



# Deliberate Design for Successful Board Governance & Composition: A Case Study

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# Presenters

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## Case Study Topics

- Analyzing Board
- Codifying Board governance process
- Transforming Board – building recruitment process to drive diversity & Board sustainability
- Addressing Board philanthropy
- Planning for the future – succession planning



# Audience

- All nonprofits – especially mid-size & large



## Your Role

- Who is charged with Board governance?
- What are significant challenges you face in Board governance?
- Is your Board Chair setting clear expectations for Board service & priorities?



## The WNET Group

- Flagship public media provider & largest producer of PBS national programming
- Creating & distributing media with impact
- Comprised of Thirteen, WLIW21, WLIW-FM, NJ PBS, NJ Spotlight, ALL ARTS, Create, World & Thirteen PBS Kids
- 35M people watch programs (on-air) per month



# The WNET Group By The Numbers

- \$143.8M operating budget for FY23
- 35-member Board of Trustees (includes voting Life Trustees)
- Operating budget
  - Unrestricted revenue - \$42.5M
  - Restricted revenue – \$93.6M
  - Investment income – \$7.7M
- 60-member Development Department



# Good Governance



National Council of Nonprofits





“Effective governance by the board of a nonprofit organization is a rare and unnatural act. Only the most uncommon of nonprofits boards functions as it should...”

*Harvard Business Review*



# State of Nonprofit Board Governance

BoardSource *Leading With Intent 2021*

- Boards are disconnected from the communities & people they serve
- Boards that place fundraising as most critical priority do so at expense of organizational strategy, relevance & impact



# State of Nonprofit Board Governance

- Boards & execs should reflect on what is prioritized in terms of Board expectations & how time is spent
- Chair's leadership in ensuring clear expectations of service matters most when it comes to Board culture



# Why Aren't Boards More Diverse?

- Recruitment process flawed - insular
- Boards become “mirrortacracies”
- Perpetuate cycle of uniformity
- Fail to embrace holistic diversity



## What & Why?

- What motivated WNET to want to undertake a Board assessment?
  - Disengaged Board
  - Legacy Board
  - More diverse Board – across the spectrum
  - Strategic inflection point of the organization
- Why engage a consultant for an assessment?



# What's Necessary Before Beginning?

- Commitment to process
- Affirmation/endorsement by leaders & true partner in N&G Chair
- Openness to recommendations & change
- Having right make-up of N&G Committee
- Advocacy & leadership of CDO &/or CGO
- Resources – time, intentionality, intellectual capital & \$ investment



# Where Did We Begin?

Deep dive into fundamentals

- Legal foundation – by laws
- Structure
- Committee job descriptions
- Composition
- Roles & responsibilities including Board philanthropy policy



## Where Did We Begin? (continued)

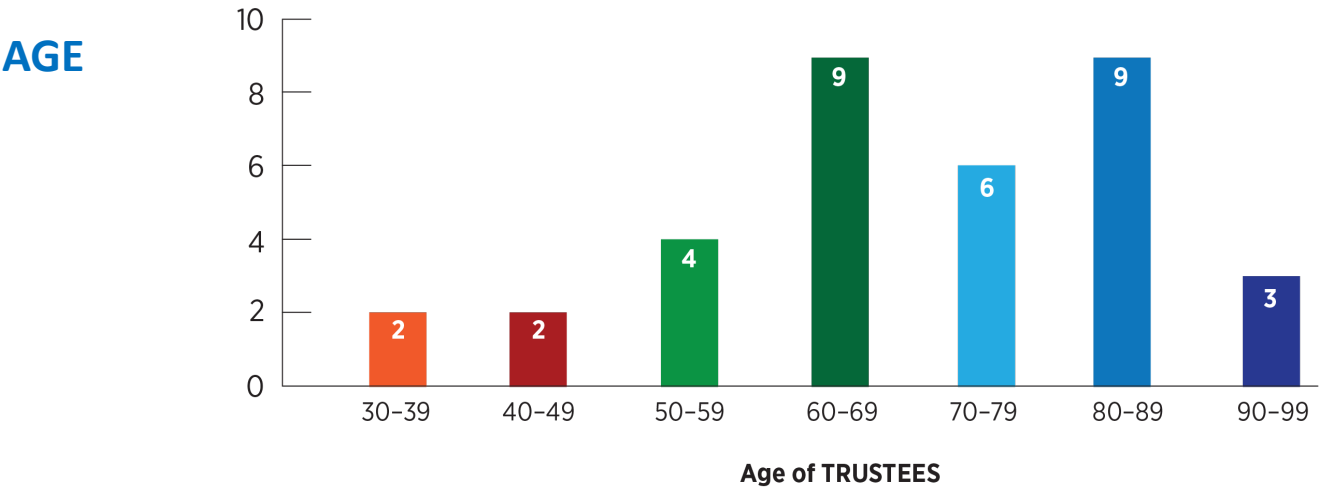
- Participation – committee(s) & attendance
- Critical policies – conflicts of interest policy, gift acceptance, whistleblower, etc.
- Governance – especially recruitment, assessment of performance & engagement





