

Governance

# Challenging Conventional Wisdom on Nonprofit Boards

Rethinking board sizes, term limits, and fundraising requirements may help unlock greater strategic insight and value from your board.

By **Matthew Forti** | Feb. 13, 2018

As a fast-growing nonprofit serving the global poor, **One Acre Fund** (<https://oneacrefund.org/>) is proud to work with a governing board that has played an integral role at all stages of our existence. Our organization, which provides African smallholder farmers a bundle of technologies, training, and finance to improve yields and eliminate chronic hunger, could not have reached its current scale in our first decade without our board's strategic insight, resource mobilization support, and good governance.

Our board is perhaps best described as a highly engaged brain-trust, providing invaluable guidance and connections on critical decisions, such as where to grow and how to set our long-term vision. It also renders independent judgment on governance topics, such as approving our next-year's budget and evaluating our executive director. Altogether, we've found that a high-functioning board is absolutely integral to achieving our mission.



The sometimes-unconventional support of One Acre Fund's board has helped the organization scale rapidly and responsibly. Here, farmer Solange Nyirarukundo (middle) plants sweet potatoes with neighbors Chantal Nyirampozyo and Suzanne Mukabahizi in Rwanda. (Photo by Hailey Tucker)

([https://ssir.org/images/blog/farmers\\_Rwanda\\_nonprofit\\_boards.jpg](https://ssir.org/images/blog/farmers_Rwanda_nonprofit_boards.jpg))

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As with many nonprofits, we have evolved the precise composition and function of our board alongside our organization's changing needs and opportunities since we professionalized seven years ago. But our choices have rarely matched the conventional wisdom. And while we know not every institution operates in the same way, we wanted to share these (somewhat counter-intuitive) experiences in the hopes that nonprofit leaders, particularly at other social-change organizations, will take a harder look at how to build their boards for maximum impact.

### **Board size: Do you really want to quash generative discussion?**

Management experts [have long noted the challenges of double-digit participant sizes](https://hbr.org/2015/03/how-to-know-if-there-are-too-many-people-in-your-meeting) (<https://hbr.org/2015/03/how-to-know-if-there-are-too-many-people-in-your-meeting>) for decision-making and problem-solving meetings, which in our view is the main purpose of a board meeting. And yet, median nonprofit board size [is 15 members](https://leadingwithintent.org/wp-content/uploads/2017/09/LWI2017.pdf) (<https://leadingwithintent.org/wp-content/uploads/2017/09/LWI2017.pdf>).

Like many early-stage nonprofits, One Acre Fund started out with a “working board,” which primarily focused on running support operations in the absence of staff. Since professionalizing a few years in, our board has never exceeded six independent members (eight in total, including two staff directors). We set the expectation that board members must attend all meetings and come highly prepared and ready to engage. In our experience, eight seems close to an upper bound to ensure that we have the kinds of high-quality discussions professionalized nonprofit boards should be having.

But you might ask, what about the value of attracting as many evangelists to the cause as possible through a large governing board? We've found that other structures, such as advisory and fundraising boards, and regular expert conversations can realize these benefits without overcrowding our governing board. For instance, One Acre Fund's leadership team regularly consults a variety of experts and networks in addition to our board structures.

But, you might ask further, what about the common practice of choosing an executive committee from within a large governing board to handle strategy and governance? Based on the experiences of peers we've consulted, this can be a recipe for doubling the time requirements of your most valuable board members and reducing the incentive for anyone to attend full board meetings, as they shift in purpose from problem-solving to informing and recognizing.

In sum, our governing board functions as one of our most valuable sources for strategic insight, precisely because the group is small and cohesive enough to have high-quality, generative discussions. Of course larger boards can take steps to ensure strong dialogue, such as identifying a skilled facilitator, biasing toward in-person meetings (where dialogue can flow more freely), and encouraging board members to concentrate their participation on topics where they can add the most value. Since there is no magic

number, we encourage organizations to take a close look at whether their board is delivering maximum insight as currently structured.

