

Doug Eadie & Company

**Building High-Impact
Board-CEO Leadership**

www.DougEadie.com

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A Presentation For:

Leadership Summit

International Economic Development Council

January 28, 2019

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Building a High-Impact Board-CEO

Strategic Governing Team:

**Two Powerful Approaches To Developing and
Maintaining A Rock-Solid Board-CEO Working
Relationship**

Governance Edge Leadership Series



**Building a High-Impact
Partnership With Your Board**

Doug Eadie

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To provide nonprofit/public chief executive officers and CEO-aspirants with a forum for the exchange of practical, thoroughly-tested information that is aimed at taking CEO leadership to the next – extraordinary – level

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Prelude



Assessing Your Board-CEO Partnership

1. What appear to be the most significant strengths and weaknesses of the board-CEO partnership in your organization?
2. What do you consider the most important board-CEO partnership issue you need to address right now?
3. What actions might you take to deal with this issue?

About The Board-CEO Partnership Generally

1. Surviving and thriving as a CEO depends on a rock-solid board-CEO partnership.
2. A close, positive, and productive board-CEO partnership is difficult to build and is always fragile because of :
 - The high-achieving, strong-willed, and demanding cast of characters at the top
 - And the complex, high-stakes issues they continuously deal with
3. Nonprofit/public governance is a rapidly changing “field” without universally-accepted principles and best practices – and filled with **insidious foes** that can damage the board-CEO partnership.

Board-Savvy CEOs Don't Let Insidious Foes Damage Their Relationship With the Board



Insidious Foes

- Erroneous assumptions about the nature of governing that sound plausible and are often recommended by self-styled “governing gurus” – but can damage the board-CEO partnership
- **Some common Insidious Foes:**
 - **Stellar organizational and/or CEO performance will keep the board-CEO relationship healthy.**
 - **There’s a firewall between the board’s “policy making” role and the executive management function that must be preserved: the twain can’t meet.**
 - **Board members aren’t interested in managing their own governing performance**

Note: Governing Is A Particular Kind Of Volunteer Work Boards Do That Should Not Be Confused With Non-governing Volunteer Work, Such As:

- Doing **executive work**: representing your organization in key public forums, presenting legislative testimony, raising money, campaigning for foundation grants, managing particular stakeholder relationships, etc.
- Providing **technical advice**: financial, administrative, legal, human resources, etc.

The challenge: not letting non-governing work overwhelm your board's preeminent work – governing

Governing At The Highest Level

To play the leading role – in partnership with the CEO and executive managers – in answering 3 critical questions:

1. Where should our organization be headed/what should we become over the long run, in terms of services, facilities, operational performance, financing? (vision; strategic planning)
2. What should our organization be now and in the near-term ? (mission/budget)
3. How well are we performing, in terms of programmatic and financial performance? (performance monitoring)

Your Board's Detailed Governing Work Consists Of Much More Than Just "Policy (Rule) Making"

Governing is making decisions about concrete governing "products" and judgments based on concrete governing documentation – flowing along 3 broad streams:

Strategic and operational planning/budget development

Performance Oversight/Monitoring

External/Stakeholder Relations

2 Preeminent Keys To A Rock-Solid Board-CEO Working Relationship

- 🔑 Meticulous management of the board-CEO working relationship, with the CEO wearing her **Chief Governing Relationship Manager Hat**
- 🔑 Transformation of board members into satisfied owners of their governing judgments and decisions, with the CEO wearing his **Chief Governing Process Designer Hat**

1. Meticulous Management Of The Board-CEO Relationship



4 Keys To Maintaining A Healthy Board-CEO Working Relationship

- 1. A board committee (typically Governance or Board Operations) responsible for the board-CEO working relationship**
- 2. A CEO who fully plays the Chief Governing Relationship Manager role, paying close attention to psychological/emotional dynamics**
- 3. Clear, detailed board-CEO (and senior executive) communication and interaction guidelines**
- 4. A solid board chair-CEO working relationship**

