

# Big-Picture Board

## Steps for keeping strategy at the core of your board's work.

By Carole Schweitzer

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So you want your board to focus on the Big Picture, centering its sights on strategy and leaving the execution of goals and objectives to the staff? Well, let's just say that accomplishment is not for wimps. "I don't want to scare anyone," says James DeLizia, CAE, a governance expert based in Burbank, California, "but there needs to be some realism when you talk about a board being strategic. The board must build an infrastructure that facilitates that kind of vision and thinking and a year or two is not going to do it."

DeLizia identifies several barriers to a strategy-focused board:

- lack of clarity on basic board roles and responsibilities versus those on the management side of the house;
- insufficient information to support strategic thinking, such as the results of an environmental scan;
- lack of a solid infrastructure that maintains momentum and direction; and
- in effective tools for monitoring and evaluating progress toward goals.

When strategic issues are not addressed, says DeLizia, "organizations find themselves in a reactive mode of operation. Rather than watching the bigger picture and monitoring emerging issues or trends, suddenly something pops up that's urgent and the board has to react to put out the fire." Ultimately, says DeLizia, if your board is working in that mode, it's going to miss in large measure the direction or priorities that your organization should be focusing on in the long term. And that can result in a decline in perceived value and all that implies.

What to do? Start with some basic agreements on focus and direction for the association. This usually takes the form of strategic planning, says DeLizia, a process that despite naysayers' contentions to the contrary-he finds more popular than ever. What's different about the strategic planning process these days, he says, is that "we're viewing it in two steps. One is to build a framework that focuses on a more sweeping look at where the board and the organization are going, based on core competencies and overall goals and results we're seeking. The other is the near-term look, generally annually, at what steps we need to take this particular year to move toward those longer-term goals."

And while the board is charged with the lion's share of the strategic planning and longer-term

visionary work, the staff CEO often plays a role-sometimes a more subtle and indirect one-in moving the board in a new direction and maintaining the momentum as volunteer leadership changes from year to year.

Following are examples of how several association volunteer and staff leaders have worked together to create and maintain the kind of infrastructure that supports the sustainability of their strategic boards.

### **Deciding to shake things up**

Generally, says DeLizia, the first step a board has to discuss or decide is "what kind of a board it wants to be. The board members must understand where the board is now and what kind of board is needed if they're going to further whatever core purpose and value they decide the organization is going to stand for. This decision leads to an operating vision that guides board behavior, especially with regard to the clarity of its relationship with the CEO, which delineates the scope and authority of the respective work and how it's split up."

DeLizia recently encountered an organization with a definite *lack* of role clarity, which played itself out in the form of incredible confusion over who should be the spokesperson for the organization. "Every time a media call would come in," he recalls, "a scramble would take place as to whether it was the board or staff leader who should speak to the issue. This dynamic demonstrated the fundamental disagreements that persisted as to the scope and authority of the CEO versus the board."

In her early years with the Association of Woodworking & Furnishings Suppliers (AWFS), Commerce, California, some behind-the-scenes coaching by Executive Director Dale Silverman, CAE, went a long way in helping the organization's board get into a future-focused mind-set. "I did a lot of one-on-one communication with the board president and individual officers," s he recalls. "We began to talk about how much the industry had changed and how the association needed to lead-not react-to future changes." Silverman remembers the watershed planning meeting nine years ago during which board members set the goal of changing the complexion and focus of the board. They identified criteria and expectations of potential board directors, identified member segments, and adopted the goal of balancing representation of those segments a long with geographic considerations. After the mind-altering meeting, the board, for the first time, began to look down the road 20 years or so, instead of focusing primarily on the next year or two. "We used to spend 2 'h days on one year's budget," says Silverman. "Now the board has stopped focusing so much on the numbers and started looking at what's been accomplished and whether the association h as moved in the directions that they've said that they want it to." The budget discussion has been reduced to four or five hours at most, and the association stays focused on becoming the premier association in its industry.

