



Boards of Directors Face the Future

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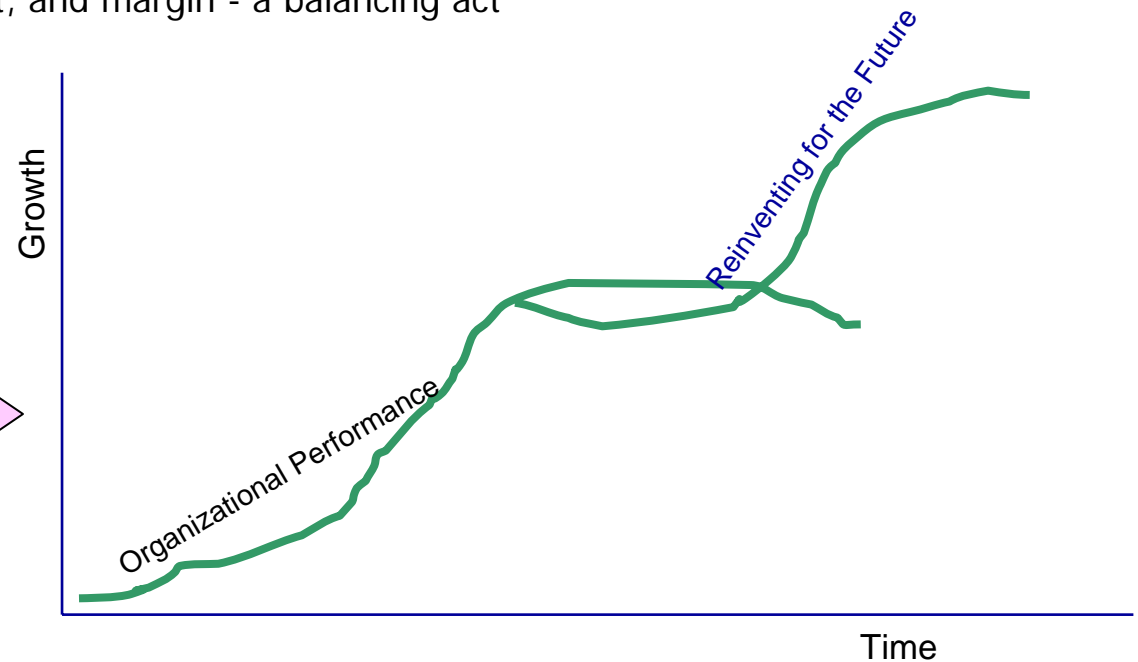
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The Future is Changing

Dynamics in Market Place

- Demographic Trends
- Social Trends
- Customer Trends
- Workforce Trends
- Financial Matters
- Changes in Public Policy
- Trends in Services
- Trends in Technology
- Increasing Competition
- Mission, market, and margin - a balancing act

Organization Life Cycles
Responding to the Future





Commit to Ongoing Board Development

"The quality of governance that was sufficient to get your organization where it is today will be insufficient to get it where it needs to be in the future."

--Quote from AAHSA keynote in October 2004 by James Orlikoff, Governance consultant and author:

1. Do you agree with the above statement? Why or why not?

2. Planning and managing the board process is as important as planning and managing the agenda.

3. Asking questions is transforming -- no sacred cows
"Asking the right questions in board meetings is more important than giving the right answers to irrelevant questions."

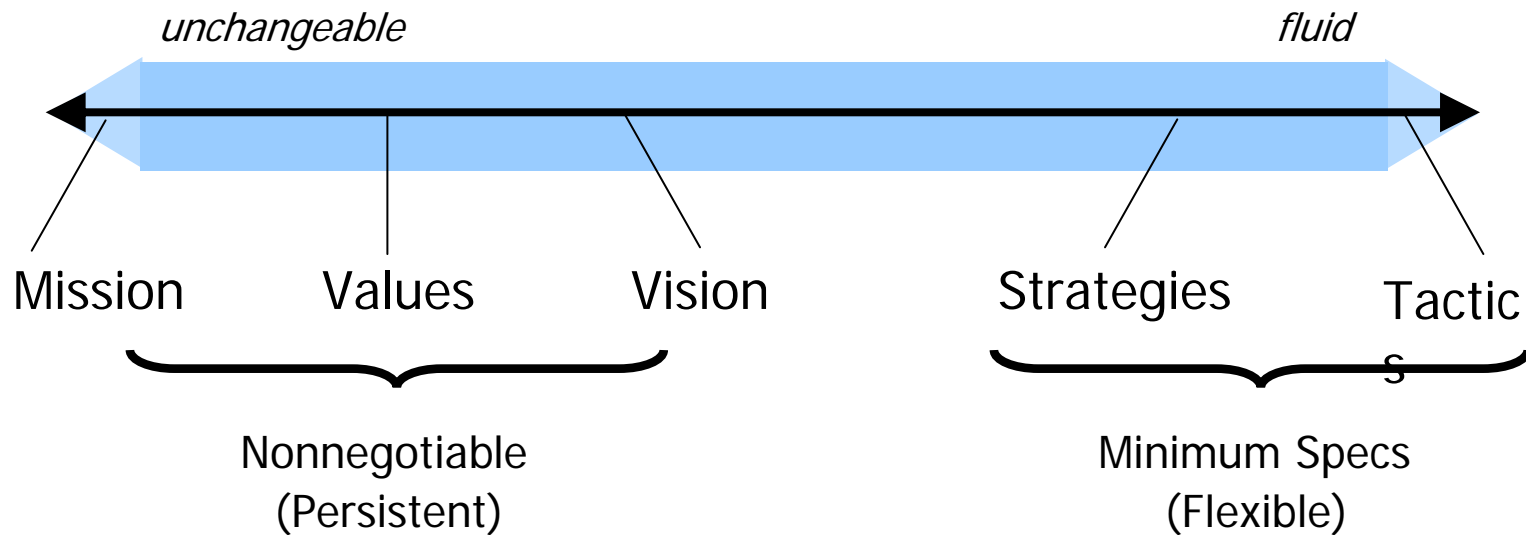
4. Effective boards manage their process for expanding governance capacity.
 - Define clear board member expectations
 - Strategically plan board composition
 - Design and manage board development plans
 - Evaluate board performance and personal performance

