Reaching for the Stars

by Pamela R. Knecht

Now, more than ever, boards of not-for-profit organizations feel compelled to up their game. Most have mastered the basics of governance (e.g., overseeing audit and compliance), and they now want to use governance best practices. They study what stellar boards are doing, so they, too, can reach for (or become) governance stars.

The highest-performing boards across the country share certain key characteristics that can be grouped into five categories:

1. Visionary, Strategic and System-focused
2. Nimble, Streamlined and Clear
3. Intentional, Disciplined and Consistent
4. Competency-based, Informed and Evaluated
5. Objective, Transparent and Accountable

Visionary, Strategic, and System-focused

Outstanding boards see themselves as visionary, co-leaders of their organizations, along with their senior management teams. They help to develop a unique vision for the organization and they encourage others to push themselves to achieve that desired future state. As Carly Fiorina said, "Leadership is not about management, title, position, or budgets. Leadership is about changing the order of things; and unlocking the potential in others." Boards must set the tone from the top so others know where they are going.

The best boards have figured out how to make time for strategic-level thinking and direction-setting. They have revised their meeting agendas and added time in board retreats for in-depth conversations about the future of the industry, the strategic options, and the best path(s) forward. And, they envision the future together with their key stakeholders. (See recent *Great Boards* articles, *Strategic Governance Practices for Turbulent Times* and *The Shared Governance Imperative* for more information on the steps boards can take to become more strategic.)

Given the new, value-based reimbursement models that require becoming a truly integrated care system, well-performing boards constantly challenge their organizations to think and act like one system. They demand system-wide policies, processes and metrics and they hold the organization accountable vis-à-vis those measures of "systemness." For example, they require that the board dashboard include metrics that are relevant to systems of care versus inpatient facilities (e.g., seamless care transitions versus average length of stay).

Nimble, Streamlined and Clear

The boards and management teams that are most successful in today's tumultuous environment are those that can make good decisions quickly. One of the ways they do this is to streamline their own governance structures and processes.

For instance, they consolidate and/or eliminate boards and committees so there are fewer layers of decision-making. In addition, they revisit the size of their boards to ensure that there is sufficient air-time for each member's perspectives to be shared. This, ultimately, results in better decision-making.

And, they make sure that all remaining governance entities are perfectly clear about their role, responsibilities and authority. Well-functioning boards ensure this information is clearly spelled out in bylaws and charters. Examples of good charters can be found on the *Great Boards* website, http://www.greatboards.org/resources/charters/.

These boards have well-functioning governance committees that make sure that those invited to serve on each board and committee receive robust orientation about the specific role they will play. For instance, in health systems that have subsidiary hospital boards, those boards may have responsibility for quality oversight and community needs identification, but not for financial decisions. If this is the case,