GOOD GOVERNANCE FOR CHALLENGING TIMES

by Lowell J. Noteboom
Board Chair, Saint Paul Chamber Orchestra
Vice Chairman of the Board, American Symphony Orchestra League

December, 2003
(This paper is derived from an Orchestra Leadership Academy seminar presented in June, 2003.)

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INTRODUCTION

As I write this paper in the summer of 2003, the American orchestra field is feeling the impact of an extended recession, as well as some lingering effects of the events of September 11, 2001. Many orchestras have announced deficits for the current year, and sadly, a few have been forced to cease operations, either temporarily or permanently. We who sit on orchestra boards must ask ourselves: What is a responsible board of trustees supposed to do in times like these?

While the broad economic challenges faced by orchestras cannot be attributed to poor governance, it is an inescapable fact that they can only be met successfully with good governance. There has never been a more important time to examine our boards of trustees and seek to improve their structure and functioning. The lessons we learn will be equally applicable—and valuable—in good times and in difficult ones. Good governance is an everyday responsibility that cannot be neglected or ignored.

Setting forth the basic principles of good governance, for the benefit of board chairs and board members, is the objective of this discussion. However, there is no one-size-fits-all prescription. Orchestra boards must be frank with themselves in evaluating their strengths and weaknesses and the orchestra's relationship to the local community. A key principle of good governance is to ask the right questions.

The American Symphony Orchestra League is one incubator for developing answers to governance questions; this paper is the result of a seminar sponsored by the League's Orchestra Leadership Academy in June, 2002. Major foundations (such as the Andrew W. Mellon Foundation and the John S. and James L. Knight Foundation) have also committed significant amounts of money and time in order to understand the problems and to help orchestras experiment with new ways of doing business in these challenging times. In assembling this paper, I have drawn on discussions in several such forums, as well as my own experience as a board member and chair of the Saint Paul Chamber Orchestra.

THE MANAGEMENT/GOVERNANCE CHALLENGE—THE EVOLUTION OF GOVERNANCE MODELS

As recently as fifteen years ago, orchestra boards had a broad, simple mandate: Hire the music director, enjoy the performances, and make up the deficit at the end of the season. With the need to hire professional staff, the board's role expanded to include responsibility for hiring and evaluating the executive director. Eventually, good governance became the subject of considerable discussion. And yet there was an extended period when there were no books or articles to read on the subject, no consultants to hire, and no governance resources like BoardSource (formerly The National Center for Nonprofit Boards). In the last fifteen years, however, thinking about nonprofit governance has evolved considerably.

"Governance is Governance" – The Dayton Model

The seminal publication on the fundamentals of nonprofit governance was written in 1987 by Kenneth Dayton, the CEO of the Dayton-Hudson Corporation (now Target Corporation) and a dedicated philanthropist with close ties to The Minnesota Orchestra, the Saint Paul Chamber Orchestra, and myriad other arts and cultural institutions in the Twin Cities. In a fifteen-page monograph, *Governance is Governance*[1], Dayton drew upon the traditional corporate governance model employed in the late 1980s and advocated for a relatively narrow set of responsibilities for trustees in their governance of nonprofits:

- set policy;
- hire and evaluate the CEO in his/her performance and achievement of the policy; and
- raise money.

If that was governance, then management was, by definition, everything else and was the exclusive province of the hired staff. Dayton urged trustees in general, and board chairs in particular, not to rush in and fill voids left by management. He reminded his trustee audience that the hired CEO should be the key decision maker—the one to manage the organization, its finances, and its personnel. In this traditional structure,

- the CEO, not the board chair, is the CEO;
- the board chair is the CEO's partner;
- the trustees' role is to support, encourage, challenge, and stimulate the CEO;
- the CEO must avoid leaving management "holes" that trustees might be tempted to fill; and
- the trustees must avoid the temptation to fill any "holes."

Ken Dayton's advice was much needed at a time when the nonprofit community had not really addressed the concept of governance in a disciplined way, and there was little or no developed literature on the subject. It was Ken Dayton who first taught the nonprofit sector to respect its managers, to let them be CEOs, and not to—in that now overused term—"micromanage."

Faced with today's challenges to orchestras and other nonprofits, Dayton would probably say that it is the board's job to have a broad understanding of the dynamics that are behind the challenges, to set the basic policy about a solution, and to let the CEO and staff implement that policy to solve the problem. That policy could, presumably, be as simple as one or the other of the following:

- *A deficit is unacceptable under any circumstances.*
  "Raise as much money as you can; cut expenses as necessary to stay within your income; lay off people if you need to; cut programs if you need to; you make the decisions on what to cut and whom to lay off. We will evaluate you on your success."

- *A deficit is acceptable for several years while we get back in balance.*
  "What has happened in recent years is aberrational. A harsh reduction in programming and staffing could be fatal to the organization. We need time to develop and implement a plan for improving earned income. We have enough confidence in our ability to do so that we are willing to incur debt (or to draw additional funds out of our endowment) to hold on while the plan is implemented. As CEO,

[1] Dayton, Kenneth. *Governance is Governance*. Independent Sector, Washington, D.C., 1987. No longer available.

> you should develop the plan and convince us that it can be accomplished. We will evaluate you on your success."

In both examples, the board is setting basic fiscal policy and leaving it to the CEO and staff to develop the logistical plans for implementation. Fifteen years ago, a good orchestra board of trustees, adhering to the Ken Dayton governance model, might have selected either of those options. Then they would have gone home and waited to learn at future meetings how it all came out.

The Educational Explosion in Nonprofit Management

In the sixteen years since Ken Dayton focused a spotlight on the need for good governance in the world of nonprofits, the subject has been extensively studied and written about. Indeed, BoardSource now has a 107-page annotated bibliography of books and articles on the subject of nonprofit governance!

Meanwhile, nonprofit management has become not only a popular career field but has developed into a profession with its own literature, devoted consultants, and both undergraduate and graduate academic programs. According to a recent study by Seton Hall University (funded by the Kellogg Foundation), 242 colleges and universities offer credit courses in nonprofit management. Another 66 programs offer non-credit courses in such subjects as Fund Raising, Managing Your Nonprofit Organization, and Governance.[2]

It should come as no surprise that the concepts of nonprofit governance and management are much better understood today than they were when the Dayton paper first appeared. Nor should it be any surprise that there are different schools of thought as to the best approach to governance.

But greater understanding has not sharpened the lines separating governance from management. In fact, just the opposite has occurred. The lines between them have become blurred, not because the participants have inappropriately been crossing boundaries in violation of the Dayton rules, but because greater learning has led to a better understanding of how the management and governance responsibilities should be more broadly shared within a nonprofit environment.

Ken Dayton's tightly defined boundaries between managers and governors have been replaced with concepts like "collaboration," "partnership," and customized solutions to fit each situation. If anything is clear, it is that one model is not right for every circumstance. One size does not fit all.