5. Strong, invigorated organizations need strong, invigorated boards.

Perspective on Strategic Planning

A Continuum of Persistence and Flexibility

Adapted from
"Thinking Strategically" –Dan Beckham



"Experience teaches that detailed forecasts are regularly defeated by reality."

--Dan Beckham

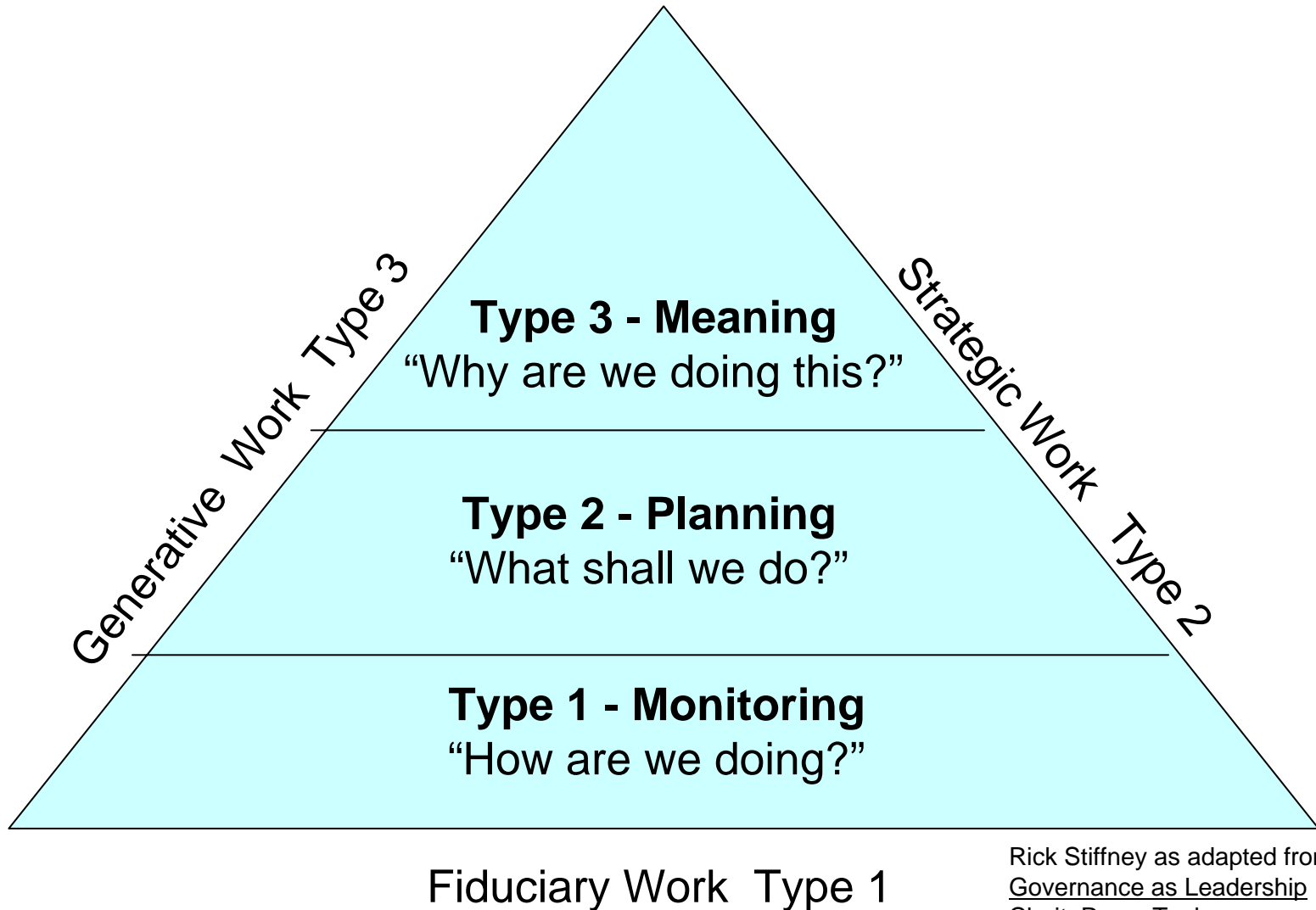


Appreciative Inquiry

- A planning discipline to receive input from many stakeholders
- Explores core strengths, opportunities, and possibilities for building on core strengths to respond to those new opportunities
- May ask input of staff, management, residents/clients, and other key stakeholders
- May include a combination of input methods: series of focus groups, one-on-one interviews, paper or electronic surveys
- Input collection may be conducted by board and senior staff members (i.e., each calling 3-6 key people) or out-sourced
- The goal is to receive input that informs the planning process on ideas that build on organizational strengths
- Sample Appreciative Inquiry questions:
 1. What do you see as some of the core strengths of the organization's services, culture, staff?
 2. What unique opportunities for improving the organization's services do you see?
 3. Are there new opportunities or unmet needs in the larger community that you believe the organization should consider as we explore future directions?



Three Types of Work



Rick Stiffney as adapted from
Governance as Leadership
Chait, Ryan, Taylor



Fiduciary Work Defined

Core purposes

1. Ensuring efficient and appropriate use of resources
2. Ensuring legal compliance and fiscal accountability
3. Ensuring accountability and fidelity to core mission
4. Overseeing or monitoring key operational-performance outputs
5. Selecting, guiding, and evaluating executive staff
6. Clarifying delegation of responsibility and authority to executive staff
7. Managing structures of board work

As expressed through

1. Annual budget review/approval
2. Annual audit
3. Monitoring key organizational performance targets
4. Annual CEO performance review/goal-setting
5. Periodically reviewing/updating foundational documents including bylaws
6. Regularly reviewing and adjusting governance structures to maximize contributions of board and facilitation of other types of work.
7. Review corporate compliance program and using conflict of interest policies
8. Developing and using conflict of interest policy



Strategic Work Defined

Core purposes

1. Identifying and interacting regularly with key stakeholder/owner groups
2. Scanning internal and external environment
3. Setting long-term direction
4. Determining near and long-term priorities
5. Developing and modifying strategic plans
6. Ensuring that organizational performance is congruent with plans

As expressed through

1. Periodic listening sessions with key stakeholders/owners
