

## Elevating Governing Board Leadership by Embracing the Duty of Advancement

Governing boards of nonprofit organizations possess extraordinary significance. They hold the power to transform an organization from merely surviving to truly thriving. For over 70 years, our firm has consistently shared this timeless wisdom to convey the profound impact that effective governing boards can have.

*“No organization will be better than its board.”*

High-functioning governing boards ensure the success, sustainability, and impact of an organization’s mission. They serve as a guiding force, providing strategic direction, oversight, and accountability. They bring together individuals with diverse expertise, skills, and backgrounds, offering a wealth of collective knowledge and experience. They make informed decisions, set policies, and establish governance practices that align with the organization’s mission, vision, and strategic direction. Governing boards are responsible for selecting and supporting executive leadership, ensuring fiscal responsibility, and safeguarding the organization’s assets and reputation. By upholding the highest standards of governance, governing boards:

- ◆ contribute to building public trust,
- ◆ attract and retain talented staff,
- ◆ cultivate philanthropic support,
- ◆ make a meaningful impact in the communities they serve, and
- ◆ ultimately drive the organization toward not just achieving its mission but strengthening it.

Governing boards have three primary legal duties.

1. **Duty of Care:** The duty of care requires board members to act in a diligent and informed manner when making decisions on behalf of the organization. Board members must exercise reasonable care, skill, and prudence in exercising their responsibilities. This includes attending board meetings regularly, actively participating in discussions, reviewing relevant materials, and making informed decisions in the best interest of the organization.
2. **Duty of Loyalty:** The duty of loyalty requires board members to prioritize the organization's interests above any personal or conflicting interests.

Board members must avoid situations where their personal or financial interests could compromise their objectivity or conflict with the organization’s best interests. They should disclose potential conflicts of interest and recuse themselves from decision-making processes when a conflict exists.

3. **Duty of Obedience:** The duty of obedience requires board members to ensure that the organization operates in accordance with its stated mission, by-laws, and applicable laws and regulations. Board members are responsible for overseeing the organization’s activities, ensuring compliance with legal and regulatory requirements, and taking action if they become aware of any violations or deviations from the organization's stated purpose.

These duties affirm the important role of the board as a “protector.” It is important for board members to understand and fulfill these duties to protect the organization’s interests, maintain its reputation, and uphold its legal and ethical obligations. But if these duties comprise the sole focus of a governing board, how does the board help advance the organization’s mission and move it closer to achieving its strategic vision?

At Gonser Gerber, we emphasize the crucial importance of a fourth duty for governing boards, elevating their role from mere “protectors” to proactive “advancers.” This transformative duty, which we term the **Duty of Advancement**, empowers boards to actively propel the organizations they serve forward.

While the **Duty of Advancement** may not be a universally acknowledged or standardized duty for nonprofit governing boards, it carries immense significance. Although it may not be explicitly mandated by law, boards are responsible for propelling their organizations toward success by strategically planning, mobilizing resources, engaging stakeholders, and fostering leadership development to advance the organization's goals and maximize its impact.

Viewing the board’s role through the **Duty of Advancement** lens, the important activities of leading by example (through giving), establishing a culture of engagement, identifying and connecting prospective stakeholders, and recruiting and cultivating board members with a strong focus on advancement quickly come into view.

By effectively fulfilling these responsibilities, the board can significantly contribute to the overall advancement and success of the organization.

In this edition of the [Bulletin on Advancement](#), we delve into four strategies through which the Board can fulfill its *Duty of Advancement*, enabling the robust support of a comprehensive and continually evolving advancement program.

### Leading by Example (Through Giving)

A primary driver of consistently increasing results in advancement is the realization of board members leading by example through generosity. Focusing on the development (fundraising) function of an organization's comprehensive advancement program, it is appropriate to say that all development efforts begin with the board.

For starters, the board should have an engaged Advancement Committee populated with members who share the characteristics of affluence, influence, and generosity. These committee members should provide annual leadership by inviting other board members to give a generous annual gift and, if appropriate, a generous campaign gift.

For the full governing board, achieving a goal of 100% giving every year is paramount. Inevitably, the following question arises: *How much should board members give?* All too often, the answer results in setting a fixed amount for each board member. We do not recommend this approach. Our experience suggests board members become more fully engaged and give more generously when they are encouraged to include the organization as one of their top three (3) philanthropic giving priorities during their time serving on the board.