Discussion Questions

- 1. What are some board-CEO communication and interaction guidelines that will help to keep the board-CEO working relationship healthy?**
- 2. What guidelines should govern your board's communication and interaction with staff below the CEO in order to maintain a healthy board-CEO working relationship?**

The Board-Savvy CEO Turns The Board Chair Into An Ally And Change Champion By

- Reaching agreement with the board chair on the basic division of labor with the CEO
- Getting to know the board chair really well
- Providing the chair with non-monetary compensation:
 - Helping the board chair succeed in leading the board
 - Paying attention to the board chair's professional objectives and ego needs

Discussion Questions

1. How have you divided the leadership labor in your organization between the board chair and CEO?
2. What must you know about your board chair in order to help her succeed as chair, achieve her professional objectives, and meet her ego needs?
3. What practical steps have you taken to support your board chair in carrying out – and succeeding at – the chair's leadership functions?
4. What are you doing to help your board chair achieve her professional objectives and to provide her with ego satisfaction?

2. Transformation Of Board Members Into Satisfied Owners



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Ownership: A Powerful Relationship Builder

- Feeling like an owner breeds commitment – to goals, plans, relationships, etc.
- Audiences for finished staff work, no matter how well done, inevitably feel more like external critics than owners of the work.
- Ownership of “governing products” such as an annual budget depends on active engagement in shaping the products.
- And active engagement depends on careful, detailed process design (**hence the CEO’s Chief Governing Process Designer hat**).

Two Key Roles Of Well-Designed Governing Committees:

- **Preparing for board meetings: action recommendations and informational reports**
- **Working with the CEO and executive team members in thinking through how board members should be involved in key processes, such as strategic and operational planning, budget development, and performance monitoring**

Well-Designed Standing Committees

- Correspond to the major streams of decisions and judgments that make up your board's governing work (form following function)
- Cut across all of your organization's operations and functions (**not tied to narrow programmatic or administrative silos such as business attraction; business retention; downtown development; personnel; etc., which lure board members into the weeds, inviting micro-management**)
- Are standing, not ad hoc, committees