The Flexible, Customized Model

Six years after Ken Dayton laid out the basics, his approach was challenged by Christopher Hodgkin, writing in the journal *Nonprofit Management and Leadership*.[3] Hodgkin argued that the very nature of nonprofits demanded that the trustee's role be broader than the strict corporate model Dayton had proposed. He noted that large for-profit corporations had a predominant mission of making money for their shareholders, to whom the whole organization was ultimately accountable. By contrast, nonprofits do not measure success by the bottom line; their success frequently cannot be objectively measured at all. Evaluating success in nonprofits usually involves a subjective assessment of programs and whether the organization's mission is being achieved. Indeed, the most successful nonprofit initiative may be one that is wildly unprofitable (i.e., it must be funded with a high percentage of gift income) but does enormous good and is strategically vital to the organization's mission. In that environment, argued Hodgkin, policy-making (i.e., governance) and management overlap.

Hodgkin also pointed out what he—in 1993, at least—perceived as another important difference between for-profit boards and nonprofit boards: the responsibility of nonprofit trustees to assure the community in general,

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[2] Mirabella, Roseanne M. and Naomi B. Wish. "Educational Impact of Graduate Nonprofit Degree Program Needs: Perspectives of Multiple Stakeholders," *Nonprofit Management and Leadership*, Vol. 9, No. 3 (Spring 1999)

[3] Hodgkin, Christopher. "Policy and Paper Clips—Rejecting the Lure of the Corporate Model," *Nonprofit Management and Leadership*, Vol. 3, No. 4 (Summer 1993)

and donors in particular, of the basic integrity of the institution. This theme resonates more strongly today than ever before, with former CEOs of international corporations under indictment, and one of the largest and most highly trusted accounting firms in the world having crashed and burned in less than a year because its leaders failed to maintain their objectivity and integrity.

For boards of directors in both for-profit and nonprofit institutions, it has since become very clear that hiring the CEO, approving the overall policy and direction, and going home to play golf just does not cut it anymore. Even in the for-profit sector, management and governance overlap a great deal more than they did a few years ago. The old "hands-off" board is quickly being replaced with a hands-on, involved, independent-minded board, with responsibility for oversight but also for much closer scrutiny of the company's management practices. The same is true (or should be) in the nonprofit world.

It should be noted, however, that on the nonprofit side the issue is not fraud or scandal. It is, rather, the fact that the work is too important, and has become too complex, for the board to abandon it to the CEO and the staff. Everyone needs to understand what is going on in the organization, and everyone needs to play a role in making it better.

Let me try to make the point by contrasting the for-profit environment and the nonprofit environment. In the for-profit world, a decision to pursue unprofitable programs is **bad management**. By contrast, in the nonprofit world, a decision to pursue (and subsidize with gift income) a strategically vital, but unprofitable, program has everything to do with policy, i.e., it is all about **good governance**. As a result, in the nonprofit environment, strategic planning has a strong governance component, pricing of products and services has an important governance component, the selection of target markets and target customers has an important governance component. To be sure, implementation of the strategy and the pricing plan and the target marketing are management functions. But governance and management are tightly intertwined.

"The New Work of the Nonprofit Board"

Writing in 1996 in the *Harvard Business Review*, Richard Chait, Thomas Holland, and Barbara Taylor took Hodgkin's argument further.[4] The authors chastised traditional nonprofit boards:

> …effective governance by the board of a nonprofit organization is a rare and unnatural act…Nonprofit boards are often little more than a collection of high-powered people engaged in low-level activities.

Taylor, Chait, and Holland contended that board members needed to discover the new work of the board, noting that "new work is another term for work that matters":

> The new work defies the conventions that have regulated board behavior in the past. Whereas the customary work of a nonprofit board is limited to scrutinizing management, the new work requires new rules of engagement and unorthodox ways of fulfilling a board's responsibilities. The pressures on most nonprofits today are too great for the old model to suffice.

They suggested three ways for trustees to focus on what really matters:

- *Find out what matters.*
  Make the CEO paint the big picture; get acquainted with key stakeholders (e.g., musicians, concertgoers, donors); read and talk to experts in the field.

- *Act on what matters.*
  Become involved not only in setting policy but in implementing the parts of that policy that really matter (e.g., applying trustee expertise in marketing to help shape the organization's marketing plan).

- *Focus meetings on what matters.*
  Avoid discussion of anything the staff can and should do on their own (e.g., whether to add an acoustic shell behind the orchestra); and spend sufficient time on the real issues facing the organization (e.g., why attendance has declined, or

[4] Chait, Richard; Thomas Holland; and Barbara Taylor. "The New Work of the Nonprofit Board," *Harvard Business Review*, September-October 1996

Figure 1

Old Work	*New Work*
1. Management identifies problems and proposes solutions. Board approves and monitors.	1. Board/management discover issues that matter, set agenda, and solve problems together.
2. Board sets policy, management implements policy; sharp borders; little or no border traffic.	2. Board and management set and implement policy. Lines blurred; borders open.
3. Permanent committees parallel administrative functions.	3. Ad hoc task forces are tied to strategic priorities; premium on flexibility.
4. Board meetings are process-driven; protocol does not vary; emphasis on reports.	4. Board meetings vary with circumstances; emphasis on participation and action.
5. Board is a collection of stars with expertise and status; CEO has individual relationships.	5. Board is a constellation; functions as team.

Summarized from: Chait, Richard; Thomas Holland; and Barbara Taylor. "The New Work of the Nonprofit Board," Harvard Business Review, *September-October 1996*

the size and shape of the next endowment campaign).

Perhaps most helpful of all the insights offered by Taylor, Chait, and Holland was their comparative description of the old work and the new work (see Fig. 1).

The End of One-Size-Fits-All Governance

In 2001, Maureen Robinson, former director of education at the National Center for Nonprofit Boards, published an excellent book on the basics of nonprofit governance, *Nonprofit Boards that Work: The End of One-Size-Fits-All Governance.*[5] Robinson's book is a practical guide to doing what Hodgkin had urged as a more flexible model and what Taylor, Chait, and Holland had proposed as the "new work." Her basic premise is very much like theirs—that governance and management are overlapping, interlocking functions. But she spends her time talking about how to do it, and her most important point is that your governance solution has to be uniquely fitted to your organization and its present circumstances: *One size does not fit all.* The following guidelines draw on Robinson's observations, combined with my own.

Your orchestra's governance solution must be flexible enough to allow for and reflect:

- the current strengths and weaknesses of your staff;
- the particular challenges and opportunities that your orchestra is facing at the moment;
- your strategic plan and the priorities it prescribes for your future; and
- the strengths and weaknesses of your board.

It cannot be a formulaic approach. There is no perfect board size or committee structure, no foolproof way to separate governance from management. But as Robinson notes, there are three fundamental qualities that all nonprofit boards must bring to their organizations:

1. trust and transparency;
2. representation and diversity; and
3. advocacy and resources.