### **Term limits: Do you really want to boot your most valuable directors?**

It's hard to argue with the benefit of term limits; they're a built-in mechanism for the board to get fresh thinking, and potentially more relevant skill sets and perspectives as an organization's needs evolve. They also help avoid tough conversations with board members whose value-add has diminished. Perhaps this is why 72 percent of nonprofit boards now **have term limits** (<https://leadingwithintent.org/wp-content/uploads/2017/09/LWI2017.pdf>).

But we've found there is far too little discussion of the drawbacks. It can lead to removing board members whose skills and perspectives may be just as, if not more, relevant to the organization's next phase of growth, or whose years of experience on the board has put them at a distinct knowledge advantage over a new member (not to mention the considerable costs and uncertainties in finding new, high-caliber directors).

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In our experience, there is a simple solution: term reviews. When a term expires, the board member and executive director, ideally with the board chair, should have a frank discussion about the projected value-add of continuing service to both the board member and organization. Value-add during the expiring term, evolving organizational needs, board fit, and the board member's outside commitments should be among the factors to consider. We believe most boards, like ours, will find there is a solid nucleus of at least a few existing board members who are so experienced and so valuable to the next phase of growth that their ongoing involvement would be a boon for the organization and the functioning of the board.

For organizations that do stick with term limits, the executive director and board should at minimum be highly intentional about staying in close touch with the few separating board members whose skillsets and perspectives are particularly difficult to replace. These board members can function as ongoing advisors and may represent the organization's best future board candidates.

### **Board fundraising: Do you really want to screen out some of your top prospective board members?**

Both board chairs and executive directors **identify fundraising as the weakest aspect** (<https://leadingwithintent.org/wp-content/uploads/2017/09/LWI2017.pdf>) of board performance, and research suggests a major driver is **poorly established expectations for fundraising** (<https://leadingwithintent.org/wp-content/uploads/2017/09/LWI2017.pdf>) during board recruitment. Conventional advice is therefore to double down during board recruitment on the importance of the board's role in fundraising, such as setting a strict "give or get" requirement, and to devote material board meeting time to fundraising.

We acknowledge that in some fields, and at certain life stages of an organization, fundraising may be the single most important function of the board, in which case strict fundraising requirements and hefty time spent at meetings are logical. And of course, for all nonprofits in good standing, board members should be willing to consider donor introductions, serve as references, and assist in due diligence processes.

However, we believe strict fundraising requirements can produce unintended consequences. Not least, they almost certainly preclude perhaps the most valuable strategists and governists—nonprofit executive directors in adjacent fields or further up the scale curve—who need to fundraise for their own organizations. They also could crowd out higher-value uses of board member time across the wide range of functional areas a nonprofit must get right to be successful.

That's why we suggest an alternative: Understand board members' talents, compare against the organization's greatest need and opportunity areas, and then set a roadmap for how best to deploy the board's collective nonmeeting time. Through this exercise, we have found considerable value-add in areas traditionally neglected by boards, such as [hiring and developing our senior leaders](https://www.bridgespan.org/insights/library/boards/a-boards-number-one-priority-talent-strategy) (<https://www.bridgespan.org/insights/library/boards/a-boards-number-one-priority-talent-strategy>), and providing advice and connections for government relations, policy, and finance.

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## Driving Impact

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We are big believers that high-functioning boards can enable greater impact for social-change nonprofits. Clearly there is no one-size-fits-all approach to running a board, including within the three facets described above. But at a minimum, our experience suggests that it's worth taking a harder look at the conventional wisdom, particularly for nonprofits seeking boards that ask provocative questions and engage in generative dialogue.

At One Acre Fund, this kind of board has served us extremely well, guiding our most strategic decisions in the past seven years as we've grown from 30,000 to more than 600,000 farm families, with more than 2 million children avoiding the devastating effects of chronic hunger. We wouldn't trade it for any other kind.



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