



THE FOUNDATION BOARD'S ROLE IN STRATEGIC PLANNING

Setting strategic direction is a basic governance role of the foundation board. The board is responsible for determining the mission, vision and values that are the bedrock of the organization's strategic framework. The board represents stakeholder interests, so it serves a valuable role in sharing community perspectives and expectations to guide planning. The board must ensure the organization's goals position it to fulfill the organizational mission and to advance its vision. Yet, beyond these core governance roles, there is often debate about the role of the foundation board relative to the role of foundation management in the foundation strategic planning process; there are also unique considerations for alignment between the foundation and the supported health care organization.

Fostering Alignment

A dynamic unique to the health care foundation is the foundation board's essential task to ensure organizational alignment with the supported health care organization. The health care foundation is generally a nonprofit in service to another nonprofit—and the foundation often exists solely

to secure philanthropic support to advance the health care organization. Whether the foundation is legally structured as a *public charity* or as a *supporting organization*, alignment with the health care organization is essential—and the health care organization's strategic framework is often the umbrella under which all foundation planning unofficially but effectively exists. This means the foundation board must be keenly aware of the mission, vision, values and strategic imperatives of the supported health care entity to ensure there is alignment and a shared vision for collective impact as the foundation formulates its own mission, vision, values and strategy. Further, the foundation board generally works with health care organization management or the health care organization governing board to understand health care organization strategic priorities for which philanthropic investment is needed. This allows the foundation to set its own strategic—and-synergistic course to secure, manage

and deploy philanthropic support for the health care organization's most compelling priorities.

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Representing Stakeholders

The foundation board is charged in its governance role with ensuring input from stakeholders who

have an interest in or are affected by the foundation's ability to effectively fulfill its mission. In this realm, foundation board members not only represent the community at large but also represent special segments of the greater population including foundation donors, health care organization patients, health care organization executives, physicians and more. When it comes to planning for the foundation, the board must exhibit sensitivity to the proactive inclusion of various stakeholder groups that could bring different perspectives, knowledge, interests and concerns

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to the planning process. Ensuring a diversity of thought and opinion ensures the plan is balanced and reflective of stakeholder needs and expectations.

Ensuring Objectivity

Effective planning begins by looking inward at the current status of the organization to realistically gauge where the organization is currently successful and where it falls short in working toward fulfilling its mission. Board leadership must objectively evaluate performance to identify opportunities for growth and improvement and to spot efforts that should be stopped or reworked.

Envisioning the Future

The foundation board can play a powerful role in articulating what the foundation could be if it achieved its vision and functioned at its very best. Undergoing a structured brainstorming process to envision the foundation's desired future state is a valuable exercise to harness the diverse perspectives, expertise and vision of board members and other stakeholders. Defining "what excellence would look like" early in the process also enables the identification of strategies to support that vision of potential.

Embracing Collaborative Leadership

The process to identify and prioritize future goals and strategies is usually accomplished in close collaboration between the foundation board and foundation management to harness the unique knowledge of each. The board uses its community knowledge, professional expertise and personal experience to identify and evaluate opportunities to advance the foundation mission and to respond to stakeholder needs. The foundation executive typically supplements board efforts by utilizing her experience in the health care philanthropy field and knowledge of prevailing and emerging fund development practices and priorities to surface additional strategic opportunities to consider. The executive also can provide intelligence such as relevant performance benchmarks and evaluation metrics to inform goals and evaluation criteria. The board then considers how opportunities proposed by management support the achievement of the mission, undertakes analysis, discusses options and deliberates alternatives. Board and management then often collectively pressure-test and

prioritize various strategies to arrive at an agreed upon set of strategies. In this way, strategic planning is ultimately advanced with collective wisdom and collaboration.

Affirming Intent

The planning process results in a plan document that articulates a clear but flexible direction to further the mission. The board must formally adopt and endorse the final version of the plan for implementation. Once the plan is accepted, the board collaborates with management to share elements of the plan with key allies and stakeholders to secure their ownership and participation in making the plan a reality. The plan document will then be used to inform other planning processes generally championed by management, including operational planning and budgeting. Effectively, this means the foundation board determines "ends" that represent the ultimate, strategic outcomes to be achieved; while foundation management determines "means" to accomplish those outcomes. In strategic planning terms, this means the board effectively outlines overarching goals and strategies, while management generally outlines *objectives* and *tactics*.

Driving Accountability

With an agreed-upon plan in place, the board's role shifts to monitoring plan implementation. Most boards hardwire routine progress checks or discussions into select committee or board meetings to follow implementation and to monitor outcomes. Some boards support ongoing oversight through the use of dashboards or standard reports to ensure performance information is presented in a consistent manner and can be easily understood. The board also should plan to make strategic discussions part of every board meeting.

Leading organizational strategy is a continuous journey rather than an annual duty. Even a final, board-approved strategic plan should be considered a living and working document that may have to be agilely adjusted as the environment evolves or key assumptions change. Ultimately, the foundation board's role is to ensure a shared strategic vision that positions and focuses the organization to fulfill the mission and to continue to move toward fulfillment of the vision.

For Board Discussion ≡

How can the foundation board collaborate effectively with health care organizational management and the health care organization governing board to ensure the foundation maximizes its positive impact on the health care organization mission?

Who must be engaged in the planning process to ensure key stakeholders have a voice and a diversity of perspectives, knowledge and interests are represented?

How can the foundation board and foundation executive work collaboratively to ensure all intellectual assets are effectively leveraged in this planning process?

What steps must the foundation board take to ensure the strategic plan is not only put into action but also evolves as needed to address changing circumstances and to embrace emerging opportunities?

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