Let us start with **trust and transparency**. Think about it this way: While the board's role is usually much less visible than the CEO's, if the orchestra suffers an ethical lapse or a financial problem, the question immediately arises: "Where was the board?"

The community places enormous **trust** in its nonprofits. And behind that trust is the perfectly logical assumption that the board is keeping track of things—that they are representing the community's and the donors' best interests. It is the board's presence that gives the organization integrity in the community. Through the board, the community sees and knows what is going on.

[5] Robinson, Maureen. *Nonprofit Boards that Work: The End of One-Size-Fits-All Governance* (John Wiley & Sons, Inc., 2001)

That is the **transparency** element, and it is critical. The board is credible in the community because the trustees are perceived as objective, neutral, honest representatives of the community.

In addition to this transparency and accountability, it is through the board that **representation and diversity** are brought to the leadership of a nonprofit. Boards for community-wide organizations need to be balanced. They must reflect the community as broadly as possible in terms of ethnicity, gender, and, in some cases, geography.

Finally, there is the **advocacy and resources** aspect to the board's role. Some refer to this as the friend-raising and fund-raising element of what we all do. Board members need to be strong advocates for the orchestra, to make the case to the community for participation and support. They must be given information and training in order to do that effectively. You cannot expect them to tell the story if they do not know what it is.

Expectations of Trustees – Being Clear

Robinson notes that for a board to be effective, the people who join it must say "yes" twice. First, they must accept your invitation to join. Then, they must say "yes" to doing the work.

In my years of serving on nonprofit boards, I have observed that we always issue the first invitation, but we are frequently not as good about the second "yes" that is required. Even worse, we may lie about it. When the prospect asks us what is expected, we say something like: "It really doesn't take very much time. We only meet four times a year." Next, we frequently commit the sin of omission by saying little or nothing about the level of financial contribution that we are hoping for. And then we commit the final sin by adding: "And you do not have to help raise money if you do not want to."

Let me suggest to you that the best way to attract the best board members (and to avoid in advance the unengaged, uncommitted board members) is to be explicit about your expectations. Be straightforward. Without apology, tell them about the challenges your orchestra faces, the hard work that is required of board members, and the contributions that are necessary. If they have the requisite passion for your orchestra, and if you are prepared to mentor them and help them to engage fully in what you are doing, you will persuade them—not by understating the expectations, but by communicating your own enthusiasm for the work, for the orchestra, and for your fellow trustees.

This has led me to my own cardinal rules on expectations, which I apply both to those who manage and to those who govern. I live by them in all my management and governance roles:

> Rule No. 1: Be explicit about your expectations.
> Rule No. 2: Always follow Rule No. 1.

There is a natural tendency to be vague and indirect about what it is we expect from others with whom we interact. If we are charged with managing, we are not clear enough with those who report to us. If we serve on boards, we are not clear enough with each other about what we expect. We usually are not clear enough with the orchestra's CEO about what we expect from her or him. And if we are not clear, the people we manage have to guess about whether they are meeting our expectations. If we are not clear with the orchestra's CEO, how can we evaluate his or her performance at the end of the year?

It is also important to realize that different people's expectations of orchestra trustees may differ.

- The CEO wants the trustees to provide moral support, to be willing to work, and to be able and willing to assist with fund raising.
- The community wants accountability, integrity, and stability from trustees.
- The board members themselves want satisfaction, a chance to support the mission, and good company.

All of these expectations must be acknowledged. Board leaders must ensure that all of them are met. These three sets of expectations reflect the very essence of good and satisfying trusteeship.

GOVERNANCE RESPONSIBILITIES – AN OVERVIEW

Nonprofit boards vary in structure according to the needs of their respective organizations. A few elements are nearly universal, however. The board has ultimate fiduciary responsibility for the organization, and its actions on the organization's behalf are guided by **by-laws**.

The board is typically led by an **Executive Committee** consisting, at a minimum, of its officers: chair, vice-chair(s), secretary, and treasurer. (It may also include other positions dictated by the needs and structure of the organization.) This subgroup works closely with the CEO and senior staff, and meets more frequently than the board as a whole. The board leaders on the executive committee usually hold their offices for two or three years.

Most boards include a number of committees with varying responsibilities. These may include a Nominating Committee or Governance Committee, charged with recruiting new members, planning succession of officers, and—if a true Governance Committee exists—making sure that the board is functioning effectively; a Finance Committee, which oversees the organization's budget; and various committees or task forces arising from the organization's mission in the community. These subgroups allow trustees to roll up their sleeves and do meaningful work, in interaction with the staff, on behalf of the organization.

Doing the Work – The Three Dimensions of Governance

The board's responsibilities have three dimensions. Everything we do as trustees fits rather nicely into one (or more) of these categories:

1. *The Legal Dimension*
   As the entity that has ultimate fiduciary responsibility for the orchestra, the board is charged with ensuring that the organization is operating legally in all respects. The by-laws or articles of incorporation, filed with the appropriate state officials, declare that the board of directors (or board of trustees) is in charge and responsible.

   That means assuring compliance with applicable laws and regulations that govern businesses generally, and nonprofits in particular, in your state. (As a practical matter, you should be sure that your orchestra has retained appropriate legal counsel, or that an attorney member of your board with the appropriate expertise is willing to provide that service on a *pro bono* basis.) It certainly means satisfying yourself that tax returns are being filed and that employment laws are being followed.

   The legal dimension of your role as a trustee includes a basic "duty of care" to ensure that meetings are held regularly, that relevant information is fully and candidly disclosed, and that decisions are being made by well-informed trustees.

   It also means avoiding conflicts of interest. No one who serves on the board should be doing business with the orchestra unless there has been a full disclosure and an agreement by disinterested trustees that it is acceptable under the circumstances. If close friends or family members of trustees are engaged to provide products or services, the same scrutiny and objective assessment are very important.

2. *The Functional Dimension*
   The functional dimension includes such work as developing and supporting the mission (i.e., policy and strategy); hiring the CEO and evaluating his/her performance; understanding and watching over financial issues; and assisting with fund raising. These are really the "Ken Dayton" pieces of the governance puzzle. Deciding just *how* you will do that is where the "New Work" perspective becomes important.

3. *The Symbolic Dimension*
   The composition of your board sends an important message to the community generally and to your orchestra's important constituencies: musicians, audience, and donors. Before you ask potential trustees to say "yes" twice, carefully consider each

of them as individuals: their standing in the community; their ethnic, gender, and geographic diversity; their integrity.

Recruiting the Best Trustees

There is nothing that so fundamentally affects your ability to govern your orchestra as the composition, commitment, and capacity of your board of trustees. Recruiting must be done thoughtfully. There is more than one way to do it right, but most successful recruiting efforts involve certain basic steps:

1. Designate a committee of the board to be responsible for the entire recruiting and integration function, typically the Governance (or Nominating) Committee. Be sure they understand all the other points in this list.

