

Effective Board Decision Making

By Jane Garthson

Boards of directors are primarily decision-making bodies, charged with making the highest level of decisions for their organizations. Ideally, they will make high quality, well-informed decisions that will best enable their nonprofit to work toward its vision and achieve its mission. So surely they'd all have good practices to help these volunteer directors make great decisions, right? However, many don't.

Ever left a board meeting and, before you even got to your car or bus, stopped and wondered, "What have we done?" I have, and it has cost me sleepless nights and resulted in difficult sessions with staff the next day. Let's see if some explicit considerations of how the board prepares for, and makes, decisions could help avoid a similar consequence.

Let's start with what needs to happen before the board meeting, then move to what happens at the board meeting.

Being Prepared in Advance

It doesn't matter whether the chair, the staff, or a board committee will be leading the decision item. The board members or directors (I'm using the terms interchangeably) are expected by law and wise governance to have exercised their duty of care, which includes preparing well enough for board meetings that they can make independent decisions. "Independent" means they come to their own conclusion rather than just following the lead of someone else they deem an expert on the topic. The day is long past—if it ever existed—when it was good enough for directors to function as trained seals and approve every recommendation without critical consideration.

What's needed is a conscious effort to support the directors as they seek to make high quality decisions to guide the organization. I'll set out some effective ways of making that effort leading up to the board meeting.

I've Got the Agenda, But What Are We Talking About?

We all know agendas should go out in advance of the meeting to allow directors to come prepared. But putting them in the directors' hands is not enough to ensure good decision making. Agendas need to be grouped, for example into items for education, decision, discussion, and information. Each agenda item should clarify the aspect of the topic that is on the table. Wherever possible, each decision and discussion item should also be shown in relation to the primary strategic direction it relates to.

An agenda item such as "Community Outreach," for example, doesn't begin to define the topic well enough for a director to start thinking about the issue.

Suppose the relevant strategic direction is "to expand awareness and use of agency programs by new immigrant communities." If a major unforeseen cost arose in implementing that direction, a better way to put the item on the agenda might be "Funding a new outreach center in River Bend." That way, the directors can think about the specific issue in relation to a community with which they may be familiar—or can now research—and in comparison to other ways to serve that community, or use the funds.

Example

What's the Real Situation?

Making a decision without the appropriate information virtually guarantees a less-than-optimum decision. It just makes sense to provide the board with a situational analysis prior to the meeting that includes facts, options, and recommendations. A senior staff member or board committee can be tasked with preparing it—perhaps with the help of external advisors. Others might be

asked for input on the recommendation(s), as appropriate.

The analysis of the River Bend situation might have produced this result:

- ◆ River Bend is the most critically underserved area right now.
- ◆ A new facility is needed to serve River Bend, since neither the head office nor any other existing center is capable of serving it adequately.
- ◆ \$_____ is needed to create an outreach center.
- ◆ That money is not available in the approved budget.
- ◆ Needed funds can be obtained by _____.

Don't withhold that analysis from those with decision-making power. Board members should be provided with this information in advance. Giving it to them at the meeting is almost the same as denying it to them entirely, as there is no quiet time to absorb and consider the information.

In some organizations, the opposite approach is used to dissuade directors from questioning recommendations. Pages and pages, or even boxes and boxes, of information are provided with no summary and no recommendation. Directors are overwhelmed, but can't claim they weren't informed.

Many organizations, that previously provided poor decision support information to the board, have now instituted a mandatory form

Example