

# BOARD BREAK

Online Newsletter for Board Members

April 2006

A publication of the

CENTER FOR NONPROFIT MANAGEMENT

An e-newsletter filled with the latest news and resources  
on nonprofit board governance.  
Short enough to read on your break!

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## ***Support Your Executive Directors & Development Directors Through Leaders Circles***

Nonprofit executives from similar-sized organizations with diverse missions meet monthly in facilitated, peer-coaching groups of 5-7 people called **Leaders Circles**. The purpose of the Circles is to address common challenges, exchange ideas and share solutions. Consider having your executive director and/or development director join a **Leaders Circle** to develop stronger ties with other leaders and establish a network of peers to confide in, depend on, support and grow with. "This is an excellent tool and one I would recommend to all development professionals," a recent **Leaders Circle** participant said. "It is an ideal format for sharing resources, receiving encouragement and developing ideas to help you excel in raising more funds for your organization."

**Leaders Circles** can help executive directors and development directors to:

- Network with colleagues who face similar challenges and opportunities
- Experiment with new ideas before "taking them public"
- Achieve personal goals
- Keep up with developments in your field
- Get support and coaching from peers
- Take action and learn

Now open to all member agencies regardless of budget, **Leaders Circles** are open to full-time, paid development directors and executive directors. Circles meet monthly September through June.

"The trust and rapport is truly a marvel. The benefit of the Leaders Circle far outweighs the time out of the office. In addition to helping solve problems and work through challenges, it provides encouragement, energizes and helps envision possibilities," another Leaders Circle participant reported.

**Save the Date!** Orientation sessions for the new year of Circles will begin in July, however participants may register now for the 06-07 Circles.

**Help your executive director and development director get the support and resources they need through Leaders Circles.**

For more information, [click here](#) or call Nichole Tilson at 214-826-3470 ext. 230 to schedule participation in a Leaders Circle.

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## IN NATIONAL NEWS

### ***Social Enterprise – What is it and Why am I Hearing so Much about it?***

In March, Bill Shore, founder and executive director of Share Our Strength, presented a workshop to help nonprofits in North Texas learn more about social enterprise. Social enterprise, or as Shore calls it, community wealth, is the formation of a profitable enterprise to generate resources and promote social change. This can be done in many ways, for example, through business ventures, cause-related marketing partnerships and licensing.

Shore cites four reasons why nonprofit are now focusing on social enterprise:

1. Government funding has been reduced, so nonprofits must find other sources of funding.
2. Nonprofits are undercapitalized, undiversified and dependent on gifts, grants and donations.
3. External funding provides short-term, unreliable solutions versus the long-term sustainability of internal investments.
4. Nonprofits are too reliant on redistributed wealth versus finding new ways to create wealth.

Nonprofits have found that through social enterprise, they can create new sources of revenue and make investments for long-term sustainability. However, in creating social enterprise, Shore says organizations are faced with new internal challenges including hiring people with different skills and communicating how this new direction will benefit the organization.

Nonprofits can benefit from a variety of social enterprises. Some of the types of social enterprise include employment-based models (Greystone Bakery), product-based models (Girl Scout cookies) and knowledge-based models (replicating and licensing).

Check out the "Great Web Links" section for more information on creating community wealth.

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## IN LOCAL NEWS

### ***Straight Talk about Strategic Planning***

Betty Richardson, an independent nonprofit consultant in the North Texas area, offered her advice for nonprofits regarding strategic planning at the March Board Builder session. Key points from her presentation included:

#### *What is strategic planning?*

It is a management tool used to systematically define and focus on priorities and goals among the organization's leadership. The process is not a single event, it is a continuous process of creating priorities, aligning business functions, evaluation and resource allocation.

#### *Why create a strategic plan?*

It can help an organization focus its vision and priorities in response to a changing environment and ensure that the staff and board are working toward the same goals.

*Important Questions to Ask During the Process:*

- Where are we going?
- What do we need to accomplish?
- What results are we seeking?
- What do we want to be in year \_\_\_\_\_ ?