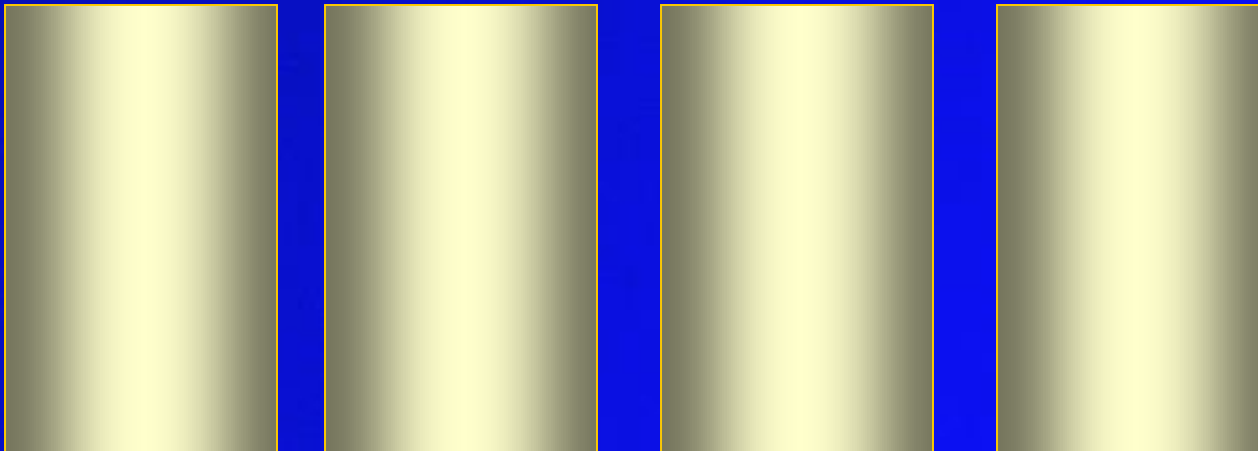
Form Follows Function

Board Governing Streams

Planning Stream

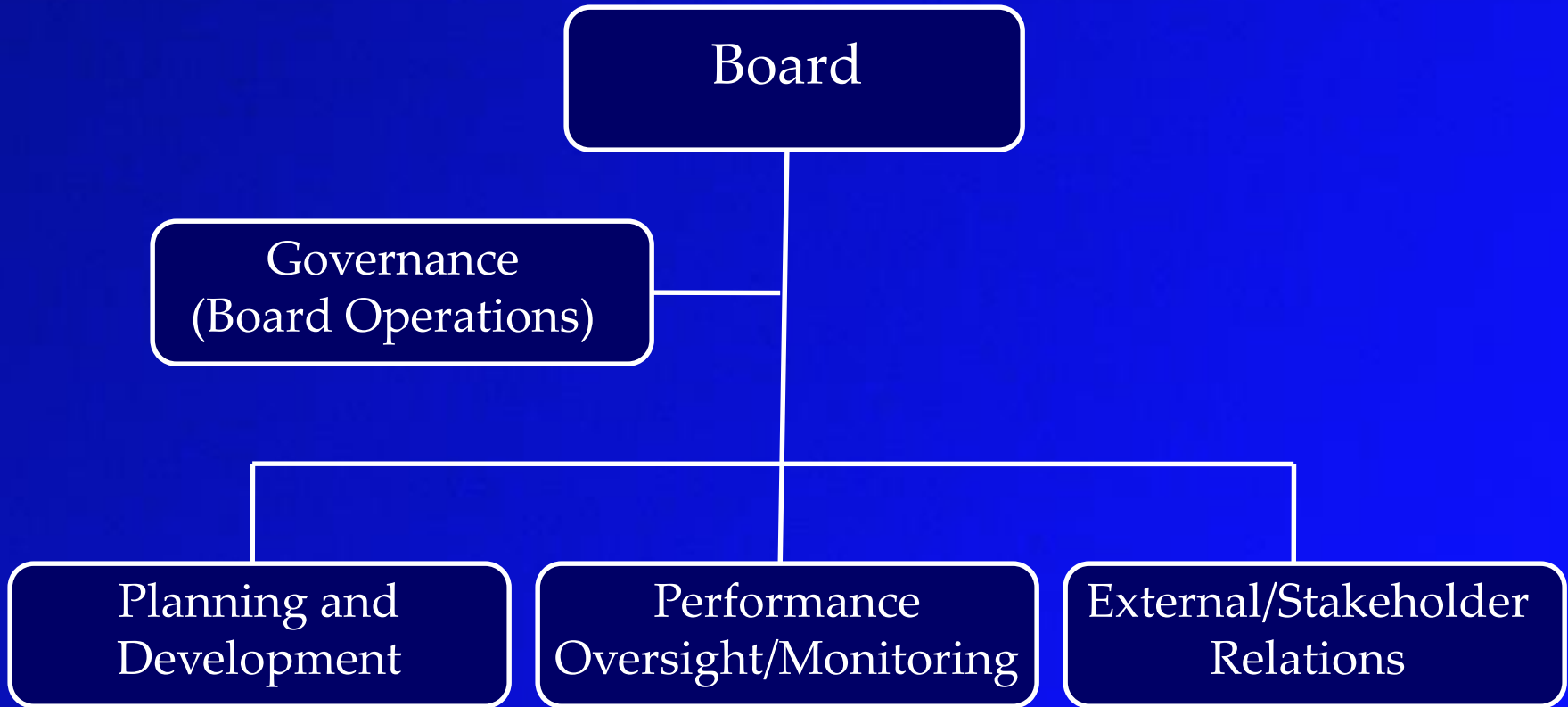
Performance Oversight Stream

External/Stakeholder Relations Stream



Programs and Functions

Model Committee Structure



Twin Aims Of Governing Process Design

- To generate technically sound governing decisions and judgments.
- To engage board members in a meaningful, proactive fashion so that they are transformed into satisfied owners of their governing decisions and judgments.

