Board Governance, Strategic Planning, & Board Retreats

(in a perfect world)

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We can’t talk about strategic planning until we understand the role of the board.
Policy Governance Overview

“Boards That Make a Difference: A New Design for Leadership in Nonprofit and Public Organizations”

By John Carver
Policy Governance Overview

“The board governs... the staff manages”

Leadership: Volunteer leaders are responsible for the direction of the organization. The board governs, develops policy, and sets a course for the future. Maintain focus on the mission and strategic goals – avoid micro-managing the organization and staff.

4 Functions

• Governance
• Policy & Position Development
• Visionary – Future Focus
• Fiduciary
Policy Governance Overview

“The board governs... the staff manages”

**Management:** Paid staff and contractors are responsible for the administration of the organization. Staff act as partners to the board, advancing the goals and strategies, while taking care of the daily administrative needs unique to organizations.

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Board Governance

In a perfect world
Policy Governance Overview

Policy Governance separates issues of organization *purpose (ENDS)* from all other organization *issues (MEANS)*, placing primary importance on those Ends.

Policy Governance boards demand accomplishment of *purpose*, and only limit the staff’s available means to those which do not violate the board’s pre-stated standards of prudence and ethics.
Policy Governance Overview

The Policy Governance Model enables boards to:

• Focus on the larger issues
• Delegate with clarity
• Control management’s job without meddling
• Rigorously evaluate the accomplishment of the organization
• Truly lead!
Section 2
Strategic Planning

It’s hard to know what to focus on unless you’re working toward a goal.
Strategic Planning 101

- Everything the organization does flows from its strategic vision
- Strategic planning determines where an organization is going over the next year or more and how it’s going to get there.
Importance of Mission/Vision

**Mission**: Statement indicating why we’re in business

- Disney 1: The mission of The Walt Disney Company is to be one of the world's leading producers and providers of entertainment and information. Using our portfolio of brands to differentiate our content, services and consumer products, we seek to develop the most creative, innovative and profitable entertainment experiences and related products in the world.

- Disney 2: To make people happy.
Importance of Mission/Vision

**Vision:** Vision statements answer questions like: What do we want to be in the future? What are the ideal circumstances we want to operate under?

- Microsoft: A personal computer in every home running Microsoft software
- Coca-Cola: To achieve sustainable growth, we have established a vision with clear goals. Profit: Maximizing return to share owners while being mindful of our overall responsibilities. People: Being a great place to work where people are inspired to be the best they can be. Portfolio: Bringing to the world a portfolio of beverage brands that anticipate and satisfy people; desires and needs. Partners: Nurturing a winning network of partners and building mutual loyalty. Planet: Being a responsible global citizen that makes a difference.
Value Statements

Like any organization, your Chamber needs to stand for certain things. The collective beliefs and values are important, and chambers should measure their current and prospective activities against them.

Examples:

• First and foremost, we are a customer-driven organization

• In order to be successful as an organization, the Chamber industry must be successful in and of itself.

• Growth is a key indicator of the success of the organization.
Value Statements

Examples (cont.):

• It is our responsibility to look toward the future and to provide visionary leadership.

• Solutions within the community are better developed through opportunities created by market-driven sectors, then through government mandates.

• Risk-taking and entrepreneurship should be encouraged and rewarded.

• We believe individuals in the business community should be actively involved in the political process.
Strategic Planning steps are similar regardless of who facilitates the process...

Discovery

Development

Decision
Research phase. The outcome of this phase is a work plan that translates your strategic planning goals into key questions, activities, and milestones.

- Focus groups
- Survey Work
- In-depth interviews
- SWOT
- Review industry trends
3. What value do you get from The Chamber in comparison to your annual membership investment?

- **Value is less than investment**
  - 2010: 19.1%
  - 2012: 16.5%
- **Value is equal to investment**
  - 2010: 17.5%
  - 2012: 51.1%
  - Industry: 51.70%
- **Value is greater than investment**
  - 2010: 21.2%
  - 2012: 15.3%
  - Industry: 25.20%
- **Value is greater than twice the investment**
  - 2010: 8.5%
  - 2012: 8.1%
  - Industry: 6.30%
25. Which of the following do you think should be the main purpose of The Chamber?

Survey Averages

<table>
<thead>
<tr>
<th>Purpose</th>
<th>2010</th>
<th>2012</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strong economy</td>
<td>36.2%</td>
<td>37.1%</td>
<td></td>
</tr>
<tr>
<td>Represent interests</td>
<td>24.3%</td>
<td>21.0%</td>
<td></td>
</tr>
<tr>
<td>Promote community</td>
<td>14.0%</td>
<td>13.8%</td>
<td></td>
</tr>
<tr>
<td>Education Resources</td>
<td>15.6%</td>
<td>10.5%</td>
<td></td>
</tr>
<tr>
<td>Networking</td>
<td>11.9%</td>
<td>8.1%</td>
<td></td>
</tr>
<tr>
<td>Political Action</td>
<td>5.6%</td>
<td>0.0%</td>
<td>0.2%</td>
</tr>
</tbody>
</table>
Discussion phase. Go through a process that engages leadership in discussion of the organization’s future based on the information obtained in the Discovery Phase.

