

ANNUAL MEETING HANDOUT

Immortal Life of a Board Member

Presenters discussed the three areas of a board member's lifecycle: recruitment and onboarding, motivation and engagement, and evaluation and legacy. Attendees gained valuable insights they can use to enhance board members' experience and achieve desired organizational outcomes.

Presenters

- » **Michele Callahan**, Director of Administrative Affairs, Minneapolis Institute of Arts
- » **Maureen Robinson**, The Museum Group
- » **Sally Sterling**, Consultant

Annual Meeting & MuseumExpo

As the museum field's premier professional development opportunity, the Alliance's Annual Meeting & MuseumExpo showcases the best thinking from practitioners and visionaries on major issues confronting museums and the communities they serve.

This session handout is from the 2013 Annual Meeting in Baltimore.

The Immortal Life of a Board Member

Session Code: 1839

Sunday, May 19, 2013

3:30 – 4:45 p.m.

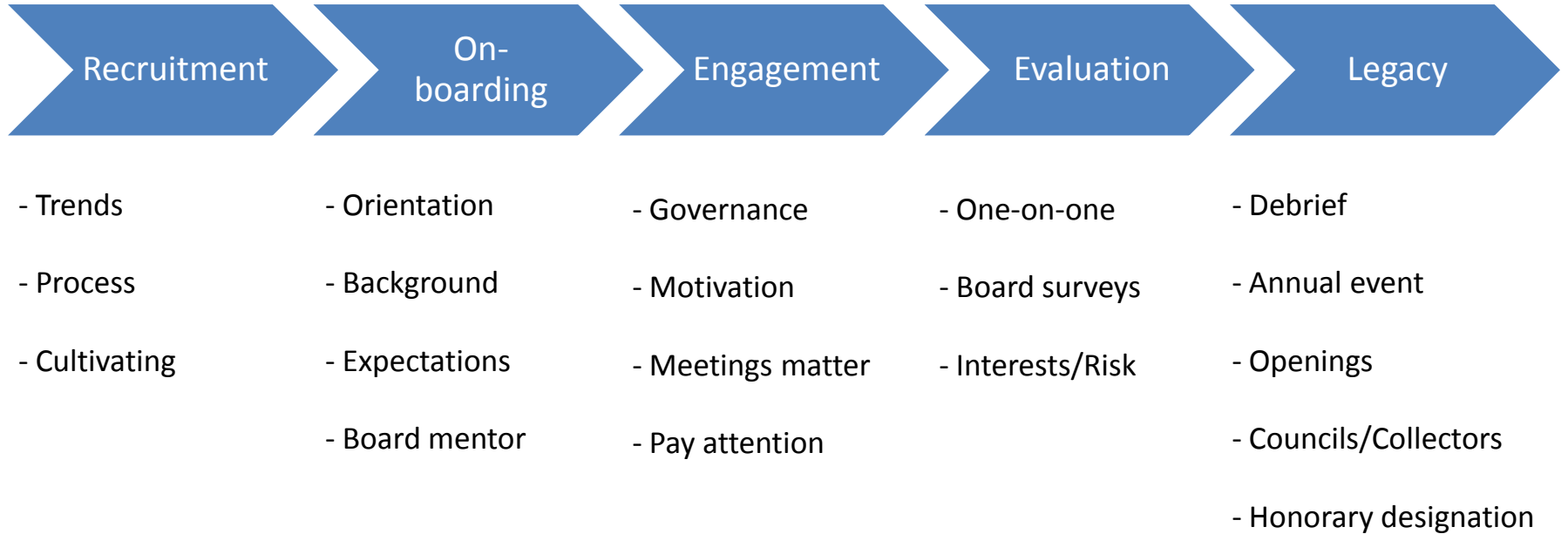
Presenters

Sally Sterling

Maureen Robinson

Michele Callahan

Engaging Trustees Through the Lifecycle



Expected Outcomes

- How to efficiently and effectively onboard new trustees, bringing them into the center of an existing Board
- How to motivate and engage trustees to keep them focused on the mission and enable the Board to fulfill its responsibilities
- How to evaluate and keep former trustees involved with the organization and enhance legacy opportunities

Recruitment and On-boarding

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Trustee Recruitment: More Challenging Than Ever

Our annual *Spencer Stuart Board Index* monitors trends in the S&P 500. Observations from our 2012 edition include:

<u>Trends</u>	<u>Observed Practices</u>
<p>> Boardrooms are becoming older due to increases in retirement age, and we are seeing less board turnover</p>	<ul style="list-style-type: none"> • The average age of Trustees is now 62.6, vs. 61 in 2007 • 22% of boards now set retirement ages of 75 or older, compared with 3% in 2002 • In 2012 there was the smallest intake of new Trustees in 10 years • There has been a 12% drop in new Trustee appointments over the past 5 years
<p>> Nonprofits are increasingly looking to professionalize the board recruitment process</p>	<ul style="list-style-type: none"> • Competition for volunteer board members, time and resources is increasing
<p>> Fewer active CEOs are serving on boards</p>	<ul style="list-style-type: none"> • 25% of new Trustees are active CEOs/senior executives vs. 41% in 2002 • 16% of new Trustees are retired CEOs up from 11% in 2002 • Division/functional leaders account for 22% vs. 7% of new Trustees in 2002 • CEOs currently serve on an average of 0.6 outside boards
<p>> Women and minorities in high demand</p>	<ul style="list-style-type: none"> • 46% of boards surveyed seek women, but only 17% of Trustees are women, compared with 12.3% in 2002. This is the highest percentage of female representation on boards since Spencer Stuart began tracking this data • 44% of boards seek minorities, but only 15.1% of Trustees of the 200 largest S&P companies are minorities

