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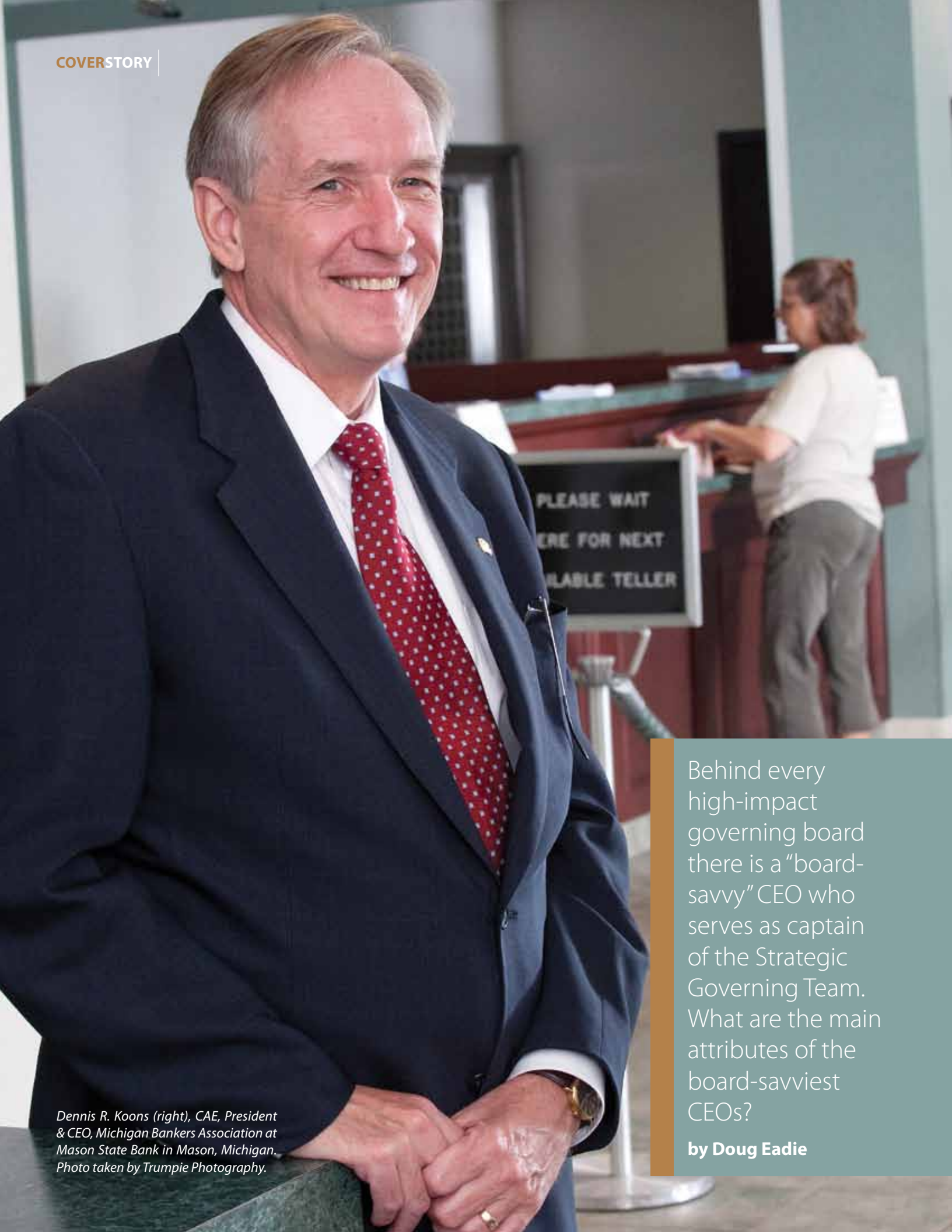
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Dennis R. Koons (right), CAE, President & CEO, Michigan Bankers Association at Mason State Bank in Mason, Michigan. Photo taken by Trumpie Photography.