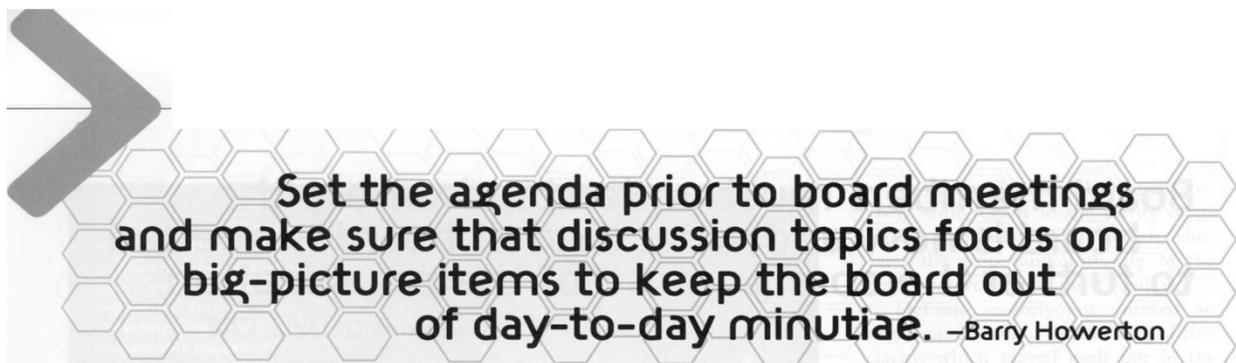
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Board Chair Barry Howerton, group vice president, Leggett and Platt, Pica Rivera, California, describes AWFS's board this way: "Our focus has been on how we can get to where we want to go, not tomorrow, not next year, but 10 or 20 years down the road. Thinking not only big picture but also optimal situation. Once we set those kinds of visions, then we can set programs and policies in place to get there."

For the National Society of Black Engineers, Alexandria, Virginia, the visionary tool takes the form of long-range strategic plans that outline the overall direction for what the organization will do across a 10-to-15-year period. Until recently, NSBE was working with the long-range plan that was established in 1998. Executive Director Michelle Lezama notes, "When we wrote this plan from scratch, we really didn't consider how the rest of the world would influence our activities. So we hired a consultant who is an expert in scenario planning to incorporate that into the board's thinking. For example, if the state of education in the United States were to get better, what would SEE's role be in that environment? Depending on where the economy lies on the spectrum from recession to robust, what would our role be? "

NSBE's board chair, Chancee Lundy, an engineering student at Florida State University College of Engineering, Tallahassee, notes: "While the national executive board looks at past trends as well as opportunities for improvement, we worked with the



consultant to develop a plan that would take us into the next 25-30 years."

### **Maintaining momentum**

Once the board begins taking a more blue-sky approach, how do you keep its eyes in the stratosphere and not on the details of the staff's work? In the organizations described here, several characteristics stand out as ways to maintain focus.

**Macro-level thinkers.** "I don't have to fight that [micromanagement] battle too much," says Howerton, because of the "good leaders in the past who set the tone and standards. By getting volunteer board members who are good managers or business owners on their own, you are dealing with people who by nature are not going to micromanage."

**Effective agendas.** Notes Howerton, setting the agenda prior to board meetings and making sure that discussion topics are focused on big-picture and long-term strategic items keeps you from getting into the day-to-day minutiae that the staff is there to do-and is better at doing than the board .

**Strong standing committees.** A plethora of committees--each chaired by an AWFS board member--helps keep the board moving toward its visionary goals. "Committee reports focus on progress being made toward specific goals," says Howerton, "not on all the details required to get there. This keeps board meetings more concise and on point. Committees also do a fair amount of environmental scanning and bring back that information to the board." Committee assignments are also used as a learning ground for future board members, giving them a taste of the goals and vision of the board.

**Proper board composition and structure.** At NSBE, Lundy takes the lead in focusing the national executive board (composed of 26 engineering students each serving a one-year term) on the directives for her term. To provide board members with manageable chunks of work, she says, "We are structured into operating zones with a national executive board office running each zone and making sure that it is implementing directives. For example, the treasurer is the head of the finance zone, which includes the convention planning committee chair, the national finance chair, and a few others. He makes sure that those groups are implementing strategic directives according to the financial [objectives]. It has proved easier to set direction and ensure buy-in and implementation through this model than other models with which I am familiar."

