

Keynote Remarks

Standards for Excellence, An Ethics and Accountability Code for the Nonprofit Sector Given at Maryland Nonprofits, May 28, 2014

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Thank you Greg...not only for your kind words of introduction, but also for your genuine leadership and courage throughout this entire Standards for Excellence process. And thank you for bringing us together here today to mark this important milestone in the ongoing effort to encourage nonprofits throughout Maryland, the US and the world to reach new heights of excellence and mission success.

Nearly two years ago, a group of individuals was invited to voluntarily participate in a special initiative. It was, simply put, an extraordinary group of some of the most thoughtful, passionate, dedicated and yes – busiest – folks you could find.

The group's charge was outlined by our convener and the Standards for Excellence Institute's Director – Amy Coates Madsen: Conduct a review of Maryland Nonprofit's Standards of Excellence; Identify the areas where the code (the Standards as I will call them) should be strengthened; and Make suggestions for potential changes to Maryland Nonprofits' Board of Directors for their consideration and approval.

We gathered together thinking that our efforts would (and should) be rather focused – both in terms of scope and time. We were, after all, starting with an already strong code – the existing Standards of Excellence.

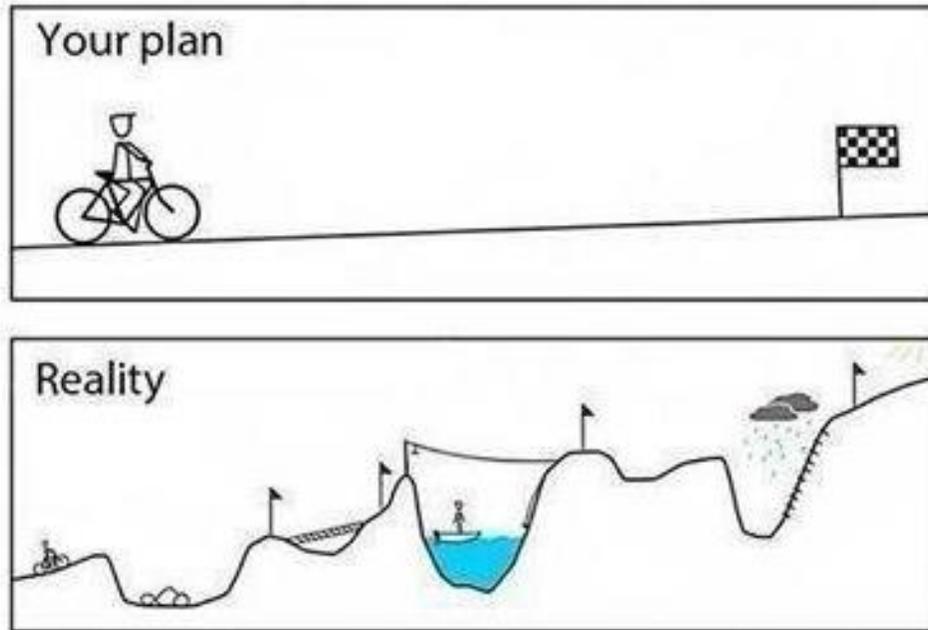
I remember that first meeting in the fall of 2012. Greg was there. At the time, he was simply a task force member. And wow – Margaret Williams of the Maryland Family Network was there – she had led the marvelous effort to draft the original version of the Standards. Henry, and Suzanne and Leslie. And Julio, and Fisher and Dennis. And many, many more.

We all thought we were in for a few meetings and that would be that. There was some genuine buzz in the room. Quite frankly, I think many of us were humbled to be asked – I know I was honored to be asked to help facilitate the meetings of the group. At the very least, the members of the group were certainly willing to put in our two cents!

Little did we know...

The Effort

I am reminded of a cartoon I saw a few years ago concerning strategic planning that I have shared with a few of my clients and colleagues. It looked something like the following:



The group started asking fundamental questions ...

Just to give you a flavor:

- How can we help strengthen the Standards of Excellence Code?
- How can we help strengthen the Standards of Excellence Program?
- What are the benefits of the Standards and program to nonprofits?
- Are we using the “right” certification process?
- Is the basic framework for the Standards the right one?
- What is missing from the Standards?
- How can we make sure the Standards are applicable to a wide variety of nonprofits?
- How can we share the Standards with more nonprofit leaders and organizations?

