

I'm On The Board: This is My Job

ASCHA Conference 2017

Presented by Linda Wood Edwards

LUE-42 Enterprises





Agenda

- Theme “...everyone comes together in a focused direction, powered by energy, determination, and a shared purpose”
 - NFPs & Corporations playing together
 - Governance and Fiduciary Duty
 - Board roles
 - Governance vs. Operations
 - Structuring to be better
 - Board composition



NFP & Corps in the Same Sandbox



What's the difference?

What's the same?

Both do good work

Both need to be profitable

Directors/officers are subject to the same statutory liabilities

Neither are evil

Why the disconnect?

Governance



A Definition of Governance

- ➔ **Governance is** the combination of policies, systems, structures, and a strategic and operational framework that the governing body puts into place to ensure the leadership of the organization makes appropriate decisions and takes appropriate actions to deliver services in an effective and accountable manner.

- Doug Macnamara, Banff Executive Leadership Inc.



Legal Responsibilities of Directors

- A “fiduciary” is a person who maintains a position of trust.
- The fiduciary must:
 - Act honestly and in good faith
 - Be loyal to & act in best interest of the corp.
 - Avoid any conflict of interest
 - Subordinate every personal interest to those of the corp.
- Every Director (& CEO/ED is a fiduciary)
- Also Duty of Care, to act as a reasonably prudent person would act in similar circumstances

“Direction” Questions for Boards

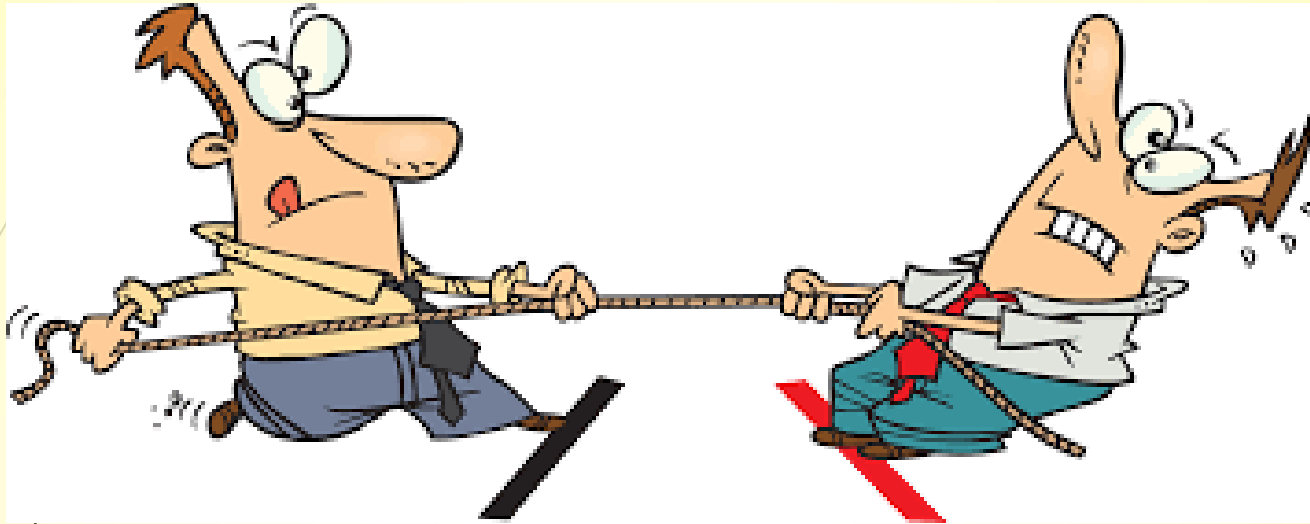
- ▶ Where are we headed?
 - ▶ STRATEGIC PLAN
- ▶ What obstacles and opportunities might we face along the way?
 - ▶ RISK MANAGEMENT STRATEGY
- ▶ Who will do what?
 - ▶ OPERATIONAL PLAN, DOAs, CHARTERS
- ▶ How will we resource our efforts?
 - ▶ BUDGET

“Control” Questions for Boards

- ▶ Where are we compared to where we said we would be?
 - ▶ ANNUAL REPORT
- ▶ How do we measure up and how well have we mitigated our risks and acted on opportunities?
 - ▶ DASHBOARD/SCORECARD/RISK REPORTS
- ▶ How well did the leadership/management teams perform?
 - ▶ EVALUATIONS
- ▶ How are we doing compared to budget?
 - ▶ Q'LY FINANCIALS