Behind every high-impact governing board there is a “board-savvy” CEO who serves as captain of the Strategic Governing Team. What are the main attributes of the board-savviest CEOs?

by Doug Eadie

The Board-Savvy CEO

We expect the chief executive officer (CEO) to provide our nonprofit with capable executive management. We look to our CEO to choose top executives, providing them with direction and assessing their performance, to make sure well-designed administrative systems are in place, and the like. When a nonprofit board chooses its CEO, it is also choosing the de facto captain of its Strategic Governing Team: the board, CEO, and senior executives who work directly with the board and its standing committees. Governing really is a collaborative venture, involving intensive, well-orchestrated teamwork to ensure that the decisions and judgments that constitute governing work are made in a full and timely fashion.

Your board is obviously the most senior member of the Strategic Governing Team—the ultimate authority, judge, and decision maker. However, the CEO has to wear the team captain hat in practice, if not theory, if you want the Strategic

Governing Team to be healthy, cohesive, and productive. The reason is simple: *Time*—the CEO's and executive team's—and *access to resources*.

No matter how capable, committed and dedicated board members might be—and they typically are—the fact is that the great majority are part-time, usually unpaid volunteers. They normally have enough trouble coming up with the time to attend board and committee meetings, much less to attend public functions, speak in appropriate forums, and sometimes even raise money. Only the CEO has the time (including senior staff's) to plan for, manage, and support the Strategic Governing Team.

You Need a Board-Savvy Team Captain

Behind every really high-impact governing board there is a truly “board-savvy” CEO who serves as an effective captain of the Strategic Governing Team. The profile of the board-savviest

CEOs includes these four attributes. They:

- Bring the right attitude to the governing “business,” welcoming and celebrating strong board leadership and a close, positive, and productive partnership.
- Make governing a top-tier priority by mastering—and devoting a healthy dollop of time to—the governing function.
- Wear the “chief board developer” hat, taking accountability for helping the board build its governing capacity.
- Pay close attention to the psychological and emotional facet of their working relationship with their board, coming up with practical ways to provide their board members with ego satisfaction and to turn them into passionate owners of their governing work.

Here's a look at these attributes.

Meeting the Governance Challenge

Dennis Koons, CAE, president and chief executive office of the Michigan Bankers Association (MBA), is no stranger to the care and feeding of boards. Here, Koons shares some ideas for chief staff executives on how to meet the governing challenge.

by Carla Kalogeridis

Dennis Koons, CAE, never loses sight of the important fact that his board is comprised of member volunteers, and that member volunteers are any association's greatest asset. “These are our customers, our sources of policy direction, our resources for industry data and understanding, and our owners,” he explains. “Our volunteers literally create our associations, define and drive its core purposes and member values, and support it with time, leadership, and financing.”

Koons says the association board should represent “the

pinnacle of member volunteer engagement.” “These are the industry's most engaged members, and its strongest leaders,” he says. “There is no responsibility for an association CEO more important than recruiting and supporting the most engaged and effective board possible.”

In an exclusive interview with *Association IMPACT*, Dennis Koons, dives into a few more questions about meeting the governance challenge.

Q: What is the most important thing you do to maintain an excellent relationship with your board?

Koons: Maximizing board effectiveness requires excellent communication above all else.

Don't Miss Your Chance to Become a Board-Savvy CEO

Learn more from
Doug Eadie at ORGPRO 2010!

Drawing on his work with more than 500 nonprofit and public organizations over the past 25 years and on his 18 books, including *Meeting the Governing Challenge*, Doug Eadie will provide MSAE member chief staff executives (CSEs) with detailed, practical information on governance. This exclusive workshop will be held Tuesday, July 13, 2010 during ORGPRO in Ypsilanti, Michigan.

Participants will learn how to produce four high-stakes outcomes over the long run in their associations:

- Effective strategies for dealing with the highest-priority strategic and operational issues facing their associations;
- Their boards' strong ownership of its governing work;
- A board-CEO partnership that is close, productive, and enduring; and
- Their board's management of, and accountability for, its own governing performance.