2. Prepare a demographic analysis of the traits you most value in your desired board. These should include most of the following:
   - Belief in the "enterprise" as a quality-of-life necessity in the community;
   - Track record of board experience and successful involvement;
   - Expertise (finance, planning, marketing, etc.);
   - Creative thinking and big ideas;
   - Networking capability at individual and corporate levels, and/or connections to funders;
   - Capacity to meet personal giving requirements;
   - Community standing and/or leadership profile;
   - Capacity to participate actively;
   - Passion for the orchestra and its musical product (be especially cautious here);
   - Concert attendance;
   - Geography (if relevant);
   - Diversity (gender/age/ethnicity);
   - Access to media;
   - Artistic expertise.

3. Evaluate your current board against these criteria.

4. Identify the "holes" that need to be filled.
5. Develop a protocol for identifying, evaluating, and recruiting prospects:
   - What will they add to your demographics?
   - Who will gather the background information?
   - Who will meet with the candidate? (Whatever the composition of this group, it should include both board and staff members.)

6. Be explicit with prospective trustees about your expectations:
   - Time commitment (meetings, projects);
   - Doing the work;
   - Personal financial contribution;
   - Fund raising;
   - Attending concerts;
   - Attending events;
   - "Friend raising" and advocacy.

The Rules of Engagement

In order to fully engage, animate, and enthuse your trustees, you must keep them fully informed and connected to the orchestra and to each other. Too many boards inadvertently play the "catch-and-release" game, spending all their energy recruiting a new trustee and then spending no energy on helping them to be successful once they have joined. Here are some ways to ensure that your new trustees will be fully engaged:

1. *Orientation*
   Orientation of a new trustee is not an event; it is continuing process. However, it should begin with an event that is designed to provide a thorough and thoughtful introduction to the organization and the workings of the board. Preferably, the board chair and CEO should meet with each new trustee (or each incoming class of trustees) to walk them through the basics. Give them a notebook with all the information they need. It should include the names, addresses, phone numbers, and e-mail addresses of all the other trustees, as well as the staff (and, if possible, the musicians). Explain the organization's finances *in clear terms that all new trustees can understand* (more about this later). Most important, remind them of the orchestra's mission and vision, and review your current

strategic plan. Be honest about challenges. Treat them like insiders—they are.

2. *Mentoring*

   Closely related to a good orientation program is a good mentoring program. New trustees—even those with other board experience—benefit from personal attention and someone whom they know is committed to their success and happiness as a board member. Carefully select a mentor for each new board member and be clear about your expectations of those mentors. At a minimum, they should:
   - become familiar with the new trustee's personal background and relevant prior experience;
   - call the new trustee before his/her first meeting and introduce themselves (a personal meeting is even better);
   - meet the new trustee at the first board meeting, introduce him/her to the others in attendance, sit with him/her during the meeting, answer questions, etc.;
   - be available to answer questions beyond the meetings;
   - follow up periodically to see how the integration is proceeding; and
   - alert board leadership to problems or requests for assistance or information.

3. *Committee and Task Force Assignments*

   For most trustees, their most meaningful work occurs in the context of serving on committees or task forces of the board. That is where they interact most closely with fellow trustees and with members of the staff. That is where they have the opportunity to roll up their sleeves and do the work, to share their expertise and experience, to gain the satisfaction of making a difference.

   In assigning trustees to committees and task forces, be careful to determine the best fit. Consider the trustee's background, experience, stated interest, and the orchestra's current needs. How well you match a trustee to his/her committee assignments may very well determine the level of engagement you receive from that trustee during his/her tenure on your board. Do not just announce what you have decided; consult with the trustee before making the assignment.

   Trustees with particular expertise (finance, marketing, human resources, legal, etc.) may prefer to be on a committee that can draw upon that expertise. But don't assume this is the case. They may be looking for some diversion from what they do every day in their work environment. This needs to be discussed with each new trustee. Be clear about your needs, but listen carefully to the trustee's preferences as well. It is all part of being clear about your expectations.

   If possible, involve the chair of the selected committee or task force in the discussion as well. If this is not possible, make sure that the chair is informed and reaches out to the new trustee and includes her/him in a meaningful way. The chair should really mentor the new trustee for the first couple of committee meetings. Do not ignore this step in the integration process.

   The whole process of committee/task force assignments and integration is another one of those important, basic ingredients of the governance process that must be maintained and nurtured in good times and in not-so-good times.

4. *The A-B-C Model of Trustee Involvement*

   I visualize a nonprofit board as involving individuals who, for a variety of reasons, align themselves in three concentric circles of involvement.

   Those in the center circle have an unrestrained enthusiasm for the orchestra; a passion for its musical product; an understanding of and commitment to its mission; and a willingness to give freely of their wisdom, time, and financial resources. I call them the "A's." Take good care of them. Thank them. Encourage them. Do not take them for granted. They are typically the 20 percent of your board who do 80 percent of the work and give 80 percent of the board gifts.

   The next ring includes those who are loyal and reasonably committed but who, perhaps because they are new to the board or because of other demands on their time, are not in the center circle.

They might be moving toward the center, or, in some cases, they may have previously been there and have taken a step back. These are the "B's." Take good care of them, too. Help them find ways to become A's—to move to the center circle.

Lastly, there will always be a few C's. They may be disgruntled A's or B's who have become upset over some issue. More often they are folks who joined the board because a friend or acquaintance recruited them, but have no real interest in the orchestra itself, do not attend concerts, and have simply never found their way into either of the inner circles. They give modestly, seldom attend meetings, and are not engaged.

Whatever else you do, do not ignore them. If you can find ways to engage them and at least get them to the "B" ring, do so. If you cannot, you will probably not want to re-elect them when their term is up. C's usually add little value. At worst, they can be a negative influence. That is when pruning is especially important.

5) *Pruning the Non-Contributors*

Sometimes we make a mistake in recruiting a board member. We select someone who is not suited to the task, or who really has no passion for the orchestra. Sometimes they make the mistake by saying "yes" without understanding what is expected. Sometimes, their priorities change, or they have personal distractions in their lives. Sometimes they simply grow tired or bored. The reason does not matter. If it occurs, be honest and straightforward about it. It is all part of being explicit about your expectations.

Be firm and fair with these individuals. Talk with them. Get their assessment of what is working and what is not. Urge them to be honest about it. If it can be fixed, try to do so. If it cannot, suggest a transition. Thank them generously for what they have done and help them on their way. If there is some other way to keep them connected to your orchestra, be sure that happens. In nine cases out of ten, you want them to continue as a friend, a concertgoer, or a donor. Make sure you do not spoil that in the process of saying good-bye. But do not shrink from the pruning process. It is like tending your real trees and shrubs. You know what happens if you ignore the trimming. Before you know it, it is out of control.

Like all the other governance basics, pruning needs to occur in good times and other times. Do not put it off just because you have a financial challenge or are preoccupied with recruiting a new music director or launching an endowment campaign.