Next, governing boards should be responsible for achieving a collective dollar goal for annual giving each year. The Advancement Committee should set this goal each year, communicate it to the full board, and monitor it throughout the year.

Finally, when in a campaign, governing boards should hold themselves accountable to lead by example once again by giving at least 20% of the total campaign goal. Our experience suggests campaigns end on time and are successful when the board, collectively, leads the way by giving 20% to 30% of the total campaign goal.

### Establishing a Culture of Engagement

Renowned management consultant, educator, and author Peter Drucker is famous for saying, "culture eats strategy for breakfast." Acknowledging strategic planning as an important ongoing objective of effective governing boards, establishing the right organizational culture is equally (if not even more) important.

A common aim – usually unwritten – of advancement professionals is to create a "culture of philanthropy" within their organization. In most instances, this is translated as creating an environment where fundraising efforts are supported and donors regularly give to their capacity. While this aim is aspirational and well-intended, it is more theoretical than practical and often lacks an orientation toward action. Accordingly, our thinking is for governing boards to focus on creating a "culture of engagement." Simply put, the more engaged people (e.g., Board members, staff, donors) become with the organization, the more they give to their potential. Below are distinguishing characteristics of organizations that have successfully cultivated a well-established culture of engagement.

1. Board members use the pronouns "we" and "us" instead of "you" and "they."
2. Strategic input from donors is valued as much as their money, and there are formal and informal ways in which the organization regularly asks donors, "We'd like your advice on..."
3. Key constituents (e.g., staff, donors, alumni, parents, community leaders) are embraced in strategic planning efforts. Plans aren't given from "on high" but created together.
4. The advancement budget is seen as an investment – as opposed to an expense – by the organization's leaders.
5. Each board member sees themselves as a champion of advancement by giving each year, actively advocating for the organization, and connecting the organization to individuals within their professional and personal networks.
6. Each board member is actively engaged in the work of a board committee between meetings and comes to board meetings prepared to participate.

7. Giving is valued, celebrated, and discussed at every board meeting, and the work of advancement is presented as more than just a committee report.

A culture of engagement is open to the ideas and perspectives of others. It supports inviting others to participate and helps define the organization's future. When executed effectively, it sends the message that "we want your input because we value your experiences and perspectives." And when the board ensures the qualities cited above are regularly practiced and embedded into the actions of the organization, everyone involved (donors included) responds to their highest capacity.

## Identifying and Connecting Prospective Stakeholders

Expanding on one hallmark of a well-established culture of engagement, board members can expand the reach and effectiveness of the organization's advancement efforts by identifying and connecting with prospective stakeholders within their unique networks and areas of expertise/influence. Here are some of the ways they can contribute:

1. **Leverage Personal Networks:** Board members can tap into their personal and professional networks to identify individuals, organizations, and businesses that may have an interest in the organization's mission and activities. They can introduce the organization to these potential stakeholders and facilitate connections.
2. **Utilize Professional Expertise:** Board members bring diverse professional expertise to the table. They can leverage their industry knowledge, connections, and insights to identify and connect with stakeholders relevant to the organization's goals. For example, a board member with a background in healthcare may have connections to potential healthcare partners or donors.
3. **Serve as Ambassadors:** Board members can serve as ambassadors for the organization, spreading awareness about its mission, impact, and needs. They can engage in public speaking opportunities, write articles or blogs, and use social media to advocate for the organization and attract the attention of potential stakeholders.

4. **Participate in Community Engagement:** Board members can actively engage in the community, attending relevant meetings, forums, and events. By being visible and engaged, they can interact with community leaders, influencers, and stakeholders who may have an interest in the organization's work.
5. **Provide Introductions and Referrals:** Board members can directly connect the organization with potential stakeholders by making introductions or referrals. They can identify individuals or organizations that align with the organization's mission and values and facilitate connections through personal introductions or warm referrals.
6. **Engage in Prospective Donor Research/Analysis:** Board members can assist in researching and analyzing the landscape of potential stakeholders. This occurs most often through regular peer screening exercises led by advancement staff.
7. **Support Marketing and Communications:** Board members can help amplify the organization's messaging and outreach efforts by utilizing their personal and professional networks. They can share the organization's content, events, and campaigns through social media platforms, newsletters, or professional networks.

