



# Making Sense of Governance

# Governance Definition

A legally constituted group of people, who together advance, guide and oversee an organization's mission for the common good, on behalf of the community



# Exceptional Governance?

**Exceptional governance** is the process of giving **fiduciary**, **strategic** and **generative** leadership to a nonprofit organization to help it reach its full potential.

- Embrace the “governance as leadership” – *an exceptional Board moves nimbly from one lens to another as required*
- Act as a governance team
- Create and maintain a positive Board culture
- Become advocates for our cause
- The Board Chair and CEO are partners and maintain their respective roles

\* *Governance as Leadership; Chait, Ryan and Taylor; 2005*

# Fiduciary Lens (Oversight)

- The stewardship of tangible assets. Goals are good oversight of operations, legal compliance and fundraising.
- Important and necessary discussions about operations, resources, fiscal accountability, and legal and IRS compliance
- **Reflects the Question: What's Wrong?**

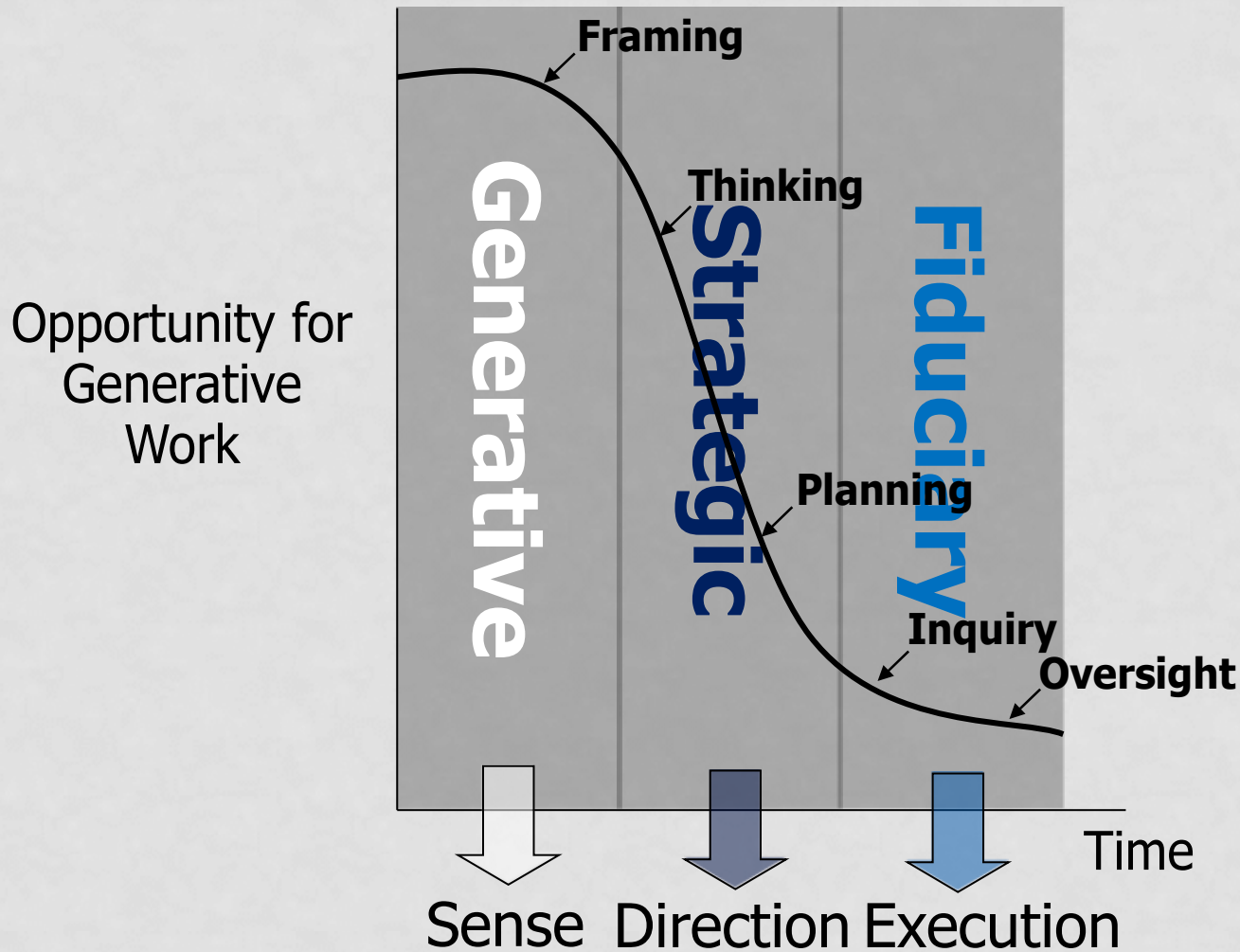
# Strategic Lens (Foresight)

- The creation and evaluation of organizational impact. Goals are to move the organization wisely into a preferred future. Positioning.
- Setting priorities and focus, and assuring organizational planning process and measuring the progress on plans.
- **Reflects the Question: What's the Plan?**

# Generative Lens (Insight)

- Generative governance defines the context for both fiduciary and strategic governance.
- Goals are to make sense and meaning of complex challenges, problems, opportunities and questions,
- Discerns challenges and opportunities. Probes assumptions and logic. Considers the values behind strategies
- **Reflects the Question: What's the question?**

# Modes on the Generative Curve



# VALUE-ADDED WORK HIGHER ON THE CURVE

## Fiduciary

## Strategic

Fiduciary		Strategic	
Oversight	Inquiry	Planning	Thinking
Scandal free?	Safeguards?	See the future?	Understand past?
Affordable?	Opportunity cost?	What's the plan?	What's the idea?
Clean audit?	Audit insights?	Process steps?	Signs of success?
Legal?	Ethical?	Size of markets?	New markets?
Can we get the gifts?	Do donors expect too much control?	Planned costs?	Intended outcomes?

## Generative

Does the idea align with or change our mission?  
 If we do this, what will constituents infer about our core values?  
 How else might we look at this?



# Usage Tips

It's important not to overuse any one lens.

- A cleverly framed problem without a solution?
- An attractive mission without a strategy?
- A great plan without execution?

Spotting Generative Opportunities:

1. Ambiguity
2. Saliency
3. High stakes
4. Strife
5. Irreversibility

# Questions?