Board Meetings

Meetings of trustees are one of the biggest "missed opportunities" in the governance arena. As Maureen Robinson writes: "The board meeting is without doubt one of the most reviled aspects of board service...." She adds, "Most [meetings] are terrible, and not much is done to make them better. It is amazing how bad they are." Too often they are a series of reports about information that has already been distributed in writing (or could have been). Board members are not given an opportunity to weigh in on important issues. Instead, all of the important decisions have been made in advance by the Executive Committee, who then come to the board meeting simply looking for the board's endorsement. No wonder board members are bored—or do not even show up.

Yet, Robinson also correctly observes that "meetings matter," and that "where else but at a meeting is the board fully itself?" It seems appropriate to hearken back to the point made by Taylor, Chait, and Holland in their *Harvard Business Review* article: *Focus meetings on what matters* by avoiding discussion of anything the staff can and should do on their own. Robinson makes a similar point, urging that agendas for board meetings be carefully planned to meet three tests:

1. *The Test of Importance.* The issues presented and discussed should touch meaningfully on the values of the organization or on the public's opinion or perception of the organization.

2. *The Test of Scale.* In putting a topic on the agenda, ask yourself whether it has significant financial or personnel ramifications. Is it really something that

management is comfortable assuming full responsibility for? If so, do not bother the board with it-or give them a quick report and move on.

3. *The Test of Consequences.* Ask yourself if the agenda item really matters to your mission. At the SPCO, for example, we try to include on each board meeting agenda at least one open discussion of some aspect of the society's strategic plan—not only to report on progress, but to involve the trustees in a meaningful discussion of some aspect of the plan, of choices that need to be made, and consequences that may result.

I do not want to give the impression that board meetings should never include reports or that boards should only discuss matters of earth-shaking importance. But try to keep routine reports short and concise; be mindful that they do not really engage your board members or take advantage of their wisdom or their passion for the orchestra. For example, if you meet for 90 minutes, try to devote 45 minutes of that time to an in-depth discussion of something that really matters. When you only meet four or five times a year, that is not difficult to achieve.

You might also schedule special meetings and retreats to allow in-depth conversations on important subjects. For example, at the SPCO, we have held four day-long board retreats (also attended by orchestra musicians and staff members) to develop our strategic plan; and a special presentation and extended discussion at a regular board meeting on current trends in the classical music recording industry, whether we should still be making recordings, and, if so, why.

Good meeting content is all too easily ignored when you are in the middle of a crisis or a big project. The result, however, is always the same: Your board members become bored and uninterested. And failing to connect at the board meeting with trustees who are not deeply engaged in the crisis or the big project of the moment is a missed opportunity.

In short, do not ignore board-meeting basics, even when the larger demands are consuming your time, attention, and energy.

Financial Oversight

This is an area where lots of mistakes are made, even in the very best and most successful orchestras. The biggest mistake is typically the assumption that only a few of the trustees are interested or can really understand what is going on financially and, therefore, little effort is made to communicate financial information in an understandable format to everyone. Nothing makes board members feel quite so much like outsiders as not really understanding the finances and being too embarrassed to ask the questions necessary to comprehend them.

The first cardinal rule here is to *provide useful information in formats that invite the best kinds of questions.* It is hard to read a nonprofit balance sheet, and almost as hard to make sense of a fairly straightforward statement of income and expenses. There is a strong temptation, to which many trustees succumb, to remain ignorant and to leave the math to others.

I believe that the best way to solve this problem is to present your organization's financial information in two ways:

1. The traditional balance sheets and income statements that conform to generally accepted accounting principles, and

2. A narrative description of the most important financial information, including:
   - Are we financially healthy? (Do we have a healthy mix of earned and contributed income? Do we have an adequate endowment to help with ongoing operations and to provide a buffer during hard times?)
   - Are we investing our endowment funds wisely?
   - Are we living within our means? (Were our expenses less than our income? If not, were we making an investment that we believe will pay dividends in the future? Do we have unusual expenses that create strain on the organization? If so, what are we doing about it?)
   - Are we better off at the end of this year than we were a year ago?
   - Are earned and contributed income trending up? Down? (Do we have a bigger endowment? Smaller? What does management see as the

primary financial challenges for the organization? What is the plan for meeting those challenges?)

The second cardinal rule is that *there are no stupid questions.* If one person does not get it, you can be sure there are others in the room who also do not understand.

If there is a third rule in the financial arena, it probably has to do with budgets. They are too often prepared by the staff in consultation with a small group of trustees, typically the Finance Committee or Executive Committee or both. By the time it comes to the full board, it is given relatively short shrift and gets rubber stamped. Do not do that.

The budget is your orchestra's guideline for spending its resources. It should be a reflection of your strategic plan. Adopting a budget is the perfect occasion for a quick review of your strategies and an explanation of how the dollars are being allocated in fulfillment of (or at least, consistent with) that plan. Explain the good news and the challenges that are reflected in the budget. Invite questions. If you do not get any, raise the ones that you suspect they are thinking about but are afraid to ask.

In times of great financial stress on the orchestra, great care must be taken by the board of trustees to address the situation appropriately after objective analysis. Sometimes the problem can be traced directly to management or governance failings, local conditions, or a combination of these factors. Usually the causes are complex. Some challenges that orchestras face are broader than the local situation, and don't result from particular decisions or choices that trustees or the CEO have made. A good example is the national recession that first made itself evident in 2000 and continued for more than three years. This recession has placed a relatively consistent pattern of stresses on orchestras in many locations. In nearly every case, there really is not anyone in particular at the orchestra who is at fault for the effects. As with other widespread challenges that must be met rather than merely lamented, the goal is to understand the situation fully and to identify solutions.

In particular, when financial stresses occur, it's important to be aware that some possible actions—particularly by trustees—are clearly not solutions and should be avoided:

- blaming someone else for the problem;
- stepping in, pushing others aside, taking over and proving that you can fix it (or, worse yet, proving that you cannot);
- bailing out, i.e., resigning from the board.

The relevant questions include at least the following:

- What is going on?
- What are the causes?
- What can we do to fix it?
- Where do orchestra trustees fit in the equation?
- What does this have to do with good governance?

Of course, these cautions and analytical questions are useful with regard to all kinds of board challenges, not just financial ones.

Strategic Thinking and Long-Term Planning

Setting policy and overall direction—in other words, strategic thinking and planning about the organization's long-term future—is squarely within the responsibility of the board of trustees. The subject of strategic planning is broad and deep, too much so for thorough discussion here. It is worth noting, however, that for strategic planning to be most effective in an orchestra context, you must include all of the key constituencies in a meaningful way in the process:

- board
- administrative staff
- musicians
- volunteers/community representatives

As noted earlier, Ken Dayton was right to emphasize the board's role in setting policy for the organization. Policy is—or should be—closely related to setting the strategic direction of the organization. That does not mean, however, that the board should unilaterally develop the orchestra's strategic plan. That, in fact, would be a serious mistake. The plan, if it is to have any real chance for success, must be the joint work product of all the constituencies who will ultimately have to be 100 percent committed to it. A plan developed by the staff with little or no input from the board will not capture the full attention and support of the board or the musicians. Likewise, a plan developed by the board with only token participation by the staff and musicians is surely doomed to failure.