Board/Staff Dynamics



A Strategic Partnership
Two elements of the same team (not a hierarchy)
Both pulling the same direction
Boards govern, Managers manage

Board-CEO/ED Relationship in Governance Performance

CEO
/ED

Strong	SOCIAL CLUB	EXCELLENCE
Weak	VACUUM	POLITICAL

BOARD

Courtesy of Alberta Federation of Regulated Health Professions



Board and CEO/ED Must Share:

- Mutual trust and respect
- Reciprocal communications
- Shared purpose/mission-driven (for the “good” of org.)
- Social and Fiscal stewardship
- Resource development
- Succession planning
- Strategic planning and program evaluation
- Outcomes:
 - Mission impact
 - Organizational growth and sustainability
 - Healthy, functional organization
 - Change as a constant

- *BoardSource.org*



Are Your Agendas & Processes Limiting Your Effectiveness?



Parliamentary Procedure (and agenda formats) can make a meeting fair, but not productive

Robert's Rules of Order are not the law: Fiduciary Duty is the law

More Productive Board Meetings

- Agenda Structure
- 5 minutes of housekeeping, 25 minutes of BIG thinking, then...
- Decisions first, then...
 - Discussion (unlikely to be resolved), then...
 - Information/Reports (time permitting)
- Set time limits
- Save the last 15 minutes for minor issues
- No surprises
- Presumption that board material has been read (essential!)
- **Generative discussion examples**



Example of a Strategic Agenda

A G E N D A

1. Welcome/Call to Order
2. Approval of Consent Agenda
3. Approval of Agenda
4. Approval of Minutes
5. Generative Discussion (25 minutes)
6. Decisions
 - 6.1 xxx
 - 6.2 yyy
7. Discussions
 - 7.1 zzz
8. Information/Reports (time permitting)
9. New Business (time permitting)
10. Date of Next Meeting
11. Closing



Other Productivity Ideas?

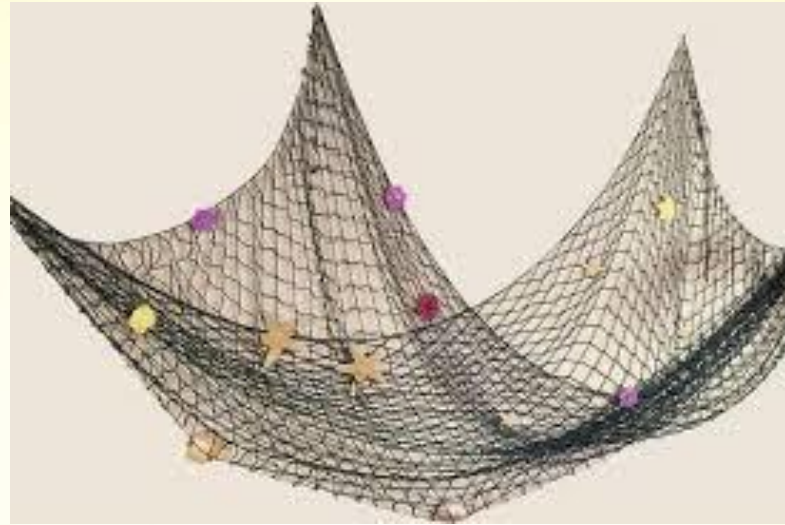
- Study findings of a large NFP (Hartley)
 - “Precious Time & Skills Being Wasted” in meetings
 - Smart people with lots to give are focused on low-powered issues and/or hearing reports
 - Board members slowly tune out/turn off
- Conclusion: Desperate need for all the brain power and energy around the table to be focused on critical issues
- **Your ideas?**

Diverse Composition of Boards



- It doesn't matter who is there because Fiduciary Duty
- We forget who is most important around the table
- Engagement and participation
- Communication
- Orientation

Catch-All



- Privacy and Confidentiality
- Conflict of Interest
 - Declare, Decide, Record
- Importance of Participation and Preparation
- Is it a major issue?
 - “If we got this wrong would the impact be significant?”
- Implications of board decisions

Questions?

1 Thing you wish you knew more about

Thank you and good luck!



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