# Metrics That Matter – WNET Board

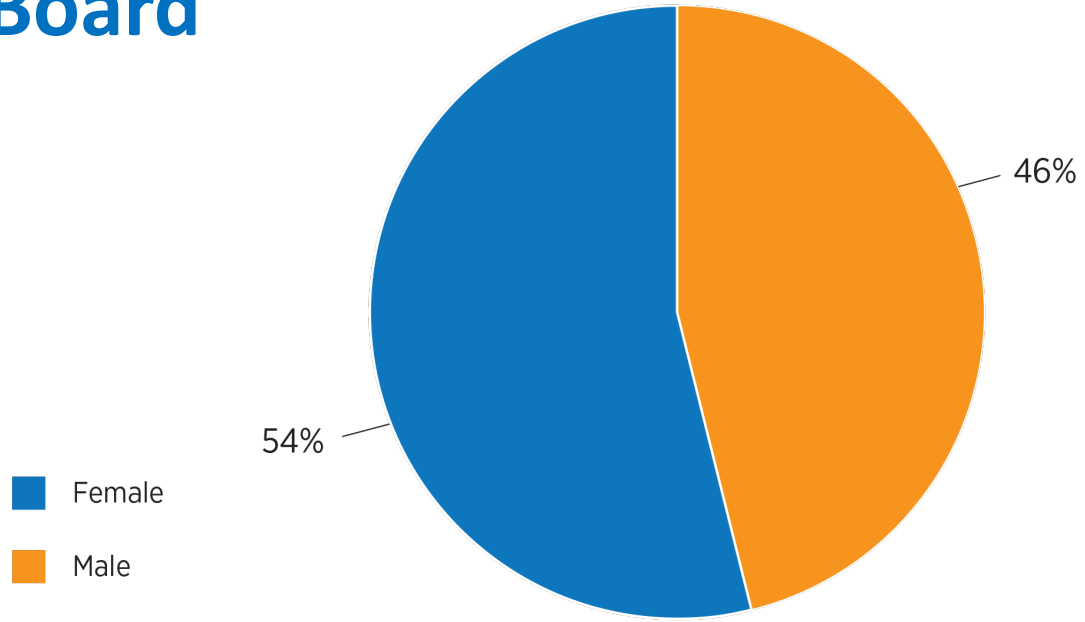
(as of 1/2020)





