The Good (Board),
The Bad (Board),
and The Ugly (Board)....

Chad Coauette, February 2020
Overview

My Background

Experiences, Observations, and Best Practices

Open Discussion
My history....

• Rural MN “kid”
• UND Proud: Bachelors, Masters, PhD.
• 15 years in Higher Education
• Nearly 7 years as Executive Director and CEO of Sourcewell 2013 – present
• Have lived in Alexandria since 2004
Sample Board Experiences

- Executive Director and CEO of Sourcewell
- Past Habitat for Humanity Board Member, current Governance Committee
- Knute Nelson Board Member (Officer)
- M-State Community and Technical College Foundation Board Member
- National Cooperative Procurement Partners Board Member (Officer)
- United States Academic Decathlon Board Member
- Staples LEAP Committee (Executive Team)
- Alexandria Technical College Community Advisory Board Member
- Past Inclusion Network Board Member
- Past Alexandria Area Swim Club Board Member (Officer)
- Etc.
Board of Directors

Sharon Thiel
Sub-Region I Representative
218-639-5635
22959 County 24
Staples, MN 56479
TERM EXPIRATION: 12/31/2021

Scott Veronen
Sub-Region I Representative
218-449-5230
522 South Lane
Verndale, MN 56481
TERM EXPIRATION: 12/31/2018

Sara Nagel
Sub-Region II Representative
218-746-4478
11059 Richmond Rd. SW
Pillager, MN 56473
TERM EXPIRATION: 12/31/2018

Mike Wilson
Sub-Region IV Representative
320-468-5439
P.O. Box 56
Pierz, MN 56364
TERM EXPIRATION: 12/31/2021

Greg Zylka
Sub-Region IV Representative
320-232-9336
16821 Circle Drive
Little Falls, MN 56345
TERM EXPIRATION: 12/31/2020

Barbara Neprud
Sub-Region II Representative
218-546-8213
221 2nd Street NW
Crosby, MN 56441
TERM EXPIRATION: 12/31/2019

Mark Gerbi
Sub-Region III Representative
320-650-1676
1109 Riverview Dr.
Little Falls, MN 56345
TERM EXPIRATION: 12/31/2019

Ryan Thomas
Sub-Region III Representative
320-573-4395
5224 Apollo Rd.
Burtrum, MN 56318
TERM EXPIRATION: 12/31/2020
Our core purpose

We are a self-sustaining organization that enriches lives in our five-county community.
Our vision

Be the leader in solutions that empower community success.
Our mission

We are a government entity that delivers category-leading solutions and builds synergistic partnerships.
Our values

• **Seek.** Be curious.

• **Empower.** Be accountable and liberate others.

• **Impact.** Be a difference maker.
Organizing around solutions

Cooperative purchasing
Sourcewell Board

Health insurance pool
Board of Trustees

Senior leadership team & central services

Regional services
Sourcewell Board

Sourcewell Technology
Sourcewell Technology Board
A nonprofit board **must oversee** the nonprofit organization's operations and make sure that its staff and volunteers act legally and ethically. States often use the following three principles of nonprofit corporation law.
1) Duty of Care

A board member must be active in organizational planning and decision making. Board members must exercise reasonable care when he or she makes a decision for the organization. Reasonable care is what an "ordinarily prudent" person in a similar situation would do.
2) Duty of Loyalty
A board member must never use information gained through his/her position for personal gain and must always act in the best interests of the organization. Board members must avoid conflicts of interest or the appearance of conflicts.

3) Duty of Obedience
A board member must be faithful to the nonprofit organization's mission. He or she cannot act in a way that is inconsistent with the organization's goals. The public trusts the board to manage donated funds to fulfill the organization's mission.
Also, your board must:

• Make sure that the organization follows the law

• Approve all key contracts

• Attend most board meetings, thus indicating a dedication to the organization

• Hire and supervise the executive director who then hires staff

• Make sure the organization remains financially solvent by evaluating financial policies, approving budgets, and reviewing financial reports
The Good (Board),
The Bad (Board),
and The Ugly (Board)....

They are each very real!
Good Boards - common characteristics

• Clear goals and objectives, with solid organizational alignment for the future
• Board has its focus on organizational governance and knows their role
• Leadership is strong/consistent/transparent
• TRUST IS HIGH

• Though this does not look difficult....there are many moving parts to keep in this rhythm! (seems like this is more rare than it ought to be)
Bad Boards *(Mediocre Boards)* - common characteristics

- Goals and objectives may be unclear, and/or there is weak and disjointed alignment among the Board and organizational leadership
- Due to lack of clarity, trust and real transparency may be a challenge
- The Board is forced to toggle between governance and leadership/management/staff related tasks

  - *The size and maturity of the organization may have a significant influence in these factors.*

  - *In my experiences...these are often the “do-gooder” Boards.*
Ugly Boards - common characteristics

• Goals and objectives are unclear, with little alignment between the Board members and organizational leadership

• Trust and transparency is a significant challenge

• Roles are unclear and meetings are chaotic at best!

• *This may be due to a wide variety of reasons...but in my experiences, it all comes down to LEADERSHIP....whether that be the Board, individual Board members, or the designated leaders of the organization.*
Common Denominators for Improvement

• Seek Alignment of Stakeholders
  • Clarity of purpose

• Focus for near term and long term actions
  • Visioning a desired future
  • Annual planning

• Support a culture of continuous improvement
You can’t fire a cannon out of a canoe!
ORGANIZATIONAL CULTURE

ORGANIZATIONAL OPERATING SYSTEM
Continuous Improvement
OWNER'S MANUAL
“Protect the future, not the past.”

- Ed Catmull, Author of Creativity Inc.
The Good (Board),
The Bad (Board),
and The Ugly (Board)....

What are three key difference makers?
1) LEADERSHIP
2) LEADERSHIP
3) LEADERSHIP

- Leadership from:
  - Board
  - Executive Director/Staff

- Communication
  - Regular
  - Open
  - Transparent

- Follow-Through
  - Planning
  - Action
  - Results
  - Improvement
Open Discussion – Q &A
“Service to your community starts as an opportunity, transitions to a responsibility, and ultimately becomes a privilege.”

– Kevin Kopischke