

Demystifying Decision Making

*A Fundamentals of Family Philanthropy webinar recorded on
May 13, 2021.*



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FAMILY PHILANTHROPY

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Featuring:



Ashley Blanchard
Hill-Snowdon Foundation



Laura Donnelley
Gaylord & Dorothy
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Colleen Ritzau Leth
Tauck Family Foundation



Ann Shulman
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Transcript of the Fundamentals of Family Philanthropy webinar, Demystifying Decision Making. Recorded on May 13, 2021.

Nick Tedesco:

Welcome again, everyone. My name is Nick Tedesco, and I'm the President and CEO of the National Center for Family Philanthropy.

We're so thrilled that you can join us today for our monthly *Fundamentals of Family Philanthropy* webinar series. The series provides guidance on the core tenets of effective family philanthropy—from motivations and values, to governance, grantmaking, and succession. The series is also designed to equip families with the latest information on evergreen topics on the donor lifecycle through practical takeaways and diverse family stories that illustrate important practices.

Philanthropic families employ a wide range of models to make decisions—from unilateral authority to consensus. However, identifying the appropriate structure is often a challenge that can serve as a barrier to effective philanthropic practices. Developing an appropriate decision-making framework for distinct situations allows families to rely on an established and agreed upon process to find solutions and find them smoothly and expediently.

In today's webinar, we're going to explore three critical questions on decision making. The first, what are the most important decision-making options for family foundation boards to know? The second, how do you determine which decision-making method is best and how do you translate that into action? The third, why is building effective decision-making practices important to family giving efforts and foundation culture?

Before we begin, let me briefly share about our webinar technology. We want this webinar to be interactive, so please submit questions for the panelists. To ask a question, please use the question box on the current slide. When sending in a question, if you wish to remain anonymous, please indicate that.

As a reminder, the webinar is being recorded and a replay will be made available to all attendees. If you experience any technical issues, please reconnect to the technology or email jen.crino@ncfp.org. And as always, you're welcome to chat with us on Twitter about today's webinar using the hashtag #ncfpweb.

Let me briefly introduce our panel before we move into the presentation and discussion. It is my distinct honor to introduce our panelists today. We are joined by Ashley Blanchard, a trustee of the Hill-Snowdon Foundation, and a senior associate at Lansberg, Gersick & Associates. Ashley also is one of NCFP's board members.

Let me also welcome Laura Donnelley, the board chair of the Gaylord & Dorothy Donnelley Foundation, Colleen Ritzau Leth, President of the Board of Directors of the Tauck Family Foundation, and Ann Shulman, Executive Director of Philanthropy Associates.

Just a personal note here, I have long looked to Ann's publications on decision-making framework for guidance and advice for family philanthropy decision-making practices, and I'm really thrilled that Ann is bringing this presentation to our community, and also bringing a revised version of her signature publication that goes along with this to our community. Look for the forthcoming publication, and I have no doubt that you will enjoy this presentation. With that, Ann, I will welcome you to start the presentation and move into the discussion. Ann, again, thank you for the contribution to the field. It's really extraordinary.

Ann Shulman:

Well, Nick, thank you for that very warm welcome and testimony. I appreciate it very much. Let's get started. Thanks for having me here and welcome everybody. Foundation decision making is actually one of my favorite topics, and I've worked with family foundations for 25 years now. But it's one of my favorite topics, not just for foundations. I've worked either as a consultant or an employee in for-profits. I've been an ED of a nonprofit. I've worked in government. I'm now a program director for a small family foundation, and everybody struggles with decision-making. So let's take a look at it together.

Why is it important? It's important because it can make things go smoothly or it can really cause some conflicts and many, many conflicts or bad feelings or misunderstandings can be caused by unclear decision making.

The good news is by clearing it up and cleaning it up, we can prevent a lot of those misunderstandings. This is particularly important in family philanthropy because the relationships are so important and they can have a lot of baggage and be quite fraught. So it's particularly important to clean up decision-making practices to preserve relationships.

Diversity, equity, and inclusion is on a lot of people's minds in every sector—certainly in the philanthropic sector—and strong decision-making practices is great place to start. So we'll talk more about that later.

This fourth bullet is kind of the key to the whole thing. When people are brought into a decision, when they're given a chance to have their voice heard, they're much more likely to support that decision and to implement it. It's a really interesting phenomenon. That is something to keep in mind throughout our time together today.

The last point as a kind of high-level is that process can actually influence the decision itself. The decision may be made differently depending on the decision-making methods. We'll dive into that.