Well, as a testimony to the group. Their dedication, their sincere engagement and frankly their collective wisdom we then did the only thing we could do to ensure we got it right... Following up on a survey of key stakeholders we decided to convene a small group strategy group to suggest the path ahead. What emerged was a suggestion to the full group to tackle the task we had been given in three Phases.

Phase One (kicked off at our second full group meeting) was to conduct a comprehensive environmental scan of (1) Foundations, (2) Nonprofits, (3) Key Leaders, (4) Government Legislation, Gov't Funders, Regulatory Agencies and (5) Others Working in the field – the group did that with excellent support from Amy and Melissa Sines.

Phase Two (initiated at our third full meeting) was to look at the core elements of the overall Standards of Excellence program. Once again we divided ourselves up into different teams and task group to carefully review:

1. The learning and education components
2. The external relations approach
3. The vital certification & program methodology
4. The use of the Standards by key stakeholders and replication partners.

Phase Three (kicked off at the fourth full meeting of the group in April of 2013) was to begin the process of carefully examining that actual concepts and words utilized in the Standards.

Understand... we are now seven months into the effort and have already spent hundreds and hundreds of hours on the project. And yet, we are now just getting to the conceptual “start-line” of analyzing the provisions of the Standards themselves.

It is, quite frankly, a testimony to their character and infinite patience, that Greg, Amy and Melissa hadn't thrown us out the door at this point...

- Would our previous efforts to do the environmental scan and review the various program elements make a difference?
- Had we all just spun our wheels?
- Would we actually suggest – and agree upon – any real changes to the Standards at all?

Individually, we suspected. As a group - we didn't really know...

Of course that when the real fun began! The group divided itself into seven subgroups and went through the existing Standards.

Section by section... Paragraph by paragraph... Line by line... Word for word... And yes... when necessary... Punctuation mark by punctuation mark.

Many new ideas emerged. The group debated. Asked questions. Advocated. And then, we debated some more. Among the ideas that emerged was what I considered to be a key paradigm shift. The emphasis in the first version of the Standards was on the “Governing Body” of a nonprofit – the board of directors. Of course this was an appropriate

acknowledgement of the vital role that Boards play in the ultimate success of a nonprofit as we will hear from our panelists this afternoon. The second version of the Standards retained a strong emphasis on the role of the board, but framed their work in terms of the broader concept of “Leadership.” The idea of leadership encompassed not only the Board – but also staff and volunteers. Governance and leadership was not just the province of the Board, but also of the staff and volunteers in constructive partnership with the Board.

As you will hear from Amy and Melissa in more detail shortly, a new Preamble and six revised guiding principles emerged pertaining to:

1. Mission Strategy and Evaluation
2. Leadership: Board Staff and Volunteers
3. Legal Compliance and Ethics
4. Finance and Operations
5. Resource Development
6. Public Awareness, Engagement, and Advocacy

But wait there’s more...

There was then a fifth full group meeting in the Summer of 2013 that Ended Phase 3. It was then that where the group agreed on all the core provisions of the Standards that would be recommended to public for comment.

The Small Strategy Group met again and a full draft of version two of the Standards was created.

There was a “Public Comment Period” and the staff reached out to a number of Key National Stakeholders for their comments as well.

The small groups met again, made final modifications to the wording of the code and enthusiastically forwarded it to the Maryland Nonprofits’ Board for their approval.

After the Board’s thoughtful consideration, the version of the Standards you have before you today passed unanimously.

Other than that the group and staff really didn’t do all that much!

All told – we spent well more than 300 hours in meetings...completed an in-depth environmental scan...efficiently implemented our efforts through full group meetings, as well as through seven sub-groups...and all over a three-phased process that spanned 12 months.

We gave it our very best effort.

Driven by Excellence

In retrospect, there was a “notion” or “idea” that seems to have permeated the entire process. As I recall it (somewhat ironically) as a group we didn’t talk very much about the idea I have in mind – at least in a direct or formal way. Oh -- it was certainly there -- but we didn’t dwell on it as a separate concept. Looking back now, I’m not really sure why we didn’t discuss the notion more. Perhaps we thought the notion itself was somehow too unoriginal, or maybe too obvious. And yet it was there the whole time.

The notion was excellence... and it was everywhere.

At that first meeting, it was clear that simply doing a quick review was not enough – not for anyone involved. There was a very clear consensus that the task force was not interested in making changes simply for change’s sake – rather, each member talked about wanting to develop a code and program that was “best in class.”

