

A Matter of Balance: Fiduciary and Strategic Thought In The Boardroom

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I've long said that being a CEO of a nonprofit organization is one of the hardest jobs in the world. I've had the opportunity to help lead a number of them and have found myself being challenged to find the right balance between fiduciary and strategic agenda items at my own Board meetings. Having formally observed a number of Board meetings in recent years, I have realized that this struggle is shared by many nonprofit CEOs and Board Chairs. And the proof of this difficulty goes well beyond the anecdotal. In recent assessments of nonprofits across the US, a surprising number of Board members reported a lack of genuine strategic dialogue at their monthly Board meetings.

Finding the right balance between operational oversight and strategic dialogue is a real struggle. But one that is very much worth fighting. There are a number of reasons why such a balance is difficult to achieve, but I'd like to focus on one reason in particular. That is...many nonprofit leaders get "stuck" in one mode of thought. What do I mean by that?

CEOs and Board members frequently lack a framework or vocabulary to ask the full range of questions that are necessary to effectively carry out their governance responsibilities. As such, and often by default, many nonprofit boards spend the majority of their time in the **Fiduciary** realm of thought. Frequently, this notion of fiduciary is paired with the word "oversight." As nonprofits, we're very good - and often most comfortable - with providing oversight. We are stewards of our donors' hard earned money and we are always working hard to do more with less and less. And as such, we are traditionally strong at reviewing the financials, ensuring that we are in compliance with grant requirements, conserving the organization's resources (wherever we can!) and even mitigating key risks.

As we should be.

I would imagine that your nonprofit spends a great deal of time talking about (or reporting on) fiduciary items at your board meetings. In fact, I've had clients who issue monthly Board packets -- some 100, 200 or even 300 pages in length -- and then spend the vast majority of their Board meetings simply reviewing those written reports.

Don't get me wrong. Fiduciary thought is absolutely necessary, and it has a vital place - especially in the nonprofit sector. The problem is that while fiduciary thought is necessary, it is certainly not sufficient if you desire a Board or governance culture operating with excellence. Yes, more is needed. But the extra effort yields significantly greater rewards.

The "more" that is needed is to begin including **Strategic** discussions into your Board meetings on a *regular* basis. Please note that I am not talking about "strategic planning." It is highly likely you already incorporate some form of strategic planning into your Board

meetings once a year - or every few years - when your Board undertakes the review or revision of your strategic plan.

I am, however, suggesting that the Board and senior management exercise their "strategic thinking muscles" on a very regular basis. If you don't, you won't be able to adapt to programmatic landscapes. Nor will you improve at identifying, planning and implementing high-impact strategic initiatives. (It's a lot like my golf game. I know how to hit the ball reasonably well, but playing only once or twice a year, my game has seen no real improvement in 20 years.)

Nonprofit Boards and senior management teams can work in constructive partnership throughout the year to create the nonprofit of the future, craft thoughtful dashboards of strategic success, find ways to innovate, experiment and learn on an ongoing basis. They can also work diligently together to scan the internal and external environments surrounding their organization, address evolving constituent needs, analyze competitive benchmarks and identify key programmatic trends long before others.

Begin to think of "strategic planning" as an ongoing process of strategic discussions and learning opportunities throughout the year -- not a discreet occurrence with a start and a finish.

And so the question is...What's on your next Board meeting agenda?

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