Eadie will also cover key features of his *High-Impact Governing Model*, including:

- Characteristics of a "board-savvy" CEO;
- Clarification of the board's governing role and detailed governing functions;
- Use of well-designed standing committees as governing engines; and
- The board's management of its own governing performance.

For more information on attending the CSE Conference during ORGPRO, visit www.orgpro.info. Be sure to check out our special Executive Package pricing.

The Right Attitude

You can spot board-savvy and un-savvy CEOs soon after meeting them, just by listening to them talk about their boards and the governing process. Let's see if you can tell the difference:

CEO A: *You know, I stay out of the board's business – policymaking – and I expect them to stay out of my mine – executive management and administration. I'm always keenly aware of the danger that they'll begin to get bogged down into details and become micro-managers rather than the governors they're supposed to be, so I make sure that I bring them finished staff recommendations and try to keep them from digging too deeply in the details. You might call me a kind of border patrol officer, always on the alert to keep them from crossing over into my territory. They're a bright and well-meaning group overall, and I don't think they mean to do any harm, but I've got to*

watch them like a hawk or their tentacles will be wrapped around things that rightly belong in my CEO bailiwick.

CEO B: *I see myself in two ways vis-a-vis my board. First, my board is obviously a precious asset, consisting of the experience, knowledge, expertise, perspectives, and connections that board members bring to the boardroom. One of my most important CEO jobs is to make sure that this precious asset is fully deployed on behalf of my organization and that my board really does make a difference in organizational affairs. Second, I see myself as a partner with my board, sharing the work of governing. Of course, there has to be some division of labor in governing areas such as planning, but, frankly, you can't draw a line with something called "policy making" on one side and management on the other. I've got to be an active participant in the work of governing, and a close partner with my board, and this means not only helping*

From the very first invitations to a volunteer leader to serve on our board to and through every meeting and every issue, communication is key. This begins with clear discussions, at the board member's office location when possible, of the important leadership roles the board and every director plays for the industry, and thus, the reasons that the board's professional peers seek their service on their association's governing body. It includes clear expectations regarding the time and other commitment service will require.

Communication regarding possible emerging issues and board agendas is important on an ongoing basis, as is availability between board meetings to discuss these issues or just to reach out and welcome and encourage input.

Q: As the "chief board developer," how do you help your board build its capacity?

Koons: Communication and providing the right information really are the keys. I regularly communicate with the board members on the role they play in the association and the issues they are addressing.

On MBA's board are individuals who are experts at running a bank. However, when they serve on our board, we are asking them to advance an industry agenda. So my role as chief board developer is to provide the information that serves as a bridge between what they already do so well as banking executives and what we are asking them to do on behalf of their industry.

Therefore, to continually build the MBA board's capacity, it is very important

them make effective judgments and decisions, but also making sure that they really own their governing work and find it satisfying.

Of course, CEO B is the board-savvier of the two. CEO B obviously sees his or her board as a resource to be fully tapped in leading the organization, not just as a damage control challenge. This board-savvy CEO knows that governing is a CEO function—not just the board’s—and that partnership is the name of the governing game. Moreover, CEO B recognizes that he or she has to take accountability for the quality of the board’s governing experience, aggressively helping the board accomplish its governing work.

Top Priority

The board-savvy CEO believes that governing is a top CEO priority and that governing is a true CEO function (albeit shared with the board). Concretely, this means spending lots of time on governing matters, becoming

The board-savvy CEO believes that governing is a top CEO priority and that governing is a true CEO function.

a real expert in the governing “business,” and systematically managing the “governing program.” The board-savviest CEOs tend to put somewhere between 20 and 25 percent of their time into working with their board—and we’re talking quality time, not just schmoozing:

- Fashioning strategies for strengthening the board’s governing capacity;
- Developing agendas for committee and board meetings;
- Chairing regular meetings of the executive team dedicated to board agenda development;
- Ensuring that materials going to the board are high-quality; and

- Formally and informally communicating with board members on a regular basis.