Today, we are looking at these three steps. One, know a range of decision-making options. Two, the meta-decision, decide which decision-making option to use, decide how to decide. That's the meta question. Three, name it up front.

There are several slides, about three slides that I'd like you to walk away with today, and this is one of them. Hopefully we will dig into each of these steps, so this slide will be very meaningful by the end of our time together.

My advice to you, don't go into a decision-making coma. Why? Because you've got lots of options. What do I mean by decision-making coma? A decision-making coma is where we make decisions the same way all or most of the time. Why does that happen? It could happen because this is the way Mom and Dad

always did it so this is what we do whether or not it makes sense today, whether or not it makes sense for every different decision. So we're kind of following in a tradition without examining it. That's part of the coma.

The bylaws made me do it. Maybe there is accurate understanding or maybe there's inaccurate understanding of what the bylaws dictate as far as decision making. That's a place to examine and take a look at.

You-know-who won't like it. That silent heavyweight in the room, whether a founder, someone with a very strong personality, someone with a very strong voice, and sometimes people are conflict-averse and just make decisions the same way in order to please that you-know-who.

Similarly, let's not rock the boat. What's not broke, don't fix it. Sometimes it might not be broke, but it might be able to be handled better. And so it's about consciousness and getting out of the coma and seeing what your options are.

Let's dig into step one: know your decision-making options. As all of you know, philanthropy is a set of choices that the board has to make time and time again, whether that's which grantees to partner with, whether it's other philanthropic organizations to partner with, whether it's a hiring decision, there are myriad decisions that come up over and over again.

For each of those decisions, a different option may be appropriate. We're going to get to know a range of different decision-making methods. I would encourage you as we go through step one, think about a decision that your board had to grapple with recently, and maybe particularly a decision that didn't go so smoothly so that you can be thinking what the theory, you can be applying the theory that I'm going through to your real life for decisions.

This is the second slide that I'd like you to take away from today. This is really the heart of knowing your decision-making options, so I'm going to take a few minutes to go through this one with you. What this represents is a range of potential ways that your board or your decision-making body can make decisions. This doesn't represent every single decision-making option in the world. In fact, you can be creative. You may want to combine a couple of these or do them in sequence. But this is a pretty good range to start with.

Let's first look at the two axes. The vertical axis is the level of inclusion: how many people are included and how deeply are they included in the decision-making conversation? The theory is, as we talked about earlier, the more people are included, the more buy-in they will have, the more engagement they will have, and the easier it will be for them to say yes, because their voice has already been heard.

It's like how everybody thinks their dog is adorable. You know what I mean? Because we're super bought into our dog. So the more opportunity you've had to express your voice and grapple with a decision, the more buy-in you'll have to it, and the easier implementation is when there's a lot of buy-in. Now, let's walk through this using an example. If an individual is deciding unilaterally, that might be the board chair, let's use the example of getting the next generation engaged. A board chair could say, "I've decided that these next generation people are going to have an opportunity to contribute and they are going to partner with grantees in this issue area with this amount of money."

That's a unilateral decision and there's some real advantages to it. It's quick, it's clear, and it's done. But there's real disadvantages to it as well, because only that person's thinking went into the decision.

By contrast, if we go to the next circle or oval up, the board chair might decide with some input. So perhaps the board chair talks to one or two board members and one or two next gen members before determining what the budget is, who will be involved, and what issues will be covered.

You'll notice both of those circles are in green, individual deciding unilaterally, and an individual deciding with input. That's because you've still got an individual, in this case the board chair, deciding.

Now, the next three ovals are in green or whatever you want to call that color, because the decision is no longer just in the hands of one individual. So in delegation, let's say the board chair has delegated to a group of two board members and three next gen members and said, "You guys figure it out. Who should be in this group, what issues should be covered, and what do you think is a reasonable budget?" And perhaps the board chair says, "And it can't go above this amount." Gives the parameter.

In delegation, the level of inclusion for those folks who have been delegated to is very high, and theoretically their level of buy-in will be really high. Those are advantages. However, there's some disadvantages that I think you can foresee about those who weren't included. Maybe they'll feel left out. Maybe there will be questions about favorites having been picked, or maybe their perspective just won't be represented and it's an important one. As you're starting to see, there are advantages and disadvantages to each of these.

