



# BOARD WORKS

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## ◆ GOVERNING IN TOUGH TIMES

By: Rick Stiffney

In today's environment, every organization deals with financial stress. Now is not the time for boards and CEOs to minimize the significance of performance. They need to be on high alert.

Jim Collins, in his books *Good to Great* and *Good to Great in the Social Sector*, suggests that one hallmark of effective organizations is a capacity to have authentic conversations about the real state of affairs. Honest communication is always good practice, but in challenging times, boards and senior leaders must discuss candidly what is really happening within the organization. They must emphasize verification and documentation as ways to sustain and even build trust.

I would add an additional perspective. In tough times, leaders of organizations are inclined to hunker down and focus on operational performance issues. This instinct is understandable. However, this time provides boards and senior leaders an opportunity to learn from others by seeing their own reality in a broader context. They can then ask others for help to sharpen performance.

## ◆ FACING REALITY, ENLISTING HELP

We can link theory with reality by examining specific cases. In the recent past, MHS Alliance member organizations have encountered some stressful times that were transformed by facing reality and enlisting help. We can learn from the two cases which follow.

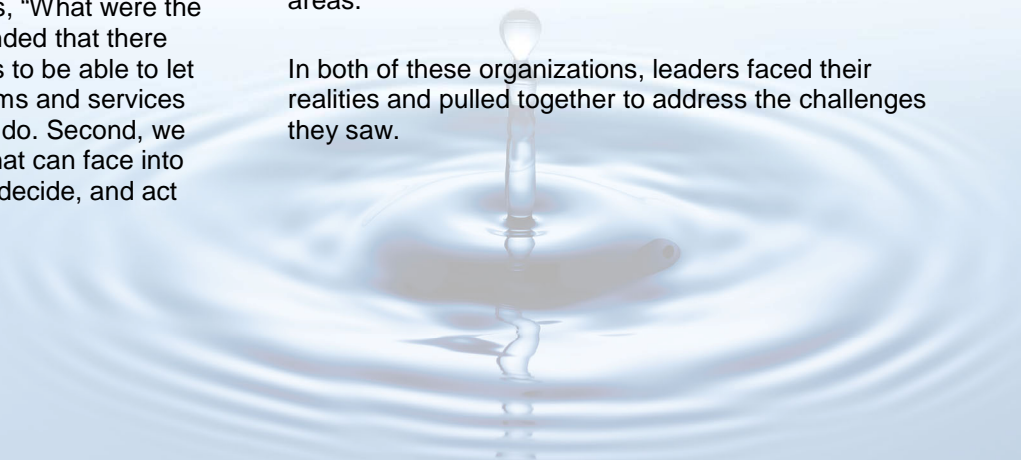
A few years ago **Kings View**, a community mental health provider headquartered in Fresno, Calif., had to address some daunting fiscal realities. In the span of only a few months, the organization's leaders needed to make a decision about whether to sell all of its land and buildings simply to stay solvent. Kings View was undergoing an executive transition.

I asked then board chair Alan Peters, "What were the most important lessons?" He responded that there were two lessons: "The board needs to be able to let go of emotional ties to those programs and services that once worked well but no longer do. Second, we boards need executive leadership that can face into the challenges – see the problems, decide, and act with steadiness and compassion."

A couple of years ago, **Schowalter Villa**, an aging services provider located in Hesston, Kan., was struggling with operational performance issues. With the board's support, the CEO asked for help from outside the organization.

MHS Alliance developed a team of peer professionals from other MHS Alliance organizations. The peer team visited Schowalter Villa, studied documents and financial data, and interviewed staff. The team then prepared a set of recommendations that provided the board, the CEO, and senior leaders with new perspectives on current operations and on practical ways to strengthen performance in several critical areas.

In both of these organizations, leaders faced their realities and pulled together to address the challenges they saw.



## Resources from MHS Alliance

MHS Alliance has developed resources that are relevant to the current environment. They include:

- [Board Works Dec. 07 – Succession Planning](#)
- [Board Works April 08 – CEO Appraisal](#)
- [Board Works Oct. 08 – Executive Session](#)
- Phone Consultations
- Governance Workshops at Mennonite Health Assembly
- Board Self-Assessment Tool
- Strategic Planning Facilitation
- Values-Based Leadership Program
- Executive Transition and Search Consultation

To request information, contact Emily at [emily@mhsonline.org](mailto:emily@mhsonline.org) or call 1-800-611-4007.

Sources: November/December 2008 edition of Board Member, Volume 17, Number 6, a publication of BoardSource. For more information about BoardSource, call 800-883-6262 or visit [www.boardsource.org](http://www.boardsource.org) BoardSource © 2008.

For further information or to suggest topics for future issues of Board Works, please contact MHS Alliance at [Emily@mhsonline.org](mailto:Emily@mhsonline.org).

## ◆ RESPONSIBLE BOARD

Governing boards always face challenges, but in today's turbulent times, boards and senior leaders now wrestle with major financial challenges. How might a board assist without engaging in operations or crowding the executive staff?

Board Source, a resource on governance, offers these suggestions on ways boards can engage responsibly with the organizations they help lead:

1. Don't panic.
2. Think strategically.
3. Get a realistic picture of the financial situation.
4. Create a contingency plan.
5. Work more closely with the CEO.
6. Step up fund raising.
7. Tighten your belt.
8. Pump up your engagement.
9. Evaluate your compensation structure.
10. Be a mission guardian.

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## ◆ FOR DISCUSSION

Turbulent times have struck before. No doubt, you can build on your experiences as a board member or CEO to formulate insights that will benefit the organization you currently serve. Here are some questions to prod your thinking:

- What previous times in your experience do you recall as most challenging? What made them so?
- How have you used candid communication to come to grips with the reality of a really sticky situation? Which communication approaches worked best? Which ones were less successful?
- Are you facing particular challenges or issues now that should be addressed in a more forthright way? What next steps do you plan to take in relation to these issues?
- How might you sharpen your perception of reality and perhaps gain additional resources by reaching out connect with others?
- What "success story" might you share as a way to serve others?

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## OUR VISION

To be a community of vibrant Anabaptist health and human service ministries committed to God's work of healing and hope in Jesus Christ.

## OUR MISSION

MHS Alliance strengthens and extends Anabaptist health and human service ministries in faithfully and effectively fulfilling their missions.



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