*Basic Overview of the Strategic Planning Process:*

1. Review your mission statement
2. Examine internal and external trends and changes
3. Develop a vision
4. Develop strategic priorities and strategies to support the vision
5. Write the plan
6. Adopt the plan
7. Develop an annual work plan and budget with measurable objectives
8. Implement the plan
9. Perform an annual evaluation of the plan

*Make Your Objectives SMART:*

S	specific
M	measurable
A	attainable
R	results oriented
T	time bound

If your organization needs to begin work on a strategic planning process, please contact the Center for support in your efforts. For more information or to set up a strategic planning consultation, contact Charlotte Keany at [Keany@cnmdallas.org](mailto:Keany@cnmdallas.org) or 214-826-3470, ext. 244.

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**How to Make Executive Director Evaluations a Win-Win for the CEO and the Board**

CEO evaluation is arguably the most important role of the nonprofit board, yet often the process is misunderstood, misapplied or even completely neglected. For nonprofit organizations, the board has the responsibility of hiring and supervising the CEO. The nonprofit CEO is held responsible for understanding, implementing and representing the organization's mission, vision, values, goals, policies, programs and services. A tall order in any setting, fulfilling these requirements without a detailed work plan or other assessment criteria leads to internal conflict which inevitably distracts staff and board from accomplishing the organization's mission.

Tension often arises between the board and the chief executive around issues of trust resulting from ill-defined definitions of their respective roles and responsibilities and unclear expectations for the CEO's performance and accomplishments.

If you would like to learn more about how your board can turn a CEO evaluation into a win-win, instead of a dreaded annual occurrence, consider attending the next Board Builder Luncheon, "Assessing the Nonprofit Chief Executive" on Wednesday, June 21. [Click here](#) for more information on the session.

The Center Consulting staff also has resources available to help you through your first evaluation that will prepare you for years to come. To request information on executive evaluations, contact Nichole Tilson at [Tilson@cnmdallas.org](mailto:Tilson@cnmdallas.org).

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### **Tools for Your Board**

***Practical, actionable tips you can apply to your board...***



**Q: Is there a suggested checklist to guide a board with an underperforming CEO?**

Nathan Garber, a nationally known nonprofit consultant, suggests:

1. It is important for the board to act as soon as a CEO performance question arises.
2. Review the organization's documents, policies, contracts, job descriptions and expectations.
3. Consult an expert in employment law.
4. Arrange a meeting with two board members and the CEO - one board member should be a note-taker. Come prepared with clear, documented examples to help in the discussion.
5. At the meeting state the purpose of the meeting, describe the concerns, ask for input/discussion, discuss possible solutions and dates for monitoring the change.
6. Document the meeting with dates to monitor progress.
7. Reinforce positive changes and keep detailed notes on the monitoring of progress.

For more detailed information on this topic, [click here](#).

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### **On the Board Member's Nightstand**

***Title: Assessment of the Chief Executive***

**By: Joshua Mintz, Jane Peirson**

Assessing the chief executive is one of the board's primary governance responsibilities and is critical to the success of the chief executive and the organization as a whole. This tool clarifies the chief executive's responsibilities, job expectations and annual goals; captures the board's perception of the executive's strengths, limitations and overall performance; and fosters growth and development of the chief executive and the organization.

For more information or to order this book, [click here](#).

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### **Great Web Links**

Below are web site links that provide guidance in CEO Evaluation:

- Guidelines for the evaluation of the CEO:  
<http://www.managementhelp.org/boards/evalchef.htm>
- Sample Forms for the evaluation of the CEO:  
<http://www.managementhelp.org/boards/edvalfrm.htm>

For more information on creating community wealth and social enterprise:

- Bill Shore's Share Our Strength site:  
<http://www.strength.org/>
- More on social enterprise:  
<http://www.communitywealth.com/>

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## Mark Your Calendar

### **Community Board Institute – Wed., April 26<sup>th</sup>, 7:45am-2:45pm at Temple Emanu-El A One Day Nonprofit Leadership and Management Seminar**

Don't miss:

- Special breakfast keynote address featuring William P. Ryan co-author of "Governance As Leadership"
- Lunchtime panel discussion on Corporate Philanthropy
- More than 25 morning and afternoon sessions covering six tracks: Resources/Fund Development; Leadership/Governance; Financial Management; *Ready Tech Go!* Technology; Community Outreach, Marketing and PR; and Volunteer Management

[Click here](#) for more information on CBI and to register online.