It has been said that the key difference between winners and losers in the corporate community is the ability to think strategically.[6] I believe it is equally true in the nonprofit world. Unfortunately, strategic thinking is not a highly developed ability in most orchestras. Daily operational demands consume everyone's time and energy, and there is very little opportunity to step back and think seriously about the threats and the opportunities that the future may hold. Frequently the board leadership does not prompt management to think strategically, and the CEO and staff are simply too busy to get to it on their own.

There are other natural obstacles to good planning besides the press of daily business. For example, the CEO may not be a visionary. He or she may be a wonderful operational manager, but not be trained or experienced or comfortable with "the vision thing." That is by no means a fatal deficiency, but it reinforces the need for vision and the strategic plan to be developed more broadly in the organization. In this situation, the lack of a strategic plan also increases the risk that each of the key leaders in the organization (CEO, board chair, music director, musicians' committee) will see the orchestra's future profile from their own perspective and function and that each will therefore have a somewhat different vision for the orchestra.

Another obstacle is the tendency to slip into a reactive mode rather than a proactive one. This happens when the board and management allow outside forces to shape the orchestra's direction rather than doing it themselves according to a coherent, thoughtful plan. These outside forces might include fund-raising challenges, management/labor issues, or a financial crisis. Do not allow your crisis *du jour* to become an excuse for failing to do strategic planning or for ignoring your existing plan. Even when you are appropriately devoting time and attention to whatever pressing need or crisis you may be facing, you should be managing that crisis with one eye on your plan and the other on the crisis itself. Said another way, if the solution to your crisis is not consistent with your long-range plan, then the solution has, in effect, changed your plan—and you may not even be aware of it.

There is a corollary obstacle, too: the tendency not to plan in the absence of a crisis. This situation occurs when the board and management team feel too comfortable with the status quo and say to themselves, "If it ain't broke, don't fix it." Indeed the very best time to be doing strategic planning is when you are not in trouble. Fix it before it breaks!

I think of a good strategic plan as a road map to the organization's desired future. It requires a common understanding among the various constituencies as to

- where you want to go;
- why the destination is worth the journey;
- how you will get there; and
- what investment and sacrifice will be required to succeed.

I believe that fundamental strategic planning—that is, both a broad and a deep look at the organization's direction—should occur every five to seven years, and that the plan should be re-examined and tweaked annually to keep it fresh and relevant to recent developments in the organization.

In the context of this discussion of the basics of good governance, suffice it to say that if you ignore strategic planning for very long, you do so at your peril.

Board Surveys and Self-Assessments

Those of us who grew up in the 1940s and '50s have not expected or received much feedback in our workplace environments. This was the "no-news-is-good-news" generation. Then came the post-war Baby Boomers, who came to expect annual reviews, typically delivered by the person to whom they reported at work. And more recently the Generation Xers, reared in the self-aware 1980s and 1990s, have brought a whole new level of expectation to the feedback arena. They want it all the time: continuous feedback. They do not care so much

[6] Michel, Robert. *Strategy Pure & Simple II* (McGraw Hill, 1998)

whether it is positive or negative; they just want to know how they are doing—every day and on every project. They want to give it, too—to their supervisors and colleagues. Hence the "360-degree" evaluation.

In the nonprofit world, we seem to be using the Baby Boomer model for our CEOs and, all too often, are even more old-fashioned about getting feedback from and about our trustees. We tend to assume that "no news is good news." In fact, sometimes it is. But sometimes it is not.

Increasingly, nonprofits are asking their trustees to provide more feedback: to assess the organization, to evaluate whether they understand the mission, to consider whether they feel connected to the staff and to their fellow trustees.

This survey/evaluation process serves two important governance functions:

- it gives board leadership candid insights into what needs attention, and
- it gives trustees a sense of being consulted and listened to.

Of course, it is fundamentally important to listen to your trustees, and to act on what they tell you.

Succession Planning

As important as board leadership is, only a relatively small percentage of most boards are both willing and able to do it well. An article in the April 2002 issue of *Harmony* by Tom Morris, executive director of the Cleveland Orchestra, makes the case for greater continuity in board leadership, particularly for the board chair position; Morris argues for a minimum of five years.[7] (Those of you who are board chairs and thought you were signing up for a two-year hitch may want to keep Morris's article away from your colleagues!)

Morris notes, first of all, that the most successful symphony orchestra boards have three things in common:

- The three individuals who are serving as music director, CEO, and board chair are the right people (in Tom's words, "the Bermuda Triangle");
- There is a strong and well-understood vision for the organization that serves to bind everyone together, providing a clear context for decisions, strategies, and actions;
- The term of office of the lay leaders is usually five years or longer.

Morris also rejects the traditional arguments for shorter terms (good people cannot give that much time, it is good for the community and the board to rotate and "take turns," frequent rotation avoids having ineffective leaders serve too long). He argues instead that the revolving door presents greater risk than benefit:

- It takes a while to get up to speed, and board chairs are not at their peak until at least year two;
- No good organization flourishes under constant changes at the top;
- Allowing service of five years or more does not mean abandoning annual elections, which should be accompanied by honest evaluation of the chair's performance.

I agree with Tom Morris. I also think the need for continuity is greater in troubled times. Strategies must be developed and implemented. There must be steady follow-through.

Recruiting, Hiring, and Evaluating the CEO

If your board did a responsible job of recruiting and hiring, and if you and your CEO were explicit about your expectations of each other at the time, you probably have most, if not all, of the following going for you:

- The CEO knows the orchestra, the staff, the community, the donors, and the trustees better than anyone else does;
- The CEO is reasonably intelligent and committed to the orchestra's future;
- You have a basic strategy in place (which can and should be revisited if your circumstances have changed significantly).

[7] Morris, Tom. "Symphony Orchestra Boards and Board Leadership," *Harmony*, April 2002 (Symphony Orchestra Institute)

That, of course, is why thoughtful, careful recruiting and hiring of your orchestra's CEO is so important. Most of us would agree, I assume, that it is the single most important governance function that trustees perform. But I would quickly add that, in the new world of nonprofit governance, these pre-eminent governance decisions are no longer being made by trustees alone, nor should they be. In the more collaborative environment in which we find ourselves, the other important constituencies must also participate in a meaningful way. Musicians, staff members, community representatives, all have a place in the recruitment of a new CEO for your orchestra. They have unique perspectives to offer, they need to feel ownership in the decision, and they need to be invested in the CEO's future success.

To parrot what Maureen Robinson says generally about there being no single best way to do anything, I will not suggest a perfect method for involving all of those constituencies. But you should absolutely include them in your process.