# WNET Board

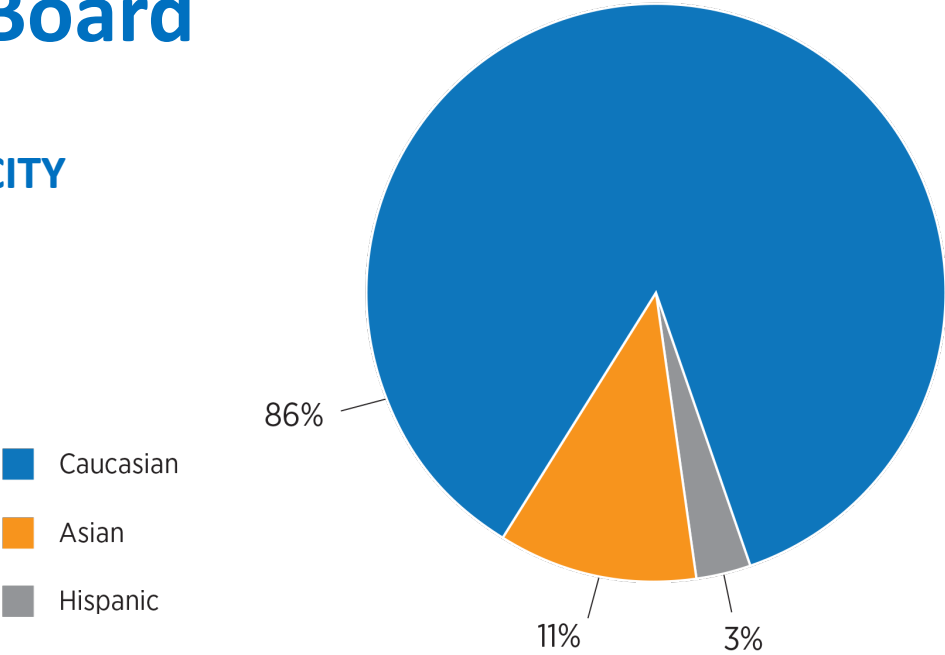
## GENDER





# WNET Board

## RACE/ETHNICITY





# Composition - Beyond Demographics

- Commitment to equity & inclusion
- Professional affiliations & relation to needs/mission
- Expertise/skillsets
- Committee service
- Philanthropy – direct support & advancing fundraising
- Advocacy



# What Did We Find?

## Composition

- Did not reflect WNET's communities or org's needs

## Policies

- No formal roles & responsibilities
- **No formal philanthropy policy**

## Recruitment

- No strategic framework = uncertain pipeline
- **"Mirrortocracy"**
- **No formal succession planning**
- **No formal ownership of the ask strategy**



## What Did We Find? (continued)

### Recruitment

- No formalized process for nominating

### Performance

- No formal evaluation process

### Participation

- 74% avg 3 years  $\geq$  \$give get\*
- 9% of Trustees drive philanthropy
- 86% serve on one (1) committee
- 68% avg attendance @Board meetings
- Management not tracking meeting attendance annually



## What Did We Find? (continued)

### Engagement

- Meeting too brief
- **Active involvement in meeting encouraged**
- **Good socialization opportunities**
- **Excellent stewardship**

### Future State

- WNET business model evolving
- **Required different Trustee expertise**



# Recommendations as of February 2020

## Composition

- Consider expanding — 40 then 42 or 44
- Diversify significantly by race/ethnicity
- Maintain gender balance
- Think holistically — skills & demographics together
- Focus on 40 to 60 cohort





# Recommendations (continued)

## Recruitment Process

- Board of the future
- **Strategic matrix** drive candidate identification
- Develop & employ formal nominating process

## Policies

- Establish formal roles & responsibilities
- Formalize Board philanthropy



# Recommendations (continued)

## Engagement

- Continue Board discussion time at meeting
- Continue expanded 90-minute meetings
- Maintain socialization
- Employ tasks forces as engagement tool

## Post Covid

- Is future business model different?
- How are audiences engaging?
- If business model changes, how does this impact Board?



## What Happened – February 2020 to December 2022?

- Matrix developed to prioritize criteria – holistic approach to diversity
  - Skillsets & professional background
  - Philanthropic interests
  - Race, ethnicity & age
- Search firm engaged to “jumpstart” recruitment process
- Codified & added rigor to nominating process, roles & responsibilities & onboarding & engagement



## What Happened? (continued)

- Progress in inclusivity
- Strategic repopulation of Nominating Committee
- **Identified & recruited new Chair**
- **Added 11 new Board members & improved race/ethnicity, age & skillsets**



# WNET Board Matrix – Template

Candidate AGE (estimated)	Candidate Name		
30 – 45*			
45 – 60*			
60 – 75			
Over 75			
Candidate GENDER			
Male			
Female			

(\*) Priority Category



# WNET Board Matrix (continued)

Candidate RACE/ETHNICITY	Candidate Name		
Black or African American*			
Hispanic or Latino*			
Native Hawaiian/Other Pacific Islander			
Asian			
American Indian/Alaska Native			
White			

(\* ) Priority Category



# WNET Board Matrix (continued)

Candidate QUALITIES	Candidate Name		
Passionate about the mission*			
Leadership skills/Motivator			
Collaborator			
Willingness to advise			
Willingness to share contacts/network			
Disruptor/Innovator			

(\* ) Priority Category



# WNET Board Matrix (continued)

Candidate	PROFESSION/EXPERTISE*	Candidate Name		
	Digital Media*			
	Media Management*			
	Marketing & Communications*			
	Strategic Planning & Business Development			
	Finance			

