

2010 *Board Member Institute*

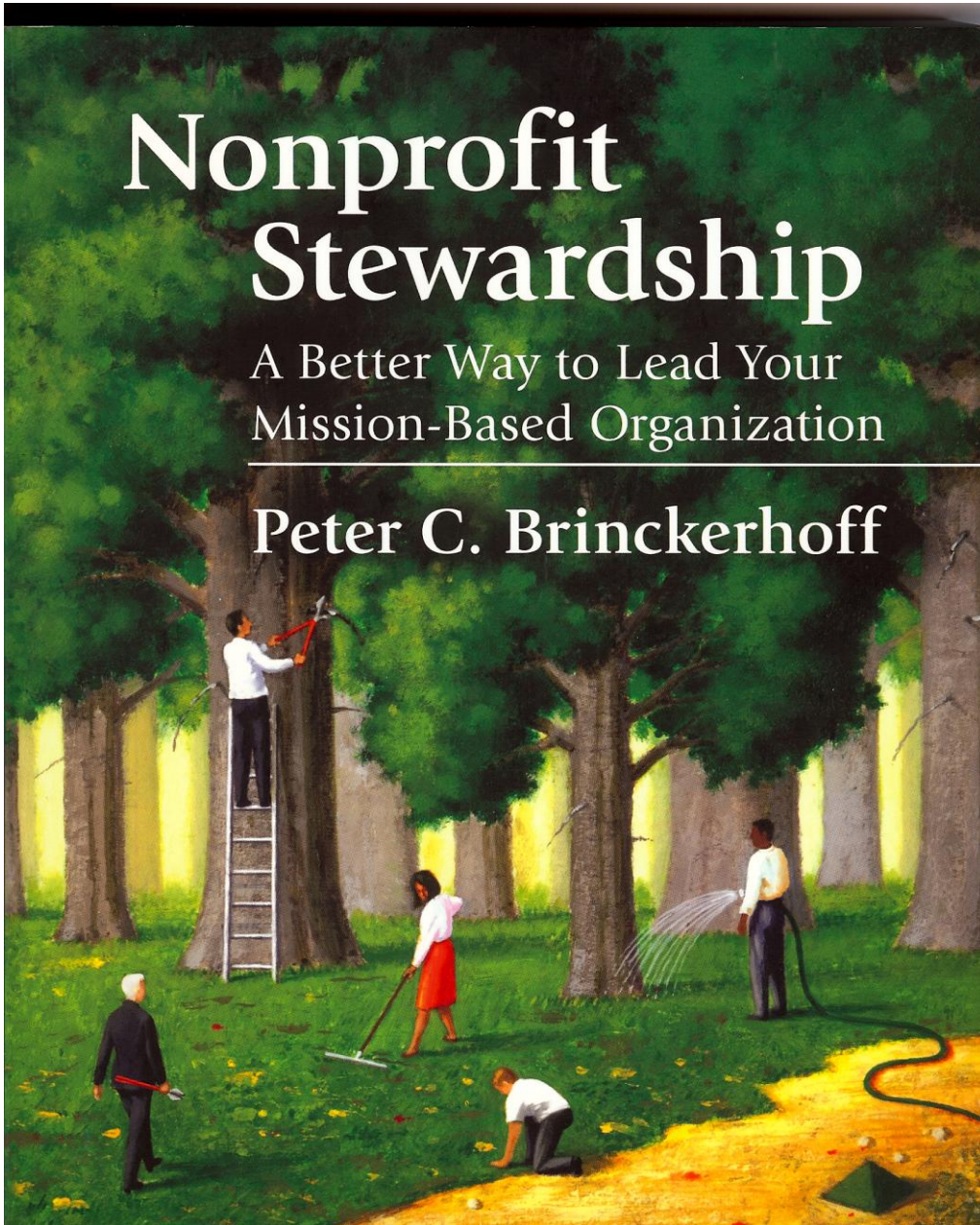
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**Hyatt Regency Bethesda
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Nonprofit Stewardship

A Better Way to Lead Your
Mission-Based Organization

Peter C. Brinckerhoff



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Stewardship is a mindset and way of thinking that will make you a more effective nonprofit leader. In this book, all of the key elements of good board, staff, and funder stewardship are covered.

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<http://www.missionbased.com/>

Stewardship Philosophy of Leadership

- Your organization serves others – individuals, local communities, your state, the nation, or the entire world
- Not-for-profit and government sector organizations actually belong to the communities they serve (“our” NOT “my”)
- As leaders you have temporary stewardship over organizational assets
- Manage with same responsibility as you would someone else’s property

Who is a Steward?