Once the new CEO is on board, start out with mutually agreed-upon goals for at least the first year. Be explicit about your expectations. You may even want to agree in advance on particular goals that, if achieved, would be the basis for a bonus of some kind. Ask the CEO to do a self-evaluation at least once a year, addressing his/her own performance against those goals. Review that information with an appropriate group of trustees (e.g., the Executive Committee or some subset of that committee) and develop your own evaluation of the CEO's performance. I suggest you then meet with the CEO and give him/her a verbal summary. Let it be an open conversation. Invite questions. Try to answer them. Be sure to address what has been done well, as well as any constructive suggestions for improvement. Be candid, be fair, and be supportive. When the meeting is over, summarize it in a written evaluation.

Then it is time to start over for the next year, with the CEO's proposed goals and objectives (and possible bonus criteria). Done well, evaluation is a healthy, helpful process. In this business, no news is not good news.

COLLABORATIVE GOVERNANCE IN THE ORCHESTRA SETTING – WHAT ABOUT THE MUSICIANS?

In most of our orchestras, it is the musicians who have the greatest tenure of all. Many of them have been there longer than any board member, and far longer than either the CEO or the music director. They have been there through good times and bad. In some cases, they may have been through strikes or other forms of turmoil or crisis. It is, in a very real sense, their orchestra.

And yet, in the area of governance and management, the musicians have traditionally been bystanders or very marginal participants, with token positions on committees (and sometimes on the board itself). Artistic decisions have traditionally been made by the music director (or by an artistic committee that may include a musician or two in an advisory role). Financial decisions have been made by the staff and board. In that environment, musicians understandably may develop an employee attitude that is anything but collegial.

Robert Levine, the longtime principal violist with the Milwaukee Symphony, and his father, Seymour Levine, a professor at Stanford, offer an analysis of the enormous and unusual stresses musicians face:[8]

- performance anxiety or "stage fright";
- the physical demands of playing their instruments, which imposes extreme stress and strain on their bodies day in and day out;
- the fear of disability; and
- self-imposed standards of perfection that, for many, result in low self-esteem.

By far the greatest stress on musicians can be traced to their lack of control over their own working environment, reinforced by the largely mythical notion of the supreme music director who has power of life and death over them. Said another way, the traditional orchestra hierarchy has been very patriarchal, with the music director as father, and the musicians as children. As the Levines observed, we should not be surprised, then, that it frequently leads to childish behavior.

[8] Levine, Robert and Seymour. "Why They're Not Smiling: Stress and Discontent in the Orchestra Workplace," *Harmony*, April 1996 (Symphony Orchestra Institute)

While the Levines thought many of the myths were exaggerated, they did not dismiss the effect of these perceptions on orchestra dynamics. (Neither should anyone associated with orchestras—whether trustees, managers, or musicians.) Particularly troublesome was the suggestion that a feeling of chronic helplessness leads not only to general unhappiness, but to depression. And, of course, it is the feeling of not being able to control the work environment that long ago led to unionization of the field.

This is the background against which orchestra trustees, staff, and musicians do their work. As a firm believer in the efficacy of full collaboration, I contend that we must find ways to make important decisions *together*, to develop fundamental strategies *together*, to make difficult financial choices *together*, to set artistic priorities *together*, and (most difficult of all) to maintain high artistic standards and intervene with musicians who are not meeting them *together*. To attempt such collaboration can be time-consuming and demanding.

And yet, try we must. It is certainly true that, in the traditional model, the trustees governed, the CEO and staff managed, and the musicians performed. The trustees set direction and policy; the CEO and staff implemented it; and the musicians delivered the product—or, perhaps more accurately, they *were* the product. Just as the trustees never performed on stage, the musicians were never expected (or allowed) to govern. Each had their place, and they were expected to stay in it. If the performance was bad, blame the musicians. If too little gift income was raised, blame the staff. If there was scandal, blame the board.

But, if we have learned anything at all about good governance over the past fifteen years, it is that those traditional boundaries have little or no place in the nonprofit world any longer. That is especially true in the orchestra world, particularly when so many of us find ourselves in a highly challenging environment. In these circumstances, it is my belief that none of the key constituencies gets a free pass from sharing in the responsibility for understanding the problems or helping to design and implement the solutions. Nothing short of collaborative governance can be truly effective. If any one constituency fails to own its fair share of the challenge, the organization's chances of surviving the crisis are seriously reduced.

Henry Fogel, now president and CEO of the American Symphony Orchestra League, made the case for musician involvement in governance in a *Harmony*[9] article written while he was president and CEO of the Chicago Symphony Orchestra. Fogel pointed to the traditional turfs that have existed in orchestras and the classic tension between music director and musicians, as well as the labor-management tensions between musicians on the one hand and the trustees and senior managers on the other. Except for their collective-bargaining leverage during contract negotiations, the musicians were relatively powerless. The real power, suggested Fogel, resided in "an uneasy truce among the three legs of the stool [board, management, music director], and just how it was allocated depended to some degree on the personalities involved and how they interacted." If the music director resided permanently in the community and was on the podium for all or most of the season, artistic power resided with him (or her). But, of course, these days music directors are absent more than they are present. In other words, one of the legs of the stool is frequently missing.

Fogel noted that, in this environment, musicians tended to distrust all three legs of the stool—the music director, the management, and the board—and that their mistrust has grown deep roots over the years. He argued for a different model, one in which musicians are included as the fourth leg of the stool, fully informed of all relevant information about the orchestra's strategy, finances and challenges, and participating meaningfully in setting direction (i.e. *governance*), determining artistic programming, and fund raising.

This is precisely what the fourteen orchestras participating in the Mellon Foundation's "Orchestra Forum" have been wrestling with for the last three years—and progress is being made. As noted in the foundation's December 16, 2002 Interim Report on the project, the Mellon Forum orchestras are beginning "to break down traditional boundaries and roles, [and] stimulate increased commitment and involvement from individuals previously isolated from

[9] Fogel, Henry. "Are Three Legs Appropriate? Or Even Sufficient?" *Harmony*, April 2000. (Symphony Orchestra Institute)

organizational decision-making [i.e., musicians]." Importantly, "there is a growing understanding among musician participants that they cannot have authority without responsibility," not always a welcome burden.

Collaborative Governance – The SPCO Experience

Collaboration among all constituencies, particularly the musicians, has been a goal and a process for my own orchestra, the Saint Paul Chamber Orchestra, since 2000. A brief summary of that experience illustrates my conviction that maximum collaboration is well worth the investment of time and effort.

In 2000, with a new executive director and music director on board and a contentious labor negotiation behind us that no one wanted to repeat, the SPCO became involved in the Mellon Forum and embarked on an odyssey that has been covered in detail elsewhere.[10] During the process, we agreed on a strategic plan, achieved a fully collaborative contract renewal, went through a painful period of scaling back expenditures in the face of a budget deficit, and agreed on a new level of artistic and governance responsibility for the SPCO musicians.

The result is even more than we had hoped for. The process was enormously time-consuming. We built familiarity and trust. We achieved absolute candor, even with some of the thorniest issues. There was nothing we were not able to talk about openly. We did not always agree, but we always found consensus.