(\* ) Priority Category





# WNET Board Matrix (continued)

Candidate PROFESSION/EXPERTISE*	Candidate Name		
Info/Tech			
Financial Services/Accounting			
Entrepreneurship			
Governance			
Philanthropist/Civic Leader			

(\* ) Priority Category



# WNET Board Matrix (continued)

Candidate PROFESSION/EXPERTISE*	Candidate Name		
Diversity, Equity, Inclusion or CSR			
Real Estate Development			
Artist/Entertainment			
Law			

(\* Priority Category)



# WNET Board Matrix (continued)

Candidate COMMUNITY AND OTHER PHILANTHROPIC INTERESTS	Candidate Name		
Arts/Culture*			
Education*			
Government/Politics			
Journalism*			

(\* ) Priority Category



# WNET Board Matrix (continued)

Candidate <b>COMMUNITY AND OTHER PHILANTHROPIC INTERESTS</b>	Candidate Name		
<b>Social Services</b>			
<b>Health/Medicine</b>			
<b>Conservation/Environment</b>			
<b>Access to a diverse/community/cultural network(s)</b>			

(\*) Priority Category



# WNET Board Matrix (continued)

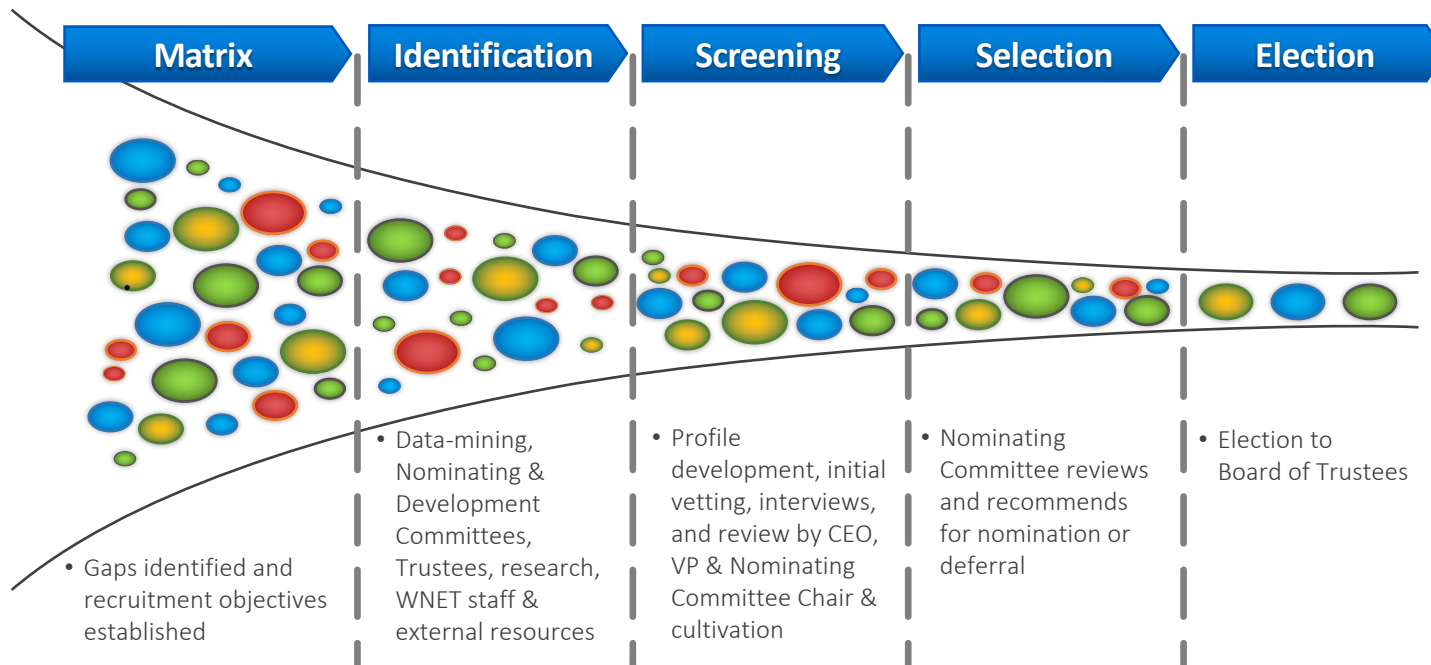
Candidate <b>PHILANTHROPY*</b>	Candidate Name		
<b>Inclination/Affinity for WNET*</b>			
<b>Capacity to fulfill WNET's philanthropic objectives*</b>			
<b>Willingness to dedicate time to Board activities*</b>			
<b>Has a robust philanthropic network*</b>			

