



THE NONPROFIT LIFE IS NO PARTY

A board seat on a nonprofit used to be more of a social function. Today it is all business, says Brunswick's LISA SINGLETON

The author serves on several nonprofit boards in Dallas, Texas. Here she investigates how boards have become more professional.

AS THE ECONOMY tightened after 2008 and corporate boards came under intense pressure to deliver for shareholders, the nonprofit world was also struggling. Charitable giving dwindled, straining the ability of organizations to fulfill their missions, and more donors sought closer accountability for their contributions.

Nonprofit boards were forced to evolve. Once considered pastimes for the leisure class, today they operate much more as for-profits do, with strong businesspeople at the helm and rigorous expectations for members. No longer can they afford to be seen as volunteer opportunities or social stepping stones – the purview of those who want to use the board to broaden their network or increase their standing in the community. Donors who want to have their name on the board but do little else are finding few open doors.

“It’s not just well-intentioned people running these organizations, as in the past,” says Paige Flink, Executive Director of The Family Place, the largest service provider for victims of family violence in the Dallas area. “What we are seeing now are nonprofit leaders with distinct skills suited to advancing the organization.”

Rowland K. Robinson, President of the Baylor Health Care System Foundation in Dallas, says expectations are changing. “The nonprofit business is extremely competitive,” he says, “and the board needs to reflect the environment where dollars are under pressure.”

Robinson looks for directors who can offer an exact mix of resources and skills to best support fundraising efforts.

“I look for three characteristics: a connection with my organization; passion for what we do; and resources – either their own or from elsewhere, but they need access to the means to give. I need all three from my members.”

Mary Anne Alhadeff, CEO of North Texas Public Broadcasting, a nonprofit media organization, agrees: “If someone is searching for a board seat to raise their profile or for personal gain, we are not the right fit. I need businesspeople who are passionate advocates for what we do. My donors are my shareholders, and I need to keep them happy. The right board can make that happen.”

The professionalization of the nonprofit board brings inherent challenges that would seem familiar to any publicly traded corporation, such as succession planning, term limits and director evaluation. Putting best practices into place can make all the difference.

“The term for a board chair can have a significant impact on an organization,” says Alhadeff. Term limits and other structural parameters need to be balanced to deliver the organization’s vision, she says. Board member responsibilities and measures of effectiveness need to be spelled out for the relationship with management to be successful.

“At The Family Place, in vetting potential board members, we communicate the expectations clearly, up front,” says Flink. “Then, a board ‘report card’ is compiled at the start of each year – did they do what was outlined? Did they deliver against expectations? There is very real accountability.”

Both Robinson and Alhadeff stress that effective executive or advisory committees are critically important. While the full board can be effective as ambassadors for an organization, these smaller panels function as advisers for the CEO and management staff and are often where the real work gets done.

In the end, getting board dynamics right is critical to the ability of any nonprofit to fulfill its mission.

“The board of directors can be the single biggest threat to a nonprofit,” says Alhadeff, “but also its single biggest opportunity to achieve its goals.”

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