAndringaGroup.com**

“The best time to plant a tree was 20 years ago.

The second best time is today.”

(Chinese Proverb)

For More Information



John Pearson
JOHN PEARSON ASSOCIATES, INC.
P.O. Box 74985
San Clemente, CA 92673
Ph 949/500-0334
Fax 949/498-6109
John@JohnPearsonAssociates.com
www.JohnPearsonAssociates.com
www.ManagementBuckets.com

Vision Implementation With Detailed Execution

Questions and Answers