(\* Priority Category)

Note: Philanthropy priority is tbd based on fulfillment of other matrix criteria



# Nominating Process





## Racial Diversity – WNET Board

Race	2020	2022
Caucasian	86%	72%
African American/Black	0%	13%
Asian	11%	10%
Hispanic or Latino	3%	5%



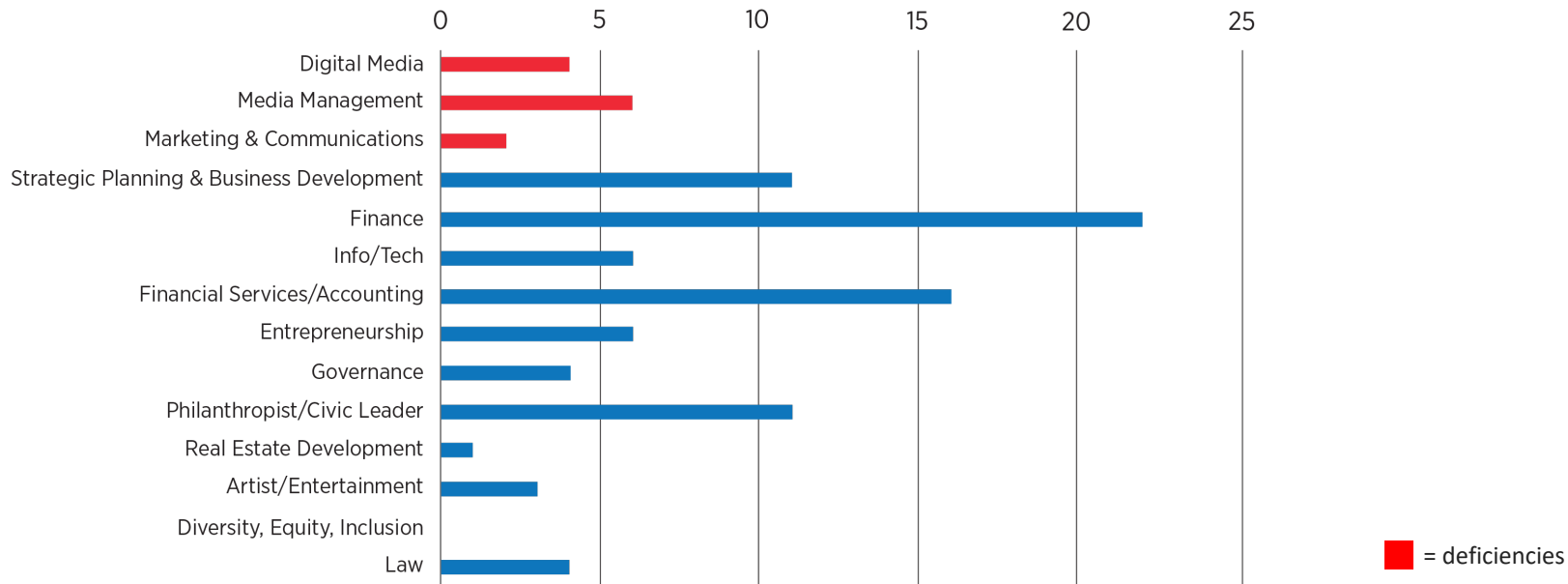
## Diversity by Age

Age	2020	2022
30-39	0%	0%
40-49	9%	17%
50-59	11%	6%
60-69	20%	28%
70-79	23%	23%
80+	37%	26%