In the end, we have dramatically changed the way we will do business together and have committed ourselves to a whole new level of involvement by the musicians in all aspects of the SPCO's life—in artistic programming, in their own professional development, and in governance. We also faced up to our own structural deficit and found ways for the musicians, staff, and board each to take ownership of a solution that has included staff reductions, reductions in musician pay, and the need for a major endowment campaign.

We have direction, we are clear about our values, we are committed to a plan, we have made tough financial decisions, we have revamped our approach to governance, and—perhaps most important of all—we have raised the trust and cooperation levels throughout the organization.

Not every orchestra will feel able to commit to a process as extensively collaborative as the SPCO's, especially when other challenges loom large. And yet, in my experience at an organization facing significant challenges, it was our mutual commitment to full cooperation and collaboration that brought us creative, workable, and even ground-breaking solutions that will allow the SPCO to reach its true potential. In difficult times, we found, full collaboration among all the constituents in the orchestra "family" is even *more* worthwhile and necessary.

Ingredients for Effective Collaboration

In the SPCO's recent experience, the road to greater collaboration has required several essential ingredients or building blocks, in a clear sequence of importance. To the extent that the first of these elements is less than fully established, those that follow will be harder to achieve. The same is true of the second, third, and so forth:

1. *Shared Goals*
   All parties should agree on goals before moving further. When we started our process at the SPCO, we knew we needed to re-address our fundamentals: All of us wanted to "take the orchestra to the next level" and were determined to discover together just how to do that in the best and most exciting way. Although we did not yet know exactly how to achieve it, we shared the goal, and this became the basis for all the work and the achievements that followed.

2. *Shared Information*
   In order to make any progress in this type of process, all constituencies must have all of the relevant information, and everyone must have the same information: no secrets, no partial disclosures. (In the past, SPCO management assembled its background data for contract negotiations, and the musicians did the same. This time we did it together.)

[10] Articles by Paul Boulian, Bruce Coppock, and Lowell Noteboom; and Roundtable Discussion, "Contract Renewal Process: Through Musicians' Lenses," *Harmony*, October 2003 (Symphony Orchestra Institute)

3. *Civility*
   In working toward collaboration, winning debates is irrelevant. So is scoring points over others. Regardless of the level of honest difference of opinion on the essential issues, getting personal in a negative way is not appropriate. We agreed at the beginning that we were committed to dealing with others in this way, and we have maintained this commitment.

4. *Familiarity with One Another*
   Strangers cannot collaborate. Colleagues must work together for hours and days in order to become comfortable at a personal level and to develop an understanding of one another as people.

5. *Commitment to Honesty and Candor*
   The road to collaboration requires both. The honesty piece is obvious; anything less is unacceptable and is quickly discovered. Candor goes beyond honesty. The honest person is truthful in everything that is said and every question that is answered. Candor requires voluntary disclosure of important, relevant information even when no question has been asked.

6. *Trust*
   Over time, given the five preceding elements, trust will arrive on its own. It is a precious, and sometimes elusive, commodity. It requires consistent reinforcement. If it is broken, it takes enormous time and energy to regain it. We built it fairly early and never lost it.

7. *Willingness to Take Shared Risks*
   Once genuine trust has been established, there is much greater willingness to take risks together that you would not take alone. Together, you have the confidence that a considered risk will not backfire and that, if you make a mistake, you will be able to fix it together.

8. *Shared Solutions*
   Finally, shared solutions will be achieved. Sometimes taking a risk together will yield an unacceptable result. But when that happens, constituencies that trust one another, have all the same information, and are committed to the same goals, can back up together, change course together, and move forward again. True collaboration does not guarantee success; it guarantees a mutual process that draws on the best from all the players and finds solutions more often and far more effectively than when everyone stays on his or her own turf and waits for the other parties to solve the problem.

CONCLUSION

As nonprofit governance has been studied and practiced over the past sixteen years, thoughtful commentators, consultants, administrators, and trustees have increasingly come to accept the notion that management and governance are not so easily compartmentalized or separated. It is far too simple to think of governance as policy-making and management as profit-making.

That, of course, underscores the fundamental importance of a close collaborative working relationship between and among the board, the staff, and the musicians in your orchestra. Likewise, between and among the board chair, the CEO, the music director and the musicians' selected leader. And finally, between and among the trustees, senior staff, and musicians.

In this way, we will figure out where we want to go, how we want to get there, how to remove the barriers in our path, and how to accomplish our orchestra's mission…*together*.

Lowell J. Noteboom chairs the board of the Saint Paul Chamber Orchestra. A vice chair of the board of the American Symphony Orchestra League, he has participated as a faculty member in several seminars offered by its Orchestra Leadership Academy, focusing on governance and leadership issues. He has also served as board chairman of the MacPhail Center for the Arts, on the executive committee of the National Guild of Community Schools of the Arts, and as a trustee of Northland College in Ashland, Wisconsin. An attorney, he is president of the Minneapolis-based law firm of Leonard, Street and Deinard and the founding chair of the firm's Construction Law Practice Group. This paper is derived from an Orchestra Leadership Academy seminar presented in June, 2003.

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ADDITIONAL RESOURCES

American Symphony Orchestra League

www.symphony.org

The American Symphony Orchestra League provides leadership and service to American orchestras while communicating to the public the value and importance of orchestras and the music they perform. The League serves more than 850 member orchestras, linking a national network of thousands of musicians, conductors, managers, board members, volunteers, staff members, and business partners. The League's Orchestra Leadership Academy offers seminars and training to orchestra board members. E-mail discussion groups are also available to link orchestra trustees of member orchestras nationwide. Details on these services, as well as publications on board service, are available from the Board & Governance pages of *www.symphony.org*.

BoardSource

(formerly the National Center for Nonprofit Boards)

www.boardsource.org

BoardSource is a resource for practical information, tools and best practices, training, and leadership development for board members of nonprofit organizations. BoardSource produces booklets, books, videotapes, and audiotapes; conducts training workshops; holds a biennial conference for trustees and executives; and provides governance consultants to nonprofit organizations.

Independent Sector

www.independentsector.org

Independent Sector represents the nation's charitable, educational, religious, health, and social welfare organizations. It offers a range of publications on governance and other issues of interest to nonprofit organizations.

Symphony Orchestra Institute

www.soi.org

The Symphony Orchestra Institute was founded in 1994 by Paul Judy, a former trustee of the Chicago Symphony Orchestra. It pursues its mission—to improve the effectiveness of symphony orchestra organizations, to enhance the value they provide to their communities, and to help assure the preservation of such organizations as unique and valuable cultural institutions—through the publication of a semiannual journal, *Harmony*, and through individualized consultations with orchestras. The Saint Paul Chamber Orchestra's collaborative processes, referred to in this paper, are detailed from management, board, musician, and facilitator points of view in the October 2003 issue of *Harmony*.