• Revisit mission, vision, and values
• Identify factors critical to success
• Prioritize key strategies
Put it on paper. Prepare a written draft strategic plan and summary reflecting the work completed in the Development Phase. The organization’s role during this phase is to ensure that the plan is realistic given the capacity of the organization and its resources.

- Organize goals, strategies, tactics, resources, and accountability
Strategy vs. Tactic

• Strategy: A plan of action designed to achieve a goal; an idea
  • Example: “Build the company’s brand”

• Tactic: An action you take to execute the strategy
  • Example: “Hire a celebrity to endorse our product”
 Strategic Goal: Grow Jobs + Attract Investment

The Chamber’s top priority is to create jobs and attract investment for the community. This requires the Chamber to effectively lead select economic development initiatives and partner with the Economic Development Foundation.

<table>
<thead>
<tr>
<th>Strategies</th>
<th>Tactics</th>
<th>Resources Needed</th>
<th>Timeline</th>
<th>Accountability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chamber is the private sector leader on economic development for the region, partnering with the Foundation to accomplish regional goals.</td>
<td>The Chamber will develop an Economic Development Committee</td>
<td>Volunteers, preferably with ED experience</td>
<td>Start meetings by February 2013</td>
<td>Executive Director</td>
</tr>
<tr>
<td></td>
<td>Clarify Chamber’s role in economic development with leaders of the Foundation</td>
<td>Executive Director work with EDF</td>
<td>Have signed agreement by January 2011</td>
<td>Executive Director</td>
</tr>
<tr>
<td></td>
<td>Invest in building the Chamber’s capacity to implement economic development activities</td>
<td>Time to accumulate data, budget</td>
<td>Plan of action by March 2013</td>
<td>Executive Committee</td>
</tr>
<tr>
<td>Chamber supports innovation and new business development for the region.</td>
<td>Explore existing resources in the community and determine what is needed</td>
<td>Those with knowledge in business development</td>
<td>Delegate to ED committee</td>
<td>ED committee</td>
</tr>
<tr>
<td></td>
<td>Develop programs for members and non-members on business skills</td>
<td>Local business people with expertise</td>
<td>Delegate to ED committee</td>
<td>ED committee</td>
</tr>
</tbody>
</table>

The Chamber is the private sector leader on economic development for the region, partnering with the Foundation to accomplish regional goals.
Common Pitfalls

- Organizations get hung up on the tactics, miss the big picture
- No structure for accountability to manage plan implementation
- No check-ins to update strategic plan as major shifts in external or internal environment occur
Section 3
Board Retreats

Do more with your annual check-in
Board Retreats 101

• Annual retreats most often focus on operations, or annual business planning

• Should be used to build off of and update strategic vision

• Address tactical concerns
Sample Board Retreat Agenda Items

- Board survey/evaluation
- Keep, kill, edit programs
- SWOT exercise
- Program evaluations
- Team building activities
- Mission/Vision check-in
- Membership Satisfaction Survey (MACE model)
- Strategic plan review/update
- Board roles and responsibilities
## Sample Board Evaluation Results

<table>
<thead>
<tr>
<th>Question</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Board and management understand and respect each other's roles</td>
<td>4.7</td>
</tr>
<tr>
<td>Board meetings allow for candid and constructive discussion</td>
<td>4.6</td>
</tr>
<tr>
<td>I feel comfortable asking critical questions at Board meetings</td>
<td>4.6</td>
</tr>
<tr>
<td>We make decisions based on what's best for The Chamber</td>
<td>4.6</td>
</tr>
<tr>
<td>We have a shared vision</td>
<td>4.6</td>
</tr>
<tr>
<td>We debate issues without getting personal</td>
<td>4.6</td>
</tr>
<tr>
<td>I understand my role as a Board member</td>
<td>4.6</td>
</tr>
<tr>
<td>The organization has the appropriate number of board committees in place</td>
<td>4.2</td>
</tr>
<tr>
<td>The Board plays an effective role in the strategic planning process and the implementation of the tree-year plan</td>
<td>4.1</td>
</tr>
<tr>
<td>The Board has established appropriate and clear benchmarks to measure the strategic objectives</td>
<td>4.1</td>
</tr>
</tbody>
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**Board Retreats**

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Recap

Role of the Board
Policy Governance

Strategic Plan

Annual Check-ins/Retreats

Organizational Planning
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thank you

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