

Practitioners' Guide

Developing High Performing Boards: Seeking New Talent and Lessons Learned on Great Boards

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Thomas Bakewell works as a management consultant. He has years of experience consulting with higher education, the corporate world and not-for-profits (NFPs). He has conducted over 50 major engagements for higher education boards, presidents and NFPs nationwide in the areas of strategy, advancement, finance, full-scale organizational transformation, good corporate governance, and organizational effectiveness. He is active with leading board retreats, strategic planning, and speaking engagements. Prior to consulting, Tom held a number of senior management, finance and legal positions in both the nonprofit and for-profit world.

Introduction

When it comes time to add a new director or trustee to your college, university, or foundation board, what do you look for? Numerous trends today are prompting organizations to formally seek and add new board members at a record pace. Just a few of these trends are:

- Growth in assets;
- Demand for talent;
- Growth in complexity;
- Maturing organizations;
- Needs for independence;
- Term limit requirements;
- Good governance trends;
- Generational changes and transitions.

So what do you look for in adding a valuable new board member? Of course, it is hard to argue with the time-tested age-old expressions that leap to mind in fund raising that one should look for people who bring—depending on the version you prefer—time, talent, and treasure or wealth, wisdom, and works. Whether you begin with wealth or end with treasure, these expressions provide proven traits to always keep in mind.

The Most Able Talents

My own version of what to look for begins with the obvious and often overlooked threshold basics. I call these the “most able talents.”

First, find people who are available, capable, and dependable.

- Available—everyone wants the prominent CEO, but what are the true time demands of the role, and how able is your candidate to be fully present? Be realistic and up front about the true

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time required and demands of the commitment.

- Capable—seek people with a record of performance in all that they do.
- Dependable/reliable—find candidates willing to invest the required time and energy in your organization. Seek people truly committed to and excited about your programs and mission.

The Nonnegotiables for Success in Recruiting

Secondly, to avoid most surprises down the road, apply the nonnegotiables for success in recruiting. The shortlist of nonnegotiables I like best has been identified by the National Association of Corporate Directors (NACD; www.nacdonline.org), an organization committed to good corporate governance:

- Integrity and accountability;
- Informed judgment;
- Mature confidence;
- High performance standards.

There is a further item on this list of nonnegotiables. Some think it is optional for most candidates. In today's world, a case can be made for it to be required for every director or trustee. It is called:

- Financial literacy

What do you think? Is financial literacy a nonnegotiable for every board candidate? Whatever your opinion, do be sure that the boards you serve on or are involved with in any way have a strong representation of financially literate directors or trustees.

The Magic Ingredients for Optimum Performance and Results

Thirdly, work on the magic ingredients

for optimum performance and results among your board members:

- Courage to act and yet a team player;
- Reasonably objective and independent;
- Able to stand alone on important matters;
- Goodness of fit with the existing board and management.

The Great to Have, But Not Critical to Success

Fourthly, seek out the skills, experience, and relationships that many use as the traditional initial criteria for a board search. I rank these as great to have, but not critical to success.

- Specific skill sets—such as top skills with sales or people;
- Specific types of experience—such as in public relations, marketing, or technology;
- Diverse business experience—such as CEOs, COOs, CFOs, or active directors;
- Broad relationships—such as the well-connected player in your industry or community.

The Particular Talents

Fifthly, and finally, are the particular talents. Does your board need an unusual, risky, or extraordinary talent for the time at hand or the days ahead?

- The dreamer—do you need someone with a vision or able to dream of a compelling future?
- The spark plug—do you need someone to light a fire or breathe new life into the board or organization?
- The change agent—do you need someone specifically skilled at managing transitions and the processes that go with that?
- The curmudgeon—it is a truism that

every good board needs a curmudgeon. Do you have one? Do you need one?

- The truth teller—regrettably, failing organizations specialize in hiding the truth. Do you have a struggling organization that needs a person with a fresh pair of eyes and courageous enough to speak the truth in love?
- The paragon—do you need someone to bring a dose of maturity, wisdom, integrity beyond reproach, or virtue?
- The unique ability—do you need someone with a particularly unique ability, such as the gift for strategic thinking or converting strategy into action?

The Key Questions to Ask

If you are in the process of adding a board member, as you start the search process always address these key questions:

- What is truly prompting us to add a new board member?
- What is most needed in adding a new board member?
- What is our intended process for meeting our true need in finding the right board member?
- Are we clear on our mission, structure, model, and strategy as we seek a new board member?
- Do the skills and talents of our current board members and president match well with our fund-raising strategy or do we need to seek something more and special in a new board member or to adjust our strategy?

Some Top Lessons Learned on Great Boards

1. Effective nonprofits have strong boards and staff. Talent counts. Performance counts. Accountability counts. In today's market place of ideas, talent

wins. Top board talent takes time to cultivate, but the rewards can be equally great.

2. Organizations tend to grow to the level of the ability, talent, and competence of their leaders and board. Like most other things in life, you reap value in proportion to the time, energy, and resources you invest and commit to the process of finding and developing new board members. Do the hard work and choose well!
3. Organizations that thrive often have visionary CEOs. Conversely, organizations that fail nearly always have a board that is not doing its job.
4. The ultimate test of a board is to attract and keep a good CEO/president.
5. In the absence of a strong clear strategy, personality tends to prevail—and often fails.
6. The best boards hold themselves accountable:
 - (a) Financially with strong financial talent;
 - (b) They handle conflicts of interest well; and
 - (c) They tend to have at least one or two good curmudgeons.
7. The best boards act:
 - (a) In holding all accountable;
 - (b) In a timely appropriate fashion;
 - (c) With some “chips” in the game. This usually shows up in the form of generous charitable giving, often in an extraordinary or sacrificial manner.

Conclusion

Let me close with a few final thoughts that should be uppermost in the mind in every new board member search:

- When everybody thinks alike—especially in the critical area of strategy—nobody thinks much, so cast a wide net in

seeking a diversity of counsel and talent for new board members.

- What occurs in the boardroom is generally mirrored throughout the organization, so set the highest standards of performance possible at the top!
- The most successful boards I work with exhibit a common trait. They have a

wealth of diversity in counsel, especially from directors and trustees, and yet they always move towards unity in action.

I wish you happy hunting and much success for finding terrific new board members. They are out there and it is worth the search!