- A mission-based steward is a person who consistently leads the organization in managing the resources of the community in a manner that maximizes its mission-effectiveness
- 2 Key Questions:
 - Am I making a choice that best enhances our mission?
 - Am I offering the community the best outcome for their investment in us?

8 Characteristics of Mission-based Stewards

1. Balance

- Between ever-present competing priorities
- “Mission First” but “No Money No Mission”
- Staff and board
- Community needs and wants

2. Humility

- Be proud of accomplishments but be humble. Resources belong to someone else – the community.

8 Characteristics of Mission-based Stewards

3. Accountability

- Open to suggestions, corrections, and criticisms
- Fix the problem culture not assign blame culture
- Use strategic and annual plans as a management tool

4. Integrity

- Walk the talk – internally as well as in the community (Remember: actions negate words)
- Lead by example

8 Characteristics of Mission-based Stewards

5. The Ability to Motivate

- What you **SAY** matters - what you **DO** matters **MORE**
- When to be rah-rah versus when to be quiet and let things happen
- Understand varying needs to individuals and groups

6. A Thirst for Innovation

- Part of performance criteria – what new innovation, idea, process, method or improvement contributed to our mission last year?
- Innovation is the engine of improvement
- Expect innovation **AND** reward it!

8 Characteristics of Mission-based Stewards

7. Communication Skills

- Not an inherited skill!
- Expressing passion for organization's mission of motivating staff
- Review, refresh, and practice

8. A Quest for Ongoing Learning

- Ongoing board member and staff education

Bottom Line for Board Stewards...

- It is **NOT** organizational survival, budget growth, or hiring more staff
- It **IS** service to the community, using the resources the community has entrusted the board with
- How can you manage community resources to enable your organization to deliver the highest quality mission it can – back to the community?

Board Stewardship Mindset

- We are TEMPORARY stewards of public and community resources and need to get the most out of them in terms of services
- How can we make...
 - This year
 - This month
 - This meeting... the most valuable to our mission outcome?

5 Stewardship Roles for Boards

1. Provide policy oversight for the organization
2. Plan for the future
3. Advocate for the organization in the community
4. Raise and oversee use of funds and other resources
5. *Coach, support, and remind staff about stewardship as a philosophy and bring passion for stewardship outside the walls of the organization as community networkers and fundraisers*

Board Offers Check and Balance

- Boards are by nature a little removed...so have some perspective and can help keep the organization in balance.
- Boards provide outside credibility

Four Key Responsibilities of Board Members

1. Be well educated about the issues
2. Be well informed about the organization
3. Be prepared for meetings
4. Ask LOTS of questions

True Policy is Big Picture “Stuff”

- Policy sets the course for the organization, e.g.,
 - Deciding to add a new service or suspend a service
 - Adopting a budget
 - Developing a strategic plan
 - Setting priorities on services, community needs, and service recipients
 - Other long-range decisions
- Policy is NOT:
 - Deciding what color annual meeting invitations should be, or whether to buy from Staples or OfficeMax

9 Characteristics of a Successful Organization

1. A Viable Mission
2. A Businesslike Board
3. A Strong, Well-Educated Staff
4. Technological Savvy
5. Social Entrepreneurism
6. A Bias for Marketing
7. Financial Empowerment
8. A Compelling Vision
9. Tight Controls

Funders as Stewards

- You can help or hurt stewardship efforts by:
 - The way you fund
 - Your requirements for outcome measures and reports
 - The level of involvement you demand.
- How can you encourage a stewardship mindset within the programs or sites you fund without sticking your nose in places where it really shouldn't be?

Funders as Stewards

- Funders “buy” services from nonprofits (vendors), not buying into the organization itself (unless specifically building capacity)
- Oversight is appropriate. Meddling is not.
- Measuring outcomes is a hard but good thing.
- Oversight and reporting are a cost of doing business for the nonprofit, a cost that should be considered by the funder.