Know Governing Inside-Out

In addition to making a significant commitment of time to governing matters, board-savvy CEOs take the trouble to become experts in the rapidly developing field of nonprofit governance, regularly reading periodicals and books focusing on board leadership and the board-CEO partnership and attending educational sessions at conferences. Indeed, they think of governing as one of the core CEO competencies, along with such critical functions as strategic planning,

to connect broad public policy issues to their effect on the banking industry. It’s my job to provide the board with the background information on these issues in a concise, user-friendly format, so they can serve effectively on the board. As chief board developer, I must frame those public policies for the board with concise but thorough information.

Q: How do you stay current on your professional development regarding working with boards?

Koons: Regular peer group exposure is very important to me. Networking and training opportunities—whether with my association colleagues in Michigan or my banking colleagues on a national level—are absolutely critical to my own professional development.

The best scenario for me is a specialized program for CEOs where I can get the information I need and network with my peers at the same time. I am always looking for those opportunities.

It is also wise to keep up on industry publications and other articles that address the topic of board development.

Q: What do you think most association executives

would say is the most challenging aspect of governance?

Koons: A very important role for a CEO is encouraging optimal balance in generating the most diverse and comprehensive board and director input and engagement, while also respecting their roles as volunteers. Officers and directors are our greatest sources for association direction, industry-specific insight on issues and challenges, policy, and frequently for general guidance about the association and member needs. Maximizing their opportunities to share input is key, which requires effectively sharing background and concise summaries of emerging issues. This must be balanced with respect for their roles and their time, as well as limiting their exposure to management and executive decisions—these are responsibilities for which they engaged the association CEO. In these matters, assure they are appropriately aware of management matters, not exposed to making the decisions.

This line is never clear and will vary significantly from industry to industry and association to association. My background includes employment and work with boards and officers with the Detroit Chamber, the REALTORS, and the Bankers. Volunteer service includes or included many



financial management, and external relations. Because they systematically educate themselves in this complex and dynamic field, board-savvy CEOs learn to distrust fallacious little nuggets of wisdom that, although they are often touted as scientific truth, turn out

on closer examination to be wrong-headed and often quite damaging.

To take an egregious example, it's been said that small boards are more effective governing bodies than bigger ones. Although "big" and "small" are relative terms, the small-board advocates often recommend that a board not be larger than nine members, and they react with horror to the thought of 25 or more potential micromanagers gathering in the boardroom. True, smaller boards are attractive from a narrow efficiency perspective—requiring less care and feeding and being more likely to secure a quorum at meetings—and they are easier to turn into cohesive governing bodies. However, board-savvy CEOs know that board downsizing can come at a high cost that should be seriously considered before jumping aboard the small-board bandwagon.

For example, the larger a board, the more diversity you can build into your

governing process—socially, culturally, and in terms of knowledge, experience, and connections with the wider world. Larger boards have more room to add key stakeholder representatives (a stakeholder is an organization with which it makes sense to maintain a working relationship because of the stakes involved) as a tried and true way to build alliances and to enhance your board's political influence.

The Governing Program

Here's a trick of the trade from one really board-savvy CEO: Treat governing as a formal program that the CEO consciously and systematically manages as the program "director" (behind the scenes, of course, since many association board members are likely not to embrace being treated as a kind of program.) This forward-thinking CEO set clear goals for strengthening her board's governing capacity, fashioned strategies to accomplish these goals, and rigorously

boards as a director and/or officer; the State Chamber, Michigan Habitat for Humanity, MSAE, and other organizations both for-profit and not-for-profit. Every organization and every industry varies not only in its priorities and needs—policy advocacy, products and services, training, or other roles—but also in the culture and collective experience of its members.

Q: How does the industry the association is serving impact governance challenges?