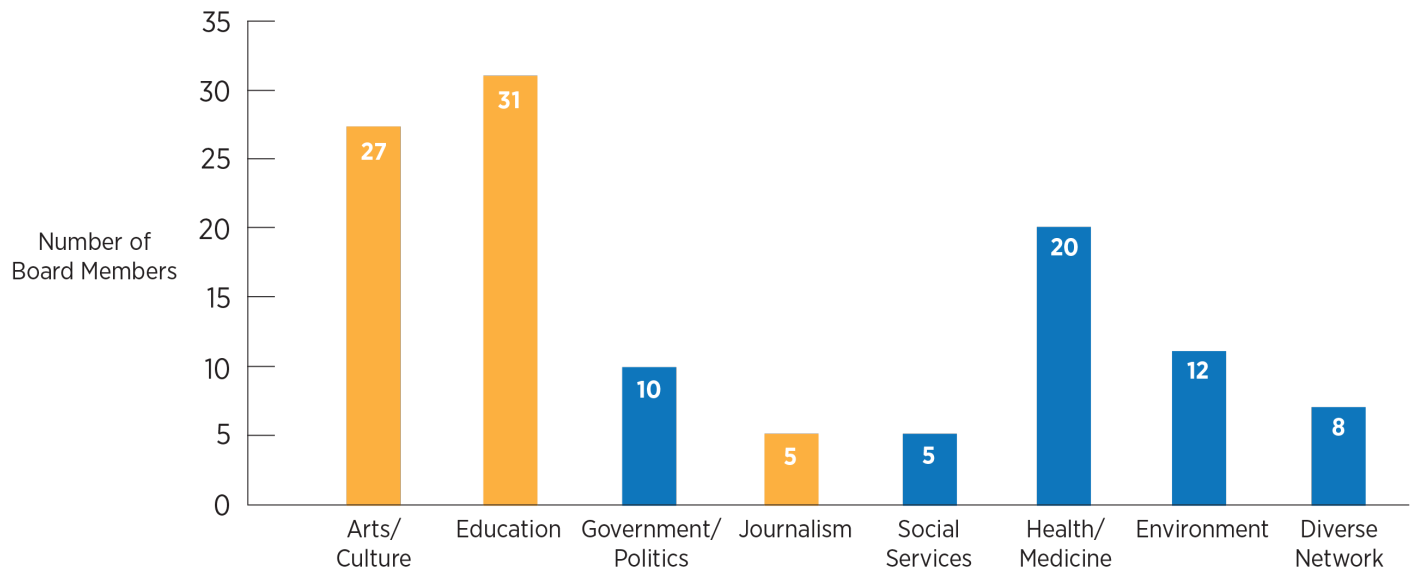


# Professional Expertise





# Community & Other Philanthropic Interests



*Interests shaded in goldenrod reflect WNET's strategic priorities*



## Recommendations from 2020 Assessment

- Diversify Board by race, ethnicity & expertise ✓
- Communicate formally Board roles & responsibilities ✓+
- Establish formal giving policy=>participation
- Strengthening Board identification & recruitment process ✓+
- Creating Board evaluation/self-evaluation process ✓
- Continuing opportunities for discussion at Board meetings ✓+



# Future Considerations

- **Recruitment**

- Continue to focus on younger cohort (40-60)
- Board composition support WNET strategic goals
- Increase focus on digital media and marketing expertise
- Considerations around Board prospects beyond the NY area
- Experience in digital transformation
- Balancing urgent philanthropic needs – finding the unicorns



## Future Considerations (continued)

- **Board Engagement**
  - Continue social events to deepen engagement
  - Continuing opportunities for discussion at Board meetings
  - Continue targeted engagement outside of committee/Board meetings
  - Strategic repopulation of committees
  - Ongoing Board education



## Future Considerations (continued)

- **Board Health & Sustainability**
  - Improve on Board evaluation/self-evaluation process
  - Annual assessment & analysis of Board giving
  - Succession planning – establish timeline and codify process
  - Assess give/get level & structure periodically



# Critical Factors Driving Change

- Engaged Nominating Committee Chair
- Mobilized Nominating Committee for peer-to-peer engagement
- CFO buy-in/championship – provided resources available for search firm
- Board Chair championship



## Greatest Challenges

- Not having the Board to build the Board
- Financial resources (if there isn't \$ to hire consultant and/or search firm)
- Balancing philanthropic needs with other critical matrix needs and navigating that in candidate discussions





## Wrap Up – Key Highlights

- WNET management & Board leaders agreed on impartial analysis
- Management & Nominating & Gov Chair agreed change needed
- Management strategically drove process – matrix & relentless focus
- Enlisted search firm to jump start process
- **Secured 11 new Board members within less than 2 years – began significantly transforming Board profile**
- Need continuous engagement plan to maintain Trustee involvement



# Thank You!

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