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### **Free Legal Clinic, May 25 - Set Up Your Appointment with an Attorney Registration Deadline: May 4**

With generous support from the Dallas Association of Young Lawyers Foundation, the Center offers nonprofit executives and board members an evening to schedule brief, confidential, one-on-one consultations with attorneys at no charge. Schedule your 30-minute consultation between 5:30 and 8 p.m. on Thursday, May 25 with an attorney specializing in areas of law that are crucial to running nonprofit organizations.

Time slots are limited, so agency representatives **MUST register no later than May 4** to secure a spot - no exceptions. [Click here](#) to register now.

For additional information, please contact Sharon Bailey, Director of Education at [bailey@cnmdallas.org](mailto:bailey@cnmdallas.org) or 214-826-3470, ext. 233.

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### **Save the Date: 2006 Get On Board Fair – May 16**

Are you looking for new blood on your organization's board? Mark your calendar for the 11<sup>th</sup> Annual Get On Board Fair on Tuesday, May 16 at the Conference Center at Cityplace. This is a unique opportunity for your organization to visit with potential board members who possess special skills and represent a diverse segment of our community. Booths are now available to all nonprofits on a first-come, first-served basis.

[Click here](#) to download an exhibitor registration form to secure your spot now.

For more information, [click here](#) or call Amanda Smithson at 214-826-3470 ext. 232.

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### **Risk Management Series Presented by Frost Insurance - Session 4 of 4:**

#### **[Managing the 'People Risk' of Employees and Volunteers](#)**

**Thursday, May 25, 9 am to 12 pm**

Even though an organization is mission-driven and its people are motivated to work for social benefit, there is no guaranteed protection from liability for actions that cause harm. Nonprofit employees and volunteers are vital to the success of any organization, but they also can present a variety of risks to each other, to clients and the organization itself. This session will provide participants with both a legal and a human resources perspective to assist in managing the risks related to the nonprofit workforce. [Click here](#) for more information or to register now.

**Board Builder Luncheon: Wednesday, June 21, 11:30 a.m. -1 p.m.**

**["Assessing the Nonprofit Chief Executive"](#)**

**Speaker: Jonathan Schick, The Goal Project**

In this session, governance expert Jonathan Schick, author of *The Six Principles of Successful Board/Executive Partnerships™*, reviews processes and tools boards can use to formally set the CEO's scope of work and to evaluate the CEO's performance in delivering on those expectations. Jonathan will cover:

- The Vital Imperative of CEO Evaluation
- Components of CEO Assessments
- Forming an Executive Appraisal Team
- How to Avoid Common Mistakes and Blind spots
- Celebrating the Board/Executive Partnership

To register online, [click here](#) or call 214-826-3470. The fee for each lunch session is \$25 for members, \$35 for non-members. All sessions will be held at the Center, 2902 Floyd, from 11:30 a.m. to 1 p.m. Lunch is included.

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### **In Coming Newsletters**

Don't miss these upcoming topics...

- ❖ Tips for your CEO's next performance evaluation
- ❖ More information on Social Enterprises

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### **Share the Wealth! Tell other board members about *Board Break!***

Do you know someone who would be interested in receiving ***Board Break!***

E-mail Nichole Tilson at [tilson@cnmdallas.org](mailto:tilson@cnmdallas.org) with e-mails to add or [click here to sign up now!](#)

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Send comments and questions to [lutz@cnmdallas.org](mailto:lutz@cnmdallas.org).

For more information, visit our Web site at [www.cnmdallas.org](http://www.cnmdallas.org).

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