**All statistics are from the 2011 Spencer Stuart Board Index, which reflects proxy statements for companies in the S&P 500. Though the above analysis applies specifically to public companies, the numbers remain relevant to nonprofit organizations looking to recruit C-level executives to their boards.*

How Boards Handle Recruiting

- Staff person assigned to the Governance Committee who is accountable for maintaining:
 - Current Trustee profiles
 - Terms, term limits of current board
 - Rolling prospect list
 - Current orientation materials
 - Current recruiting materials

- Key elements for successful on-going process:
 - Strong Governance Committee Chair
 - Involved CEO / Director
 - Trustees who are well networked

Cultivating and Recruiting Trustees

Best Practices:

- Always start with the organization's strategic plan
- Maintain up-to-date profiles
- Maintain accurate calendar of Trustees terms
- Maintain active rolling prospect list
- Follow annual calendar
- Provide recruiting package
- Candidates should evaluate their passion for the mission
- Cultivate over a period of months or even years
- Always have back up prospects

On-boarding

- Thorough orientation process
- Provide inclusive materials
- Meeting with the chair of the board
- “Board mentor”

Qualities of Successful Trustees

Choosing a new Trustee is an important responsibility for the board. Agreeing at the outset about what type of person the board is most interested in helps to ensure a successful search.

- Asks good questions
- Reads broadly
- Makes independent judgments
- Prepares for meetings
- Has an in-check ego
- Has different experience
- Has leadership experience
- Has served on other boards
- Presents a contrary point of view
- Is articulate
- Is committed
- Maintains independence
- Provides candid feedback
- Is willing to provide contacts
- Maintains confidentiality
- Respects the chain of command

Motivation and Engagement

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Think Differently about Governance

- Compliance is not good enough
- Strategy, results, engagement, partnership are the new basics
- The director is not a bystander or a cheerleader, but a primary mover

High Impact Governance

- Focus on what matters
- Recruit for leadership
- Cultivate internal advocates
- Connect the dots—between goals and results, problems and solutions, data and knowledge
- Value performance
- Build intellectual capital and confidence

Make Meetings Matter

- Hold only the meetings you need
- Institute annual planning for board meetings
- Say good bye to kabuki meetings
- Cue the action: thinking, informing, deciding

Wishing Won't Make It So

- Thank you and good bye
- Paying attention pays off (generous boards do not spring full blown from the head of Zeus)
- The playing field is never completely level

Evaluation and Legacy

Michele Callahan | Director of Administrative Affairs
The Minneapolis Institute of Arts

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Evaluation

- One year check in for new board members
- One-on-one with board chair
- Interests considered; action plan developed
- Time with director/CEO
- Board survey frequency

Board Survey

- Board assessment
 - brief, but comprehensive
 - objective
 - measurable
 - specific
 - regular
 - proactive, not reactive

Sample Question:

Mission and Strategic Planning

Not This:

- How well does the board understand and support the mission and strategic plan?

This:

- How effective is the board in maintaining its focus on strategic issues, versus becoming involved in operational issues?

Sample Question: Oversight

Not This:

- How well does the board understand our programs and services?

This:

- How effectively does the board measure the impact of critical programs and initiatives?

Sample Question: Board Meetings

Not This:

- Are board meetings conducted in a manner that ensures open communication?

This:

- Is adequate time allowed at board meetings for board members to explore issues?

Board Survey

- Self-Assessment
 - understanding of mission / vision / values
 - overall satisfaction
 - level of engagement
 - meaningful impact
 - performance of board as a whole

Sample Question: Personal Performance

Not This:

- How do you rate your personal performance (participation, contribution) as a board member?

This:

- To what extent do you feel your board service has a meaningful impact upon the organization?

Sample Question: Personal Performance

Not This:

- How satisfying do you find serving on this board to be?

This:

- How satisfied are you with your level of engagement with the organization?

Legacy

- Debrief / exit interview
- Annual event with board chair/director
- Invited to VIP events
- Encouraged to join councils/collectors groups
- Advancement staff assignments
- Honorary designations (be careful here...)

“Case Study 1”



Former Board Chair

- Term limited
 - Was a “corporate assignment”
 - No enduring board member connections
- Upon his death, left a bequest of \$1.2 million

“Case Study 2”



Life Trustee

- Large and significant art collection
 - Long time member of acquisitions committee
 - Major donor to museum
 - Local family and business connections
 - Contrary, but engaged
- Ultimately, left collection to an art museum where his wife served on the board

“Case Study 3”



New Trustee

- “Out of the box” thinking by Nominating Committee
 - Impressive resume
 - Major collector
- Resigned within his first year of service