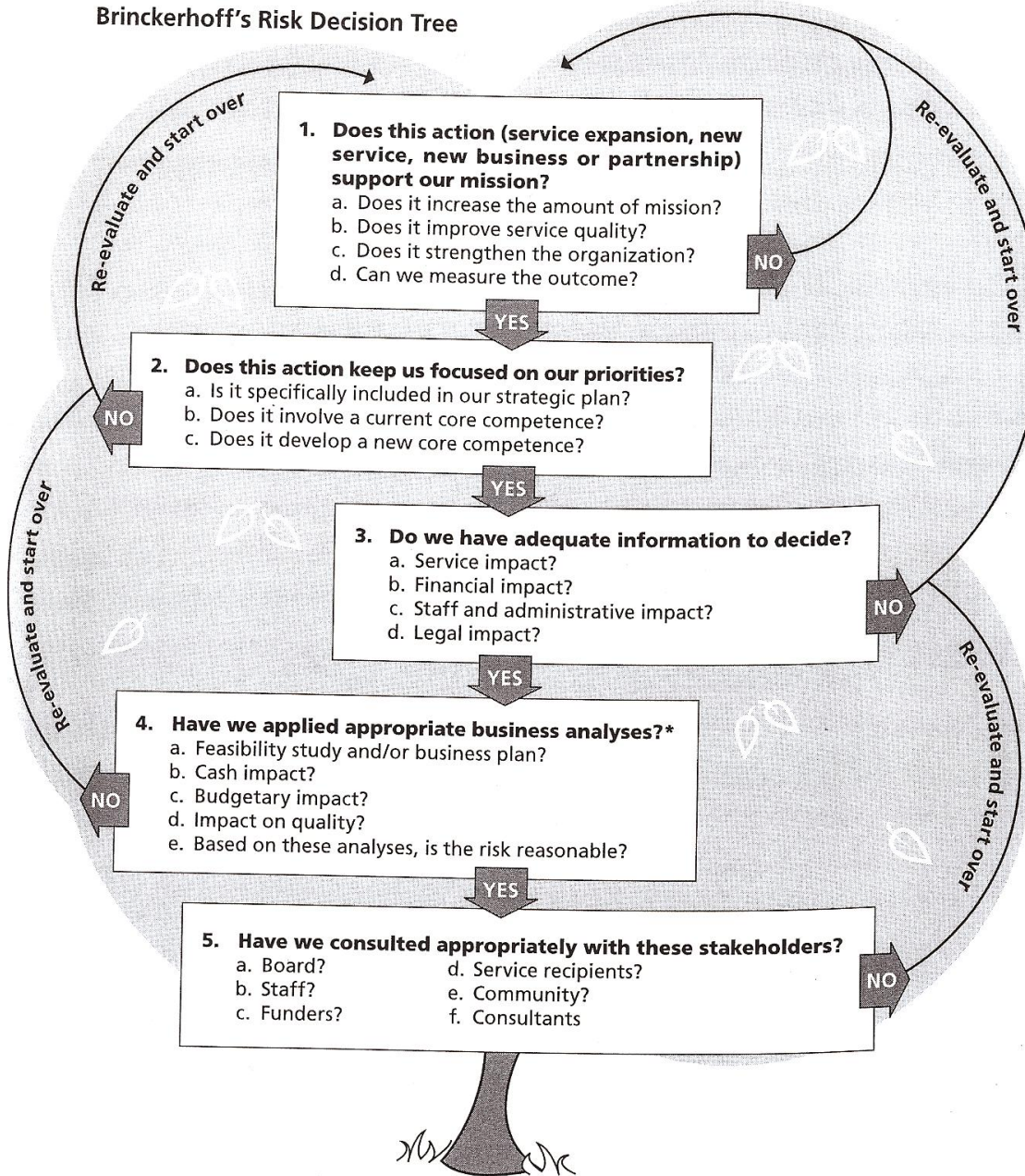
Stewardship Functions of Funders

- Provision of Funds
 - Mindset = purchasing services rather than providing services
- Serving as Clearinghouse of Ideas
 - Access to info about successes/failures of service strategies and models;
 - help programs/sites avoid mistakes of others
- Oversight and Accountability
 - Mindset = you are not the “parents” of the nonprofit; you are customers needing to see results of what you are buying

Stewardship During Growth

- If grow too quickly or haphazardly, you can:
 - Outrun your resources – be unable to make needed match requirements
 - Overtax your infrastructure (“All admin staff have far, far too much to get done in one lifetime already.”)
 - Reduce quality of services
 - Client/subgrantee satisfaction before and after?
 - Staff turnover? Staff satisfaction?
 - Able to meet basic system requirements?

Brinckerhoff's Risk Decision Tree



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Brinckerhoff's Risk Decision Tree

Small Group Discussions

- What aspects of a stewardship mindset does your organization already employ?
- Where is there room for “upgrades”?
- Keeping in mind what you heard yesterday about new directions and opportunities for National Service based on the SAA, revisit and discuss the implications for your organization keeping in mind a “stewardship mindset.”
- What do you need to do more of? Less of?