

# IMPORTANT STRATEGIC QUESTIONS FOR BOARDS



## GENERAL

- Does the current legal structure continue to make sense? Or is it a hindrance to the organization's competitiveness?
- Are the articles of incorporation or bylaws outdated, inefficient, or at a competitive disadvantage?
- What processes, policies, board size, and committee structure are needed to allow the board to effectively monitor the organization as well as assess its performance?
- From a structural perspective, what is hindering the board and/or CEO from efficiently being able to lead and adjust to the changing environment?
- Is the CEO provided with the requisite authority to nimbly lead the organization without always having to ask the board and/or board committees for permission?
- Is the organization achieving its mission? How do we know?
- How will the board and CEO work together on mission and strategy?
- Is the board receiving relevant information, such as data on the industry, changes in the external environment, or data on employee engagement?
- Are outside experts on occasion brought in to educate the board on the state of the industry, governance best practices, or the impact of technology?
- Is the format of the agenda consistently designed from one meeting to the next to provide continuity of strategic discussion?
- Is the board receiving too much or not enough information?

## STRATEGIC PLANNING

- Does the organization have a focused mission?
- What specific purpose does our organization play in its community? What unique slice of a societal problem will our organization solve?
- What service can we uniquely provide that is our core reason for existing?
- Do we have the financial model to be successful over the long term?
- Has the board translated this mission into a rigorous yet flexible strategic plan?
  - o Is the plan achievable?
  - o Where are the holes? What are the risks?
  - o Who is the competition?
  - o How will we fund the strategy? Is it sustainable?
  - o How will we know if we are successful? How will we measure the results? What is the relevant empirical data?
  - o Do we have the right talent?
  - o Does the organization have the resources, expertise, and passion to accomplish its agreed-upon mission?
- What are the various financial levers that the organization has at its disposal?

## IMPORTANT STRATEGIC QUESTIONS FOR BOARDS



- How is the changing environment impacting its ability to accomplish its mission?
- Who are the key stakeholders?  
What are the specific organizational risks that board members should be cognizant of?

### BOARD MAKEUP

- Does the legal structure allow for the board, working with the CEO, to identify and select a qualified board with a diverse set of skills? Or is board makeup left to chance?
- Is the number of required board members appropriate? Too few? Too many?
- What individual and collective set of skills, talents, and other attributes should the board seek to ensure that they add value to the organization?
- Are there at one or two board members sophisticated enough to thoroughly understand the organization's financials and the various levers that management has at its disposal to drive the revenue and expense sides of the business?
- How important is it that the board is representative of its stakeholders and constituencies? (e.g. diversity of age, gender, race, ethnicity, geography)
- Is there at least one member with nonprofit CEO experience? For-profit C-suite experience? ...who can serve as mentor and offer wisdom to the CEO?
- QUESTIONS TO ASK ABOUT POTENTIAL BOARD MEMBERS:
  - o Is the person of good character?
  - o Do they possess a passion for the mission of the organization?
  - o Are they willing to place their ego aside in service to the organization?
  - o Are they well-respected, considered a good partner, and can they be trusted?

### BOARD RESPONSIBILITIES – NON-NEGOTIABLE STARTING POINT

- Protect the organization's assets in all forms: physical, intellectual, and reputational.
- Provide clarity (preferably written) as to what the board's responsibility is and what is delegated to the CEO.
- Conduct an annual audit.
- Ensure that an appropriately skilled and representative board is in place.
- Create an effective committee system with appropriate charters.
- Engage in continual succession planning.
- Oversee a consistent CEO review process and some level of oversight or approval of C-suite compensation, travel expenses, and contracts.
- Engage in an annual deep dive into the organization's strategy.
- Conduct a regular evaluation of the effectiveness of the board.