Your Board's Planning Committee Works With The CEO In Determining How Board Members Will Be Involved In Such Planning Activities As:

**Updating your organization's
values and vision
statements**

**Identifying strategic issues
facing your organization and
setting strategic goals**

**Shaping and adopting your
organization's annual
operating plan
and budget**

Your Board's Performance Monitoring Committee Works With The CEO In:

**Shaping and approving the
content and format of
performance reports to the
board**

**Assessing operational,
financial, and
administrative performance**

**Updating major policies
(e.g., contracting)**

Your Board's External/Stakeholder Relations Committee Works With The CEO In Determining How Board Members Will Be Involved In:

Updating your organization's desired image

Adopting marketing, communication, and stakeholder relations strategies

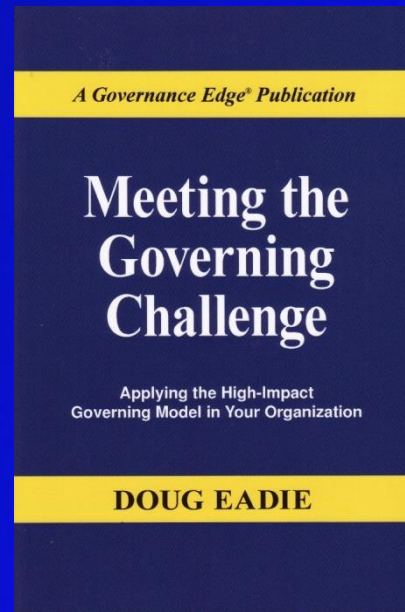
Representing your organization in appropriate external forums

Discussion Questions

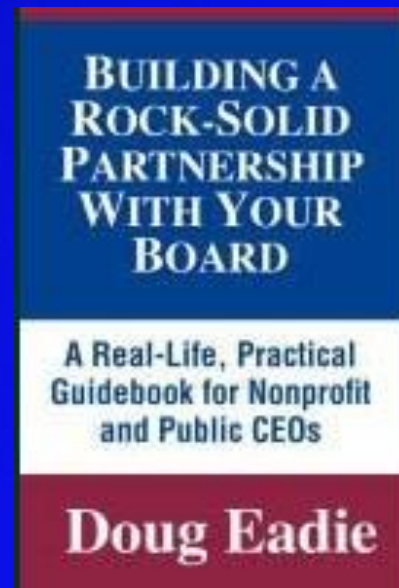
- 1. How might board members be involved early in your organization's operational planning/budget preparation process in guiding development of the annual operating plan and budget?**
- 2. What design features (content and format) might make your monthly or quarterly operational and financial performance reports more meaningful and easier to understand?**
- 3. How are you engaging board members in building your organization's image and maintaining stakeholder relationships?**

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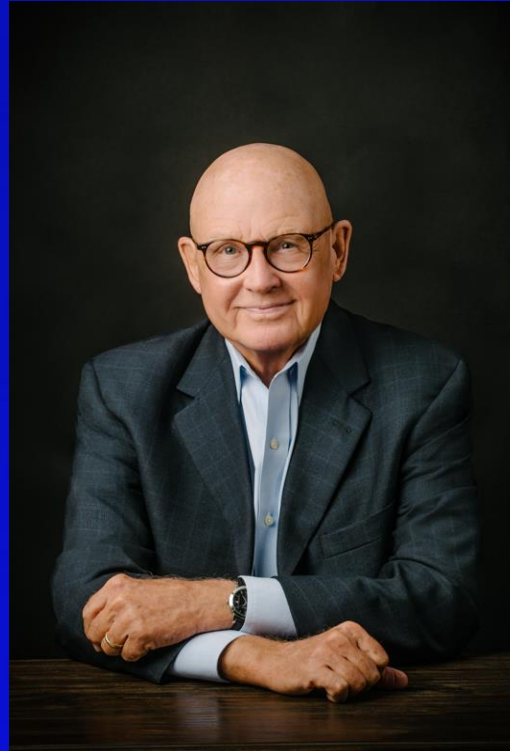
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emotional and
psychological
dimension of the
CEO-board
relationship.**

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