

Boards ... Alice Korngold

## Making The Translation

When business people join nonprofit boards

Imagine thousands of business executives and professionals channeled onto nonprofit boards of directors throughout our nation. Imagine it being based on a careful match of their personal interests and skills to the nonprofits that need strategic expertise to meet today's challenges.

Consider the range of experience these board candidates might bring - legal, human resources, public relations, strategic planning, marketing, pricing strategies, fundraising, real estate, financial, accounting, information systems, and so on. Imagine further that each business executive and professional chooses only one or two boards where they feel a personal passion and commitment to the mission.

It would be powerful, transformative.

But, caveat emptor. Although business people have valuable talents to offer, they must be mindful that they are entering a new realm when they engage on a nonprofit board. They need to learn how to translate their business skills into the nonprofit sector.

Not surprisingly, new board members often experience culture shock. First of all, success in the nonprofit universe is hard to measure, a far cry from the straightfor-

ward bottom-line financial metrics. Secondly, the process of building the consensus that is necessary to make decisions and advance the organization can be clumsy and frustrating. In fact, not everyone has the stamina to endure the sometimes cumbersome process

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to achieve the ultimate goal.

At the same time, the rewards can be extraordinary. Successful board members revel in the sense of mission and purpose that is fundamental to nonprofit service. Board members thrive on the good feelings that come from helping others and improving lives in the community. The profits are not financial, they are humanistic and spiritual.

The key for business people in making the translation is to effectively share valuable strategic and financial skills with nonprofits. If

you're a business person trying to lend your skills to a nonprofit, here are guidelines that have made many board members so successful:

1. *Only engage in an organization if you have a true passion for the mission.* Passion for the mission will drive energy, interest, and the quality of the professional contribution.

At the same time, as a new board member you will

and for-profits is fundamental to understanding how and why achieving the personal buy-in of staff and volunteers is paramount to achieving an organization's goals.

3. *Take the time and effort to understand the organization, the issues, the challenges and the opportunities.* A number of business management gurus point out that the challenges facing nonprofits are far more complex than the challenges facing businesses.

Furthermore, remember that as a volunteer board member, you spend only a few hours each month on your nonprofit activity. Don't presume to fully understand the complexities and become overly confident with simple solutions. Imagine someone who is not from your line of business visiting your place of business two to four hours a month, and presuming to know and tell you how to run it better.

4. *Understand the complexities of measuring success.* And, recognize that the programs that lose money might indeed be the very programs that are most directly fulfilling the organization's mission.

Businesses measure success and failure by bottom line numbers, profit and loss, number of items purchased, customers served, and so on. However, for many nonprofit organizations, measures of success might be complex and elusive, such as number

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of young people who will not succumb to drugs or gangs because of the influence of mentors and the presence of an after-school program.

Seek ways to evaluate each core program's effectiveness. Seek to benchmark against related programs in other communities. Figure out how to fund important programs that require additional support. Consider cross-subsidizing. Explore new sources of revenue.

Keep in mind that if a food shelter could make money, it would be a restaurant; and if a homeless shelter could generate a profit, it would be a hotel. Your organization is a nonprofit because it requires charitable resources to fund valuable community services. Your job as a board is to generate maximum resources, and then focus those resources on programs that best fulfill the organization's mission.

**5. Think a lot about process.** Once you start to understand the culture, the issues, and the organization, start to formulate your ideas about how the organization can be strengthened, and then think about how you can help facilitate a process to achieve the improvements.

Usually, a good process involves discussions with the chief executive and other board members to try

out your thinking and engage others in fostering progress. Sometimes, an effective approach is to agree to gather information that will help determine the value of a change or improvement.

**6. Remember the skills, experience and relationships you bring to the table.** There is a reason this board invited you to join. You bring expertise to the organization, and you probably can introduce the organization to people and organizations whose support and influence can be useful. Think deliberately about how you can be helpful. Be generous in sharing your time and expertise as well as your financial support.

**7. Ask questions.** Don't be afraid to challenge the organization. If you sit by passively, you are not serving the organization or the community. Your job on the board is to be attentive and ask questions that will help illuminate challenges as well as opportunities for the organization to maximize its relevance and value.

**8. Always expect excellence.** Encourage high standards for the board, the staff, and the organization. Be proactive in helping the entire organization to achieve excellence.

**9. Watch and learn from those who are experienced.** Observe how they attain the respect of others and earn the authority and power to

lead.

**10. Celebrate victories, even small ones.** Acknowledge and recognize the efforts and achievements of board and staff members.

**11. Always remember the mission.** It should be a neon sign in your mind. That's how you will derive your energy and sense of satisfaction. That's how you will inspire and engage others. That's how you will help the organization to succeed.

The nonprofit executive also plays a key role in ensuring that board members are able to maximize the value of their involvement. A shrewd chief executive will become acquainted with each board member, develop an understanding of what each board member can bring to the table, and help draw in the board member.

An effective nonprofit executive will provide the board with concise and relevant information for organizational decision-making, helping to focus the board on the organization's key strategic issues, establishing measures that will help the board understand the relative value and importance of each core program, and engaging the board in meaningful discussions of the most important organizational challenges and opportunities.

Ultimately, a good board experience benefits the board member as much as it benefits the nonprofit organization where the board

member serves.

Management guru Peter F. Drucker speaks to the value of volunteering for people from business. "I take a dim view of most of the programs companies create to develop their people. The real development I've seen of people in organizations, especially in big ones, comes from their being volunteers in a nonprofit organization - where you have responsibility, you see results, and you quickly learn what your values are. There is no better way to understand your strengths and discover where you belong than to volunteer in a nonprofit. That is probably the great opportunity for the social sector - and especially in its relationship to business." (*Managing Knowledge Means Managing Oneself in Leader to Leader*, Spring, 2000)

Business people will make valuable contributions, and will develop themselves in the process, only if they grasp the clear distinctions between nonprofits and businesses.

By appreciating the uniqueness of the nonprofit sector, and the specific cause they have chosen to serve, business people can play a transformative role in strengthening the nonprofit sector. It's all a matter of making the translation. ■

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