To do that we had to walk our talk...

I think it’s safe to say that the staff at Maryland Nonprofits hadn’t anticipated a 12-month process either. But, we are all fortunate that the organization had the foresight -- and the courage -- to loosen the reigns and let the process take over. With no external funding to support the project, they provided us with the gift of time and space. And they encouraged us to reach for excellence. In fact, they expected it of us.

Like you and your colleagues in the nonprofit sector, my firm is committed to the public good. We have a special calling. I won’t say that it’s not important for manufacturers or retailers or others in the business sector to hold themselves to a higher standard. It is. In fact, I believe that each one of us has the ability to make a difference in the lives of others. And that counts. It matters how a business person closes the deal, builds the product, treats his or her staff. Excellence is important in our world.

But, in the nonprofit sector, because we are stewards of the public trust... because we hold the health and well-being of our neighbors, our friends and our family in our hands, I believe it sometimes matters even more.

Tom Peters, in his book, *In Search of Excellence*, outlines eight core characteristics exhibited by excellent organizations. They are:

1. Holding a bias for action, active decision making - 'getting on with it'. Facilitating quick decision making & problem solving that tends to avoid bureaucratic control
2. Being close to your constituents - learning from the people served by your organization.
3. Prizing autonomy and entrepreneurship - fostering innovation and nurturing 'champions.'

4. Treating rank and file employees as a source of quality - productivity through people.
5. Being driven by a hands-on, value-focused management philosophy.
6. Sticking to the knitting - stay with the “business” that you know (or avoiding mission-creep).
7. Maintaining a simple form, lean staff - some of the best nonprofits have minimal staff.
8. Simultaneous loose-tight properties - autonomy plus centralized values.

The group of volunteers and staff that were stewards of the Standards did all of these things. We will recognize them here shortly for their incredible work – and justly so.

Think of the shining examples of excellence that we all know from the business community. Nordstrom for its customer service. Apple for its design and innovation. Google for its information management. What is your nonprofit known for? What is your mark of excellence?

Commit yourself to a standard of excellence, and I can promise you a few things. Ultimately, you will find that people step up in ways that surprise and delight you. You will receive far more than you are asked to give in return. And you will ultimately end up a stronger and wiser organization.

But, the process of excellence is not for the faint of heart. You will also need to leave your ego and your pre-conceived notions at the door. You will find yourself asking for help more openly and more frequently than ever before. And, most likely, you will end up taking a longer and more winding path than you originally thought.

But, what do we have to show for it in the end? A Standards for Excellence Code that is serves as a model for everyone in Maryland but also state organizations across the country. One which is comprehensive, well-vetted, thoughtful *and* practical. One that will make a difference for nonprofits throughout our state. One that will ultimately shape how the nonprofits in our state operate and, therefore, impact the lives of our citizens.

And what of our original course that took such a turn? Were our task force members impatient, frustrated with a process that they expected to last a few brief weeks? Did the loss of expediency outweigh our taskforce’s commitment to excellence? You might think so. But no. Remember? People step up in ways that surprise and delight you.

In the end, the courageous and hardworking taskforce members said things like, “I appreciate having been a part of the process;” “You...did an excellent job...engaging us all...I would be happy and honored to assist you and Maryland Nonprofits and the Standards of Excellence effort in any way I can going forward;” and “It really has been a privilege and a joy to serve with all of you – and the full task force – over this past year. You have no idea how much I have learned from each of you.”



If we all commit ourselves to serving the missions of the organizations we love... we will exemplify the Standards of Excellence at work.

To thank those who gave of themselves, I ask that the members of the Task Force that are with us today to please stand to be recognized...

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Michael Daigneault serves as Chief Executive Officer at Quantum Governance, L3C and has more than 30 years of experience in the field of governance, management, strategy, planning and facilitation. With more than 75 percent of Quantum Governance's clients representing the nonprofit sector, the organization fields more engagements in that sector than any other.

Quantum Governance provides corporations, nonprofits, credit unions, associations and governmental entities with strategic, cost-effective governance, ethics and management consulting, facilitation and evaluation. We are home to more strategic governance experience than any other practice in the country. The firm is a unique L3C organization that integrates the best elements of both the for- and non-profit communities into one practice. It is a low-profit, limited-liability service organization dedicated to the public good and one of the very first such legal hybrid organizations in the United States.