**Effective terms of office and well-timed planning sessions.** At the Association of Wood working & Furnishings Suppliers, the board chair and officers serve two-year terms, while directors serve for three years. "The length of service helps us tremendously," says Howerton. "By the end of one year, you are just figuring out what is going on and getting a grasp of the big picture." If you rotate off the board then, it's counterproductive, he says.

Add to this the association's two-year planning cycle, scheduled around its biennial trade show. "Since the trade show is so big and so much a part of what we do, an annual calendar doesn't make sense for us," says Dale Silverman. "After each show, we take several months to assess, see where we are going, and plan for the next two-year cycle. It's been a much more strategic approach in terms of looking at our long-term goals, determining where we are in measuring the related objectives, reassessing the goals, and asking ourselves if they need adjusting."

The AWFS board also moved its major planning meeting from the first quarter of the year to the prior November to coincide with the ratification of its new slate of officers. "It used to be," says Silverman, "that the first big meeting came two or three months into the new term. So, even in a two-year cycle, we lost three months. Now, although they don't yet have voting power, new directors are re-formally invited to participate in this important meeting--so they are not left with a plan for two years that they knew little about and had no input in creating."

**Knowledge-transfer techniques.** While NSBE's national executive board members serve only a one-year term, a national advisory board--with representatives from corporate, academic, and government entities--serves as a formal advisory group to the executive board. Because terms on this board are longer, institutional memory resides with this group and information is freely shared with executive board members. In addition, says Lundy, documentation of the national executive board members' work is very important. "We post

monthly progress reports online that help us stay on track with our long-range plans. In the past we've created transition reports, and this year we are beginning a more proactive transition process: We're writing individual strategic plans for our positions, which will focus on priorities and time management related to our work. When new directors come on board, they'll have a journal from a predecessor that will make the learning curve easier."

### **Measuring concrete results**

So what has a laser focus on long-range goals contributed to organizational effectiveness? For TSBE, the last couple of years have been focused on operational efficiency. "When I came here four years ago," says Lezama, "we had a negative cash flow situation. We're now at a \$5 million positive reserve position. We paid off all of our long-term debt, primarily of our headquarters building, and we just purchased a new building that will double our office space."

On this solid footing, NSBE's board will now concentrate on building membership and analyzing the potential of the business initiatives outlined by its strategic planning consultant. Specifically, it will look at expanding internationally; developing learning centers; and offering a suite of alumni services, such as additional networking opportunities, certification training, and presentation skills. To help the board dig deeper into these initiatives, Lundy has set up a task force "to break the plans into layman's terms and begin to develop the specific objectives to move them forward. Our next step is to hire someone to draft a detailed action plan, which will include tasks and timelines."

At AWFS, Howerton reports that the most recent strategic accomplishment is the growth and expansion of the trade show (recently honored as one of the "Fastest 50" growing shows in the United States by *Trade Show Week*) along with the move of its 2005 show from Anaheim, California, to Las Vegas. "This is reflective of keeping our vision on a national and bigger stage—a progressive move that perhaps 10 years ago would have been a much more difficult process," he says.

Another long-term goal for AWFS, which views itself as the one association capable of representing the breadth of an industry that is quite splintered, says Silverman, is effective outreach to other associations in an effort to better serve certain segments of the industry. "For five years, for example, we've had a very successful event, the Woodworking Industry Conference, with two other industry associations. And we're now looking forward to two other associations formally participating this year." A third accomplishment AWFS can claim is the transition of its board to a national one in terms of scope and representation. Howerton admits this was risky. "We were concerned that we might not get the participation that we needed. However, it's been a tremendous success."

In the end, he says, "To do a good job of keeping your eye on the ball, you need to constantly question the status quo and confirm where you are going. The environment changes constantly, so you don't want to get so fixated on the long-term vision that you fail to notice the significant things that are cropping up on the landscape. That's one of the reasons that we formally revisit our assumptions every couple of years."