Koons: Chamber boards consist mostly of business CEOs, large and small, and from very diverse industries. The perspective of a CEO in a business that employs thousands likely differs from that of a CEO in a firm that employs five. One comes from a culture and reality that necessarily expects all significant decisions to cross his desk; the other necessarily depends on many decisions being made in diverse areas and at many levels in the organization. These differences are more distinct when a board consists of independent contractors, like the REALTORS, versus community volunteers as are prevalent with Habitat, and in contrast with bank CEOs.

The one board will have professionals who work in a strictly commission-driven world. Their high-energy salesmanship skills translate extremely well for many association priorities, including grass-roots governmental advocacy. Independent contractors are less exposed in their daily professional pursuits to delegation of decision-making. Community volunteers are the most generous of volunteer directors, and may be familiar with very hands-on roles as well. On the other hand, the MBA board is comprised of bank CEOs. They deal with their own boards of directors and serve a similar executive role with their banks, as does their association executive. They also serve on community charitable and community development organization boards. This brings a different perspective to their expectations as directors with their association.

Association CEOs must appreciate these differences, know the disciplines and expertise of their members and directors, and build governance models, practices, and communications to maximize the effectiveness for their constituent owners and for the association. Everything from association bylaws to director training, meeting and communication management, and even the style and detail

monitored progress in carrying out the strategies.

Chief Board Developer

“Board development” means developing your board’s effectiveness as a governing organization, primarily by clarifying your board’s governing role, fine-tuning your board’s governing structure, and mapping out processes for involving your board in such critical governing functions as strategic planning and performance monitoring. Board development is a never-ending process since boards, like any other organization, can always improve—in fact, should always be improving, taking advantage of advances in the field of nonprofit and public governance.

When serious board development occurs, it’s usually driven by a board-savvy CEO wearing the “chief board developer” hat who:

- Takes the lead in getting board members interested in—and

committed to—developing the board’s governing capacity (for example, by sharing pertinent articles on governance with board members and by encouraging board members to attend educational sessions on governance at national and state conferences.)

- Convinces the board to participate in a particular board development process, such as a governance retreat or task force.
- Is knowledgeable enough about the field of nonprofit and public governance to help the board make sensible, well-informed decisions about such important questions as the standing committees that should be established to help the board accomplish its governing work.
- Ensures that the board development process is successful by providing strong support, both during the process and in implementing the recommendations

coming out of it. For example, if your board’s governance task force recommends that the board adopt governing performance targets and regularly monitor its own performance, the board-savvy CEO will ensure that the targets actually get set and that the monitoring process is established.

Keeping the Fragile Bond from Fraying

The board-savviest CEOs know that their working partnership with their board is always fragile—prone to erode quickly if not systematically maintained and nurtured, and that maintaining this fragile bond requires paying close attention to the psychological and emotional dimension of the relationship.

Keeping the partnership healthy is no mean feat, when you think of the individuals and the circumstances at the top of your nonprofit. To start with, board members tend to be ambitious,

for board minutes should be guided by an appreciation for the value of diverse board members.

In short, design your association governance to maximize member-leader effectiveness for the organization.

Q: Have you ever served on a board as a volunteer, and if so, what did you learn or find most surprising when you were on the “other side”?

Koons: Serving as a director for other organizations provides a vivid opportunity to view a board and its executive from the other side of the equation; to sit in the seat and play the role of the director. Your duties are not to manage or be the executive. The role is to support the organization’s priorities and its executive, and make certain that management does in fact do its job.

Clear direction, adherence to policy, and sound financial controls are among the performance expectations that every director must insist his organization provides. This also provides an opportunity to bring your particular strengths and experience to bear for the benefit of the organization. On one board, my background with leading and managing organizations was helpful; in another case,

decades of political background was a valued asset.

Q: Are you a fan of big boards or small ones?

Koons: There is no perfect size for a board. My experiences include boards ranging in size from three to 70. All can be effective.

