

MODEL ENGAGEMENT: TOOLS FOR BETTER BOARD MEASUREMENT

By Barbara Thomason, IOM, PCED



An effective board of directors is integral to the success of a chamber of commerce because it provides strategic direction for the organization. Building a vibrant, forward-thinking board is a critical step in building a vibrant, forward-thinking organization. Because of the role a board plays, the chamber executive must guide the development of the board to ensure its balance and makeup best serves the interests of the organization and community. The Board Spectra and Board Interaction Model can assist a chamber executive in board development. First use the Board Spectra to determine where your board is currently and where it should be. Then examine the Board Interaction Model to look at what kind of individuals are needed in the next term to help the organization reach its strategic objectives.

The Board Spectra

The Board Spectra allows the chamber executive to assess the board and its functional characteristics, both before appointing new members and after the board is formed. Any executive who has served their organization for more than a few years has seen the evolution of philosophies and perspectives that change with every new board year. As members come and go, the group's collective voice takes on a new character. As a result, the different aspects of a board will move along a continuum as the collective voice changes.

The Board Spectra tool can be used actively with boards or passively in the background, as an observation method. Specific direction will vary depending on the needs of each chamber, but I have identified four that may serve as a helpful starting point: board engagement, political positioning, financial attitude and risk tolerance.

Board Engagement

A characteristic familiar to all executives is board engagement. We all want members who are engaged and enthusiastic about the work of the chamber and the impact the organization will have on the greater community. Unfortunately, the disengaged board is all too common, often comprised of those marking time before their term is up when the board position can be added to résumés. On the other end of the spectrum is the “overly-engaged” board that is so enthusiastic about their work that they get overly operational and begin to get too involved in day-to-day issues.



Figure 1: Board Engagement model

Political Positioning

Boards must also navigate the political position of the organization. While some boards prefer to remain neutral and keep the chamber of commerce a friend to all with political passivity, other chambers are very active politically, organizing PACs and weighing in on key issues. Somewhere in the middle is the selectively political organization that selects those few issues with the greatest impact for their local area.



Figure 2: Political Positioning model

Financial Attitude

The next example is the financial attitudes of board members. Some boards view the chamber's financials conservatively; other boards are very risk tolerant and, in spite of a pre-determined budget, want to see sweeping change through aggressive investment.



Figure 3: Financial Attitude model

Risk Tolerance

The final area I have identified is the board's risk tolerance. Risk tolerance not only manifests itself in spending attitudes but in amounts of insurance coverage, staffing levels, capital investment and the size of the reserve fund. For example, a risk-averse board of directors will likely hold the line on adding staff with the concern that the organization cannot sustain these additional expenses. Conversely, the risk-tolerant board will have a greater comfort level in adding staff to fulfill new objectives.



Figure 4: Risk Tolerance model

Remember that assessments don't provide one right answer; the outcome, however, does provide a springboard for enlightening discussion and deliberate action. Board leaders can ask fellow board members to self-assess, indicating where they believe they are on the continuum and conduct their own evaluation to achieve a well-rounded perspective. One can add cross hatches and numbers across the scales to represent where the board is and where they believe the group should be. Each end of the spectra above has its advantages and disadvantages, so it is the job of chamber and board leadership to decide where on the spectra the board should fall.

Board Interaction Model

The Board Interaction model helps leadership evaluate how each new member will help or hurt the board dynamic and if the chamber and community are experiencing challenges that specific skills and influence on the board can address. There is a distinct interaction between members' skills and connections, the way members interact with each other, the demands and challenges unique to the chamber and community they will serve and the board's interactions with chamber executives. The Board Interaction Model helps crystallize how these dynamics relate.

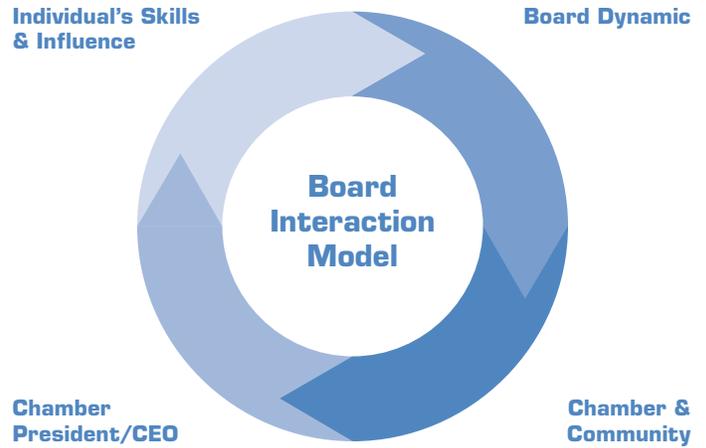


Figure 5: Board Interaction model

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Skills & Influence

Starting to the left of the model, first consider the individual members' skills and influence. The board of directors is comprised of a group of individuals, each of whom has different skills and connections. It is important to select individuals who possess diverse knowledge, experiences and abilities to influence through key connections to meet the needs of the organization. For example, if an attorney is leaving his/her position on the board of directors, it is important to consider identifying a new attorney for the next term. Additionally, the chamber executive should look ahead into the multi-year strategic plan to identify what knowledge, abilities, skills, talent and influential connections will be needed to carry the strategic plan forward. It may seem logical to assume that boards should comprise the best leaders, but one should consider whether that creates the capacity for conflict or disengagement. In the end, having the right expertise at the table with ready answers is a powerful position from which to work. ▶

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Board Dynamic

Just as important as the individual skills and abilities on the board is the way they work together. The board dynamic is difficult to anticipate, but when it works, the organization will fire on all of its cylinders. The chamber executive can influence a positive and productive dynamic by selecting skilled individual leaders but also by ensuring meetings are well-managed, agendas are meaningful and strategic (not involved in selecting the linen color for the Gala!) and that the members are honored for their roles and respected for their gifts of time, talent and treasure to the organization. Let us not forget that meetings can be laced with a little levity. It is volunteer work and it should be fun. It is important for the executive to know their board: where one may love sharing touchy-feely ideas about why they serve, another may find the exercise silly and a waste of valuable time.

Chamber & Community

The next aspect of the Board Interaction Model is the overall health of the chamber and the community. A community in turmoil may require a more insightful and diplomatic board while a fast-growing chamber and community may need a board that plays a more active “ambassador” role. You’ll need to survey where your community stands today and what you hope to accomplish in order to appropriately recruit board members.

The Board and the Executive

The last piece of the Board Interaction Model is the chamber’s executive. This is a key step, as it’s critical for the chamber’s executive and the collective board to see eye-to-eye on important organizational positions. Where an executive’s skill set is lacking – fundraising, for example – there should be members of the board who can assist in that capacity. Chamber executives are in a fortunate position: they can recruit new members for the board when possible, thus enabling smoother and improved board performance over time.

By utilizing the Board Spectra and Board Interaction Model tools, leadership can improve board composition and performance over time. Gone are the days of recruiting anyone who could fog a mirror. Gone are the days of saving board positions for ex-officio roles. These practices are a gamble and your community, your chamber of commerce and quite possibly your career could suffer. Successful board building can mean the difference between a good organization and a great chamber of commerce. Careful attention to the characteristics of the board and to how it interacts with itself and its community can deliver powerful outcomes for your chamber of commerce. 



Barbara Thomason, IOM, PCED is the president of the Houston Northwest Chamber of Commerce serving northwest Houston and Harris County, Texas. She is also a supporting partner in her husband’s firm, LeaderShift, LLC, a consulting, coaching and training company in support of intact teams and developing leaders.

Awards season opens March 1.

Entries due April 18.



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