By actively engaging in these ways, board members can significantly contribute to the organization's efforts in identifying and connecting with prospective stakeholders. Their networks, expertise, and passion for the mission can help expand the organization's reach, attract new supporters, and foster meaningful relationships with stakeholders who can contribute to the organization's growth and impact.

## Recruiting and Cultivating Board Members with a Strong Focus on Advancement

In his classic business leadership book, *Good to Great*, author Jim Collins emphasizes the importance of ensuring the right people are in the right positions within an organization, likening it to placing individuals in appropriate seats on a bus. He reasons that by aligning people's skills, strengths, and passions with their respective roles, organizations can maximize their potential for success and goal achievement.

This reasoning is just as relevant for nonprofit governing boards. For the board to fulfill its highest potential, it must be populated with the best members possible. The best members are often judged to bring board attributes summarized as the “three W’s” – work, wealth, and wisdom. Correspondingly, the best boards are comprised of members who bring at least two of the “W’s,” and all three “W’s” must be evenly distributed across the Board. In our collective experience, the attribute that is often overlooked in identifying, recruiting, onboarding, and cultivating board members is “wealth” – that is, the ability to lead through philanthropic support and influence. Accordingly, another critical advancement-focused board role is identifying, recruiting, onboarding, and cultivating a well-balanced board that carries out the qualities of not only work and wisdom, but also wealth.

Here are some strategies to attract and develop individuals with a strong focus on advancement.

1. **Clearly Define Board Expectations:** Clearly communicate the expectations and responsibilities of board members regarding the work of advancement. Highlight the importance of active engagement in giving, advocating, and identifying/connecting the organization to prospective stakeholders.
2. **Identify Skill Gaps:** Assess the current composition of the board and identify any skill gaps, particularly related to advancement/philanthropic giving. Determine specific skills, expertise, and networks required to enhance advancement efforts.
3. **Target Specific Networks:** Tap into specific networks known for philanthropic inclination or fundraising expertise. Seek individuals with a passion for the cause and a track record of successful fundraising or resource mobilization.
4. **Engage Existing Board Members:** Leverage existing board members' networks and connections to identify potential candidates with fundraising experience. Encourage board members to actively participate in recruiting and providing referrals.
5. **Collaborate with Advancement Staff:** Work closely with the organization's advancement staff to identify individuals who have shown a keen interest in the organization's fundraising activities. Advancement staff can (and should) provide valuable insights on potential board candidates and help cultivate their interest.
6. **Offer Training and Support:** Provide training and resources to board members to enhance their fundraising skills and knowledge. Offer workshops, seminars, or webinars on topics such as donor cultivation, campaigns, or major gift solicitation.
7. **Create a Board Development Committee:** Establish a committee within the board dedicated to board development and recruitment. This committee should focus on identifying, cultivating, and nurturing potential fundraising-oriented board members. It can also oversee onboarding and mentorship programs to support new members in advancement-related roles.
8. **Highlight Fundraising Success Stories:** Share success stories and case studies that demonstrate the impact of effective board involvement in fundraising. Highlight how board members have made a difference through their fundraising efforts, motivating potential members to get involved.
9. **Cultivate Relationships with Prospective Board Members:** Foster relationships with potential board members through one-on-one meetings, informational interviews, or volunteering opportunities. Help them understand the organization's mission, fundraising needs, and the impact they can make as board members.

By employing these strategies, nonprofit governing boards can successfully recruit and cultivate fundraising-oriented board members who are passionate about the organization's mission and have the skills and networks to contribute effectively to its fundraising efforts.

## Conclusion

As we conclude this edition of the [Bulletin on Advancement](#), it may come as a surprise that the board's role in soliciting gifts was not addressed. Undoubtedly, gift solicitation is an important activity that board members can actively engage in, given appropriate coordination and training. However, when the board consistently fulfills its [Duty of Advancement](#), encompassing the four strategies emphasized in this Bulletin, the responsibility of gift solicitation can be effectively delegated to the organization's experienced advancement professionals. By prioritizing these strategic roles, the board's leadership sets in motion a virtuous cycle of generosity and philanthropic support, resulting in sustained and escalating advancement outcomes.