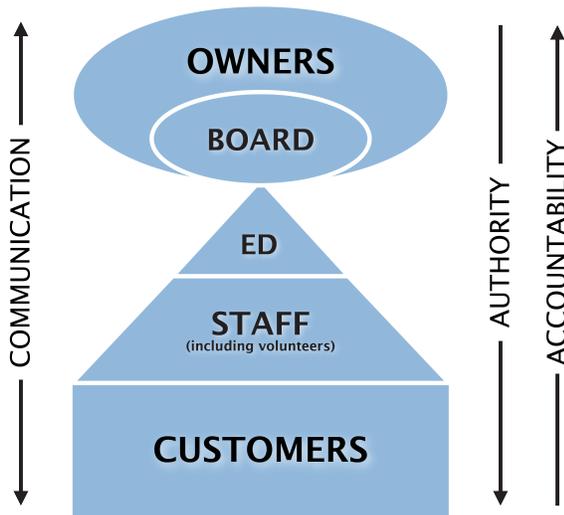


The Secret Formula for Organizational Effectiveness™



Bringing Clarity to Your Board and Organization

We don't want to keep The Secret Formula for Organizational Effectiveness™ hush-hush. In fact we want the world to know and use it! The experts at STRIVE! have a proven model that clarifies the roles and relationships within an effective organization. Defining the lines of communication, authority, and accountability to and from your board will set your organization on its way to resilience and prosperity.

Overview

This is not so much an organizational chart; it is a map to clarify the roles and relationships within an effective organization. In every effective organization, there are five essential roles: owners, board, CEO, staff, and customers. The context of the organization may require different terminology or labels but these roles usually exist. For sustained success, the organization must have clear roles and understand the interdependencies between them.

Even though individuals may hold various roles (such as an owner also being a customer or a CEO also being a board member), it is critical to recognize what role a person is acting in and relate to them in that manner.

We are confident that following the straight lines of communication, authority, and accountability is the secret to ongoing effectiveness; ignoring or violating these straight lines creates painful chaos.

Owners

Often, this refers to the shareholders or members of an organization. Each of these owners has different expectations. These owners could be the government or regulatory agencies or

thousands of individual users or producers. The owners of an organization include anyone and everyone who has a vested interest in the organization's success.

Board

The board is selected from among the owners so the interests and motives of the directors are most closely aligned with the ownership. The role of the board is to "direct and protect" on behalf of the collective owners and in the best interests of the whole. Essentially, the role of the board is to answer the big picture "What" type of questions.

In this way, a board member serves the organization on behalf of *all* the owners. A board member does not speak for only his or her subset of the owners but considers the needs of *all* the owners. It's not about representing your region, subset, or constituency; it's about big picture thinking to further the best interests of the whole.

In recognition of its role, the board will not necessarily spend time addressing each individual customer concern—not that these concerns are trivial—but that the board needs to be careful not to become bogged down with details. Too many individual details or issues will prevent the board from doing its real job. Owners should certainly bring their concerns to the board, but the board will need to decide which items to address and what to discard, for the sake of being able to serve the whole.

Senior Staff

Whatever the title—CEO, Executive Director, General Manager, President—the senior staff person's role is distinctly different from and subordinate to the role of the board. The senior staff is accountable to and in communication with the board as a whole, not simply to the chair or a committee. This role is a pivotal one, representing a genuine vulnerability of the organization, and could potentially become a bottleneck if the relationships are not well managed.

The role of the senior staff person is the operations side of putting the board's strategic plan into practice. This person is responsible for the "How" type questions in order to achieve each of the strategic goals of the organization. All authority and accountability is filtered through this role.

Staff

Employees, volunteers, and workers are an extremely valuable component of any organization's success. Through the staff's operations, under the oversight of a senior staff person, the staff will put into action the strategic plan to achieve the goals and key result areas. Staff members have been empowered to deal with customer concerns. Staff focus their energy

on serving customers effectively and fairly without fear of board interference or meddling since all customer-related items are the staff's responsibility.

Customers

Customers are those being served or recipients of services. Customers are entitled to have specific expectations regarding the products or services you provided. Most likely, the organization allowed or even reinforced these attitudes and beliefs. As end users or members, customers are encouraged to raise valid concerns and issues. However, customer issues will be addressed by the staff whereas owner issues will be address by the board.

Owners and Customers?

A concern that often arises is whether someone is an owner or customer. In co-ops, credit unions, churches, and industry associations, the members and the owners tend to be a similar group of people. In these organizations, members act "owners" when they select the board, change the by-laws, or when reviewing the results achieved These same members act as "customers" when they receive services such as newsletters, reduced fees for products or services, or other benefits. Staff will work with the members when there are customer concerns that require service but governance issues will be directed to the board.

Members commonly have both owner and customer interests. As owners, they desire to ensure reasonable prices charged for services enable the organization to grow and develop and to build equity for a rainy day. As customers, they wish the lowest price for a product or service. To manage this conflict objectively, it is most effective for the board to deal with the owners' interests and to empower staff to deal with customer issues. Members who are concerned with the fee for a service, waiting time, how to access the newsletter, how to complete forms, or how to get certain information are acting as customers are best served by the staff who have been empowered to serve the customers.