Now, a board vote is an extremely common way of voting and it's a tool essentially that can be used well, or it can be used poorly. Board vote is something we're very familiar with. It feels fair. It feels democratic. One person, one vote. The ways I have seen it used poorly are as an escape hatch like, "We're in a messy conversation here. Let's vote." It gets the job done, but it doesn't necessarily resolve the underlying issues that have made the conversation messy.

In order to use a board vote effectively, there needs to be a well facilitated conversation, where people have a fair and equal chance to speak, or at least a fair chance to speak so that all of the pertinent issues are raised before the vote is taken.

Another potential downside is if a leader winds up, maybe the board chair will wind up on the short end of the vote and that can cause discomfort for that person, or maybe for others. So good news, bad news.

Finally, consensus. This is sometimes the misunderstood creature, and the word is tossed around with different definitions. So I'm going to define it the way I like to, which I think is useful for this decision-making conversation. In a consensus-based decision, everyone on the board has an opportunity to give input on a decision, everyone on the board understands the decision that's proposed, and everyone can support it, both in their words and in their actions.

There are three parts to that. Everyone's given input, everyone understands the proposed decision, and everyone can support it in their word and in their deed. It doesn't mean that they necessarily get every single I dotted, or T crossed, or everything that they want, but there has been sufficient conversation for everyone to recognize the issues on the table and to believe that the proposed decision will work well enough for the group as a whole.

Now, if a decision is at all complex, thorny, messy, emotionally loaded, consensus-based decision can be very difficult or impossible. It's okay. Sometimes people disagree. Rather than cramming consensus down people's throats, I strongly recommend that you set up a fallback decision-making method and the time limit.

You set aside time to have what you hope is a consensus-based decision, maybe one hour, maybe two hours, maybe a whole afternoon, and maybe you get a facilitator if it's complex. If at the end of that time, consensus isn't reached, you say, "Okay. We've had really good conversations. We surfaced a lot of issues. Now we're going to fall back and perhaps take a vote, or fall back to a leader deciding, or fall back to delegation." Any of these are fine.

My question to you is, which of these is the best decision-making method? There is no best decision. The decision-making method varies with the decision at hand. There is no one best way. Sometimes overuse of consensus is just as bad as under-use of consensus.

We need to figure out a way to decide how to decide, which one of these things should we use? That's the meta-decision. Once your board understands this range of decisions that you have, how do you choose, and who does the choosing? Typically, this may fall to the board chair, but the head of a committee, or anyone can be tasked with making the meta-decision about which tool to use.

Before that's done, there are a few key considerations. Are the founders present? If so, do they have a significant weight, and is it expected that they will choose the decision-making method? Has the board adopted one or more lens? That's happening with greater frequency now about diversity, equity, and inclusion, or gender equity or any number of things. And if so, that needs to be taken into consideration upfront. Finally, is there a set of values that your foundation uses when making decisions?

Now, this is the tool of all tools to take away from this presentation, which is your decision-making checklist to figure out, how do I decide how to decide? Here's where I strongly recommend that you think about a decision that your board was faced with that was challenging. And walk through this with me thinking about that decision, whether it was, do we adopt a diversity, equity, and inclusion policy? Or how do we take on diversity, equity, and inclusion in our foundation? What do we do? When deciding how to make that decision, take a look at these items, are there a bunch of decisions wrapped up in that one decision that can be treated similarly, or do we need to break it down into categories so that we don't go into a decision-making coma? What are those decisions to be made?

Simply articulating them sounds simple, but sometimes it isn't. Writing them down and getting agreement that this is what we need to decide, can be a very clarifying step. Then think about who are the key stakeholders? People who have important information that they can give or that they can get, people who will be affected by a decision, people who could block a decision. These are all stakeholders. Is the definition of success different or the same for different groups of people? What does that mean about who should be included in the decision-making process?

Now we're on number five. Does the board prioritize a particular lens, a particular filter, or criteria, or values? As we noted in the previous slide, those need to be factored in when choosing your decision-making method.

How much time do we have? If we don't have a lot of time, we may not be able to do consensus and maybe we just need somebody to gather input and decide. However, if this is a critical decision and we do have time, we might want to go further up on those decision-making bubbles and on the side of greater inclusion so we have greater buy-in.

How significant is the issue it's very linked to? That's how important it is to stakeholders, both inside the foundation and outside the foundation. What else is going on in our community and our world, and how important is this?

Who has information or expertise that we need? This one number nine, is often not thought about, how capable and experienced are these decision-makers in working together? As we try to open decision-making up to more people and more stakeholders, they may not have the skills or the ability to reach true consensