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The Role of the Board

Case Studies and Discussion Materials
Case Study

The Problem

Can Strategic Planning Unite a Divided Board?

For the third time in six months, a board meeting of the Seaside Community Foundation had degenerated into chaos. The discord began after the staff reports and continued to simmer during the approval of several new grants. It erupted full-force during a discussion of the final budget for the next fiscal year, which was just three weeks away.

The budget, which included two new staff positions and a move to larger office space, represented a major change for the young foundation. Several board members adamantly opposed any increase in the foundation’s operating expenses. As usual, the discussion was animated.

Chairperson Antoinette Frazer fought to be heard above the fray. “I want to remind you that we have a motion and a second to approve the budget. We’ve been discussion it for 45 minutes without making any progress. Let’s just vote.”

Two of the ten board members abstained from the vote. A third voted against the budget. When it became apparent that the budget would be approved, a fourth board member gathered his papers, pushed back his chair, and walked out of the meeting, allowing the door to slam behind him. The room fell silent.

“I agree with you,” said Ed, “but I’m not sure the rest of the board is convinced.”

“I know I’m not,” said Antoinette. “There’s no way strategic planning will solve all our problems.”

“I’m not saying it would fix everything,” Scott replied, “But it might help us agree on what our mission is and what our priorities should be. It couldn’t hurt. Look at what happened tonight!”

“I think it’s a waste of money,” Antoinette responded. “I don’t think we need to pay some fancy consultant to come in and tell us things we already know. Knowing our board, we’d just spend the whole time arguing.”

“Maybe that would help clear the air,” Ed said with a smile.

Antoinette laughed, but then continued, “I’m serious about this, I serve on a lot of boards and I can’t tell you how many retreats I’ve been on in the last five years. We go away somewhere, look at a bunch of overheads, and spend a lot of time writing with markers on big pieces of paper. Three months later, nothing has changed. I think it’s the staff’s job to prepare a strategic plan for the board to approve. The last thing our board needs is strategic planning.”

“You know that I disagree,” Scott said as he turned toward the door. “If you don’t do something, you’re going to start losing board members and community support. We’re a young organization, and I don’t think we can afford that. It’s up to you and Ed to turn things around.”

Source: BoardSource
Corporate attorney Cynthia Woodside, volunteer chair of the 22-member board of directors of the River Junction Historic Preservation association, dialed the telephone number of her closest board confidante, assured that she would receive frank advice.

“Susan, I hope you received your agenda book in today’s mail? I want to talk with you about it,” Cynthia Woodside said.

“No, I didn’t,” came the reply.

“Well, I need to talk out my problem anyway. Do you have time to talk now?”

“Of course. What’s the problem?”

“It’s agenda item 4 – a grant proposal for $900,000 that Richard says is a sure thing to be funded.”

Richard Smith-Trent, the association’s 29-year-old highly regarded chief executive, came from a neighboring community foundation and was recruited by Cynthia Woodside herself – largely on the strength of his fast-track fund-raising credentials.

“You mean to say you have a problem with Richard getting us a $900,000 grant – and after only 6 months on the job? I’d say that’s pretty good. I’d say that’s why we hired him. What’s wrong with you, Cynthia, and what’s the grant for?”

“That’s my problem. The grant is to restore those last two Victorian houses at the foot of Light Street right at the river and to use them for low-income housing.”

“Wonderful” said Susan. “We’ve been wanting to get funding to restore those houses for years now.”

“No, it’s not wonderful,” replied Cynthia Woodside. “The money is coming from a consortium of foundations that are investing in affordable housing for low-income families throughout the country. The grant doesn’t even mention anything about historic preservation and those foundations don’t care about it.”

“So?”

“Susan, we’re in the business of historic preservation. We’re not in the business of low-income housing. May I remind you that our name is River Junction Historic Preservation Association?”

“It’s $900,000, isn’t it?”

“That doesn’t matter. May I next read to you from our mission statement: to preserve the heritage of historic downtown at the junction of the two rivers by preserving its historic structures, particularly the barge dock, the grain elevator, the railroad siding, the warehouses and other commercial establishments, and the nearby Victorian homes.”

Susan paused for a moment. “I think I see now what you’re getting at.”

“As chair of this organization I and all board members – you included – are responsible to see that we hew the line to our goals and objectives. I’ve seen too many organizations get deflected from their mission by accepting money to do something that is peripheral. That is one of the worst mistakes an organization can make.”

“But if we don’t accept this grant, Cynthia, you’ll be branded as a right-wing conservative against low-income housing. And what kind of an organization will Richard think he’s gotten himself involved with?”

“I know, I know. That’s why I wanted to talk this out with you. I recognize that it could sound like I am against low-income housing, which of course I am not. It could also seem that I am fighting Richard – which I am not. But he may see it in another light.”

“I suppose you want my advice, don’t you?” asked Susan.

Source: BoardSource
Underneath Medicare paperwork and client case files, amid personnel forms and Post-It notes, was a binder labeled “Strategic Plan 2014-2017.” Irving Lamott, chief executive of the Grove City Senior Center, often noticed it on his cluttered desk when he was searching for something else. Today he was looking for his notes for tomorrow’s board meeting…

At the board meeting

“As you know, I met with the board last week,” Irving said to the senior staff assembled around the table, “and they’re really pleased with the work you all have been doing. They were impressed that we’ve kept within our budget and that we’ve maintained such a good standard of care for our clients.”

Staff members smiled at the compliment. They had been working hard and were pleased someone had noticed.

They also brought up a few questions about our future and how we might better take advantage of some opportunities,” Irving continued. At this, some of the staff looked quizzically at him. They had to work so hard to keep up with the present that any mention of the future made them suspicious.

“For example, it’s great that we’re at maximum capacity here, but perhaps we should look into innovative ways to serve the folks on our waiting list,” Irving ventured.

“There are 100 people on our waiting list,” said Maria Ruiz, director of admissions at the center. “We don’t have enough openings to serve that many people. We don’t want to crowd them. They have to wait. That’s in the report I wrote for the board.”

“If we had another building and 10 more staff people, we could accommodate them,” said Erik Henson, director of activities, “but we don’t.” He looked doubtfully at Irving.

“I know we don’t now, but we could,” said Irving. “This center started out in someone’s house, remember? We had to get a new building once, and we could certainly expand again. The board suggested in the strategic plan,” he said, as he opened up the notebook and began riffling through to find the page he was looking for, “that we could increase our number of clients by 150 percent in the next three years because of the demand. We can do that.”

“Let’s get the board to serve meals while we figure out how to bring a hundred more people in here,” said another staff member.

“All this takes money,” said Lucy Jackson. As the one-person development department at the center, Lucy had her hands full.

Irving remembered why he hadn’t brought these issues up before. The staff was overworked. The board’s vision was good, but the staff didn’t share it. Irving wondered about himself. Running the center was a big job, and he balked at the prospect of making it bigger.