2. Discussion of results of staff/client satisfaction surveys
3. Board planning retreats
4. Board planning session
5. Ongoing board education about market trends, trends in field of service
6. Rigorous discussion/modification of long range business plan as required
7. Regular review of progress against strategic plan



Generative Work Defined

Core purposes

1. Making sense of circumstances
2. Considering alternatives
3. Bringing fresh or new light to old challenges
4. Regularly reviewing and updating corporate mission, core values
5. Spawning or stirring up possibilities for policy, strategy, and decisions
6. Evaluating effectiveness
7. Maintaining flexible corporate structures

As expressed through

1. Reflective discussion (“real talk”) on whether anticipated action is congruent with mission and values
2. Searching conversations with no required action
3. Imaginative discussions about future possibilities that engages many from different perspectives
4. Regular focused discussions and decisions
5. Spirited discussion about “why” a board should or should not pursue a plan
6. Looking back on past action to determine what can be learned and integrated going forward
7. Developing and maintaining flexible board structures that facilitate inter-disciplinary conversation
8. Flexible board agendas to ensure that best time is spent on most important work



Sample Generative Questions

1. What 3 objectives or short phrases best describe this organization?
2. What will be the most striking difference about this organization in 5 years?
3. In 5 years, what will the key constituents say is the legacy of the current board's work?
4. What will be most different about the board and how it governs 5 years from now?
5. Looking back, what did we learn?
6. Are our values clearer to us now than a year ago?
7. What would be lost if this board didn't meet for two years?
8. Where do we add real value?
9. What impact do we have on people or organizations we serve?
10. What does our intuition tell us about where we might need to go?



Make Space for Generative Work

1. Devote structured time to topics like –
 - Governance
 - Relationship building with external stakeholders
 - Reflecting on core values
 - Learning about one of the service lines
 - Interacting with residents or clients
2. Build it into the agenda
3. Provide materials in board docket that stimulate generative work
4. Asks: “What should we have learned?”
5. Do periodic board retreats – in a safe space with unhurried time – so the board can reflect on the core mission and convictions of the organization.



Reflection on Board Development

1. How could focusing on the three types of board work add value to your organization?
2. How could Generative work help your board face the future?
3. How could Generative work encourage spiritual development as a board?
4. What insights will you take back to your board?