

# engaged boards *will* fundraise!

how good governance  
inspires them

michael davidson  
and brian saber



two

---

## the evolution of boards

---

**M**any of the challenges in getting your board to fundraise are due to the disconnect between how your organization has evolved and grown, and how much your board has evolved and grown to meet the organization's current needs. What do we mean by that?

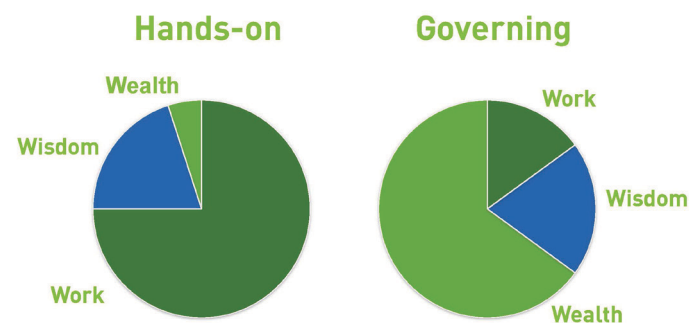
In the broadest terms, most organizations start with a visionary who has an idea and gathers their friends, relatives, and peers to form a board. Everyone does whatever needs to be done. Mostly that's hands-on work, as new organizations often have no paid

staff. And when it comes to fundraising, everyone pitches in on low-cost fundraisers, asking everyone they know to attend and doing the hands-on work to make the events happen.



As organizations mature, they hire professional staff to do the work the volunteers used to do, and the board's role turns more to governing. At this point, the board's fundraising role also needs to change. However, these changes don't always happen at the same time. In fact, the board is often playing catch-up, as it's more likely to react in response to the new needs than to evolve in advance to anticipate those needs.

Because organizations are always in transition along this spectrum, there needs to be an explicit understanding on the part of your board about where they are located as that transition happens. Their understanding of this will strongly affect their view of the appropriate balance between hands-on support—which might have been very important at the organization's founding stage—and current needs for fiduciary oversight, strategic and policy leadership, and fundraising.



The need for “Work, Wisdom, and Wealth,” as we often say in our industry, is present at every stage of your organization's evolution. However, the balance between those components will change, most importantly with respect to the amount of time and energy devoted to wealth (personal giving and fundraising) rather than hands-on support. Let's explore how this balance affects the way your board operates, how your board is composed, and what its fundraising role is.

## board operations

In the early years, a board is dedicated to supporting a founding leader or group. Board members do anything and everything to keep the organization going, and they make decisions together.



In a mature organization, the staff makes the day-to-day decisions, and the board relies on the staff to manage the finances and the programs. The board's work is now done in committees.

## board composition

As we noted earlier, the founding board is often comprised of friends and family of the founder who serve as a “band of warriors”

supporting that founder. There's usually some commitment to the mission, but a much stronger commitment to the founder.

### Hands-on

### Governing



- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• friends &amp; family</li> <li>• “band of warriors”</li> <li>• strong personal commitment to the founder</li> </ul> | <ul style="list-style-type: none"> <li>• broad range of professionals with specific talents</li> <li>• greater diversity</li> <li>• large donors</li> <li>• strong personal commitment to the mission</li> </ul> |
|---|--|

## fundraising

Founding boards are kept busy bringing in small dollars wherever they can. They cast the net wide. Often, they are giving of their time but not their wallets—and if they are giving, they are not giving their largest gifts.

### Hands-on

### Governing



- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• ask everyone you know for help</li> <li>• run numerous small fundraising events</li> <li>• may or may not give personal gifts</li> </ul> | <ul style="list-style-type: none"> <li>• provide fundraising oversight</li> <li>• make significant gifts</li> <li>• cultivate and solicit major donors</li> </ul> |
|---|---|

On a more mature board, fundraising is done more strategically. The board provides oversight, contributes personally, is asked to identify others who might join the cause, and is asked to assist

staff in the cultivation (and solicitation) of donors. Board members are also asked to make more significant personal gifts.

### ACTIVITY: Where in the evolution between hands-on and governing are you?

- Have everyone, individually, mark on a flipchart where they see the organization in each of the three areas: board operations, board composition, and fundraising.
- Compare results and discuss:
  - ◇ Is everyone in agreement as to where you are?
  - ◇ Do you find you're at different points in operations, composition, and fundraising?
  - ◇ Overall, where do you think you should be, and what are the greatest challenges you see to getting there?

Do you find variations in where you are in each area? To the extent that your board may be lagging in one or more of these areas, it's important to begin a process to better align your board members among themselves and with your organization.

You can expect resistance to change, with board members expressing:

“But that's not the way we've always done it.”

“This is our culture.”

“Why do we need to change?”

A conversation around these questions might be a good start:

- What work that the board has been doing is no longer needed?
- What matters that the board has been discussing should be left to staff?

- What are the areas where more board attention is needed?
- What work has the board *not* been doing that is now needed?

So, how do you move your board ahead if it's not where you need it to be?

Brian likes to say you've got two options—revolution and evolution.

With revolution, you throw the baby out with the bathwater and start all over again—in this case, with a new board. That's an extreme and fraught solution only to be used in extreme cases where a board is truly dysfunctional and, possibly, malfeasant.

Most often, evolution is the way to go. If you make a plan to address everything we discuss, and you genuinely engage the board in the process, in a year you'll find your board has made significant progress. Within three years your board will be transformed and will be a powerful fundraising partner.

Keep in mind: Over those three years numerous new board members will have joined, many current board members will have grown in their roles, and a few might have left because they don't think they fit in with the new expectations. You might still have a few old-timers who neither grow nor leave, but they will be in the minority and their opinions will not dictate board activity.