An association executive once described her board to me as one where every member held a board seat—a total of seven. This small, but very well focused association functioned on a very executive model and both depended upon and benefited from having each stakeholder literally at the table. On the other hand, a board on which I served numbered 70. Among its primary advantages was assuring broad representation and ownership of directions from a very diverse membership base. This was critical to the association. Clearly a board of 70 means an executive committee makes most decisions and frames even broad policy directions before they reach the board.

Similarly, there is no perfect number or frequency for board meetings. The MBA board holds four regularly scheduled meetings annually. We meet for special purposes as needed, and our bylaws accommodate electronic meet-

high-achieving, hard-driving individuals who can be impatient and at times imperious. They come to the boardroom with high expectations, and they don't suffer disappointment gladly. When you add to the mix a rapidly changing, always challenging world that hurls one issue after another at boards and their CEOs, you can easily understand why the board-CEO bond tends to fray.

Two Simple Strategies

Board-savvy CEOs employ two simple but effective strategies to keep their partnership with the board healthy: First, they take advantage of opportunities to provide their board members with ego satisfaction. For example, one CEO routinely turns speaking invitations over to board members rather than just accepting them herself. Another goes out of his way to involve board members in meetings with key external stakeholders, including the media. In ad-

dition, of course, making sure board members are regularly and publicly recognized for their efforts—say, in the monthly newsletter—is a low-cost, high-yield tactic.

Second, board-savvy CEOs are always on the lookout for ways to foster feelings of ownership among their board members. One of the most effective ownership-building strategies is to design into the strategic and operational planning processes opportunities for early board input and guidance. This is the polar opposite of the old-fashioned approach of just presenting the board with a finished plan at the tail end of the process, turning board members into a passive audience while building absolutely no ownership. ♦

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Board-Savvy CEO," from Eadie's best-selling book, Meeting the Governing Challenge (Governance Edge, 2007).



Hear from Doug Eadie during his keynote presentation at ORGPRO 2010. Eadie is the opening keynote on Tuesday, July 13. Eadie will share Lessons from *The Blind Visionary*, a book he co-authored with Virginia Jacko which has received national recognition.

Eadie will also facilitate a workshop on Tuesday, July 13 exclusive to Chief Staff Executives. See sidebar on page 10 for more details.

Visit www.orgpro.info for more information about ORGPRO 2010.

ings to respect members' time and maximize participation. Some boards meet much more frequently. An association CEO should tailor board size and meetings to the roles of the board in the association, as well as the industry and individual director cultures within her organization.

Finally, there is no perfect amount of time and/or energy the CEO should devote to the governance model and the recruitment, communication with, and support for her volunteer leaders. One CEO may spend a smaller percentage of time on governance issues and director support; another may find it necessary to invest much more time and energy encouraging directors and ultimately members to pull in the same direction.

Q: If you had one piece of advice for a new association chief staff executive about boards and governance, what would that be?

Koons: First, understand well your organization and the industry it represents. What is the one reason you exist? I recall asking a broad member team as part of a strategic redirection for the REALTORS (an involved and very productive effort that re-wrote bylaws, the role and dimensions

for the board, and many other organizational matters): "If the Michigan Association of REALTORS dissolved tomorrow, what would cause the industry to recreate it within a year?"

The response was immediate and definite: "As an industry profoundly affected by laws and regulations, we would re-create the association for governmental advocacy, but not in a year—it would be done within weeks." This consensus position then helped us drive every structure and every focus for the association. Association CEOs should seek this guidance from their board and their membership. "Why do we exist? What value do we bring to our members, our owners?"

Then build your association governance, committees, volunteer engagement, professional staff, and programs to serve and to emphasize that core mission or missions. Clear, effective governance is critical to an association. It will aide in providing well-considered policy, sound management, and member-valued results. However, it is still just a mechanism, a tool, a means to the end of serving your members. Effectiveness includes efficiency. Invest in the governance model that engages members in a credible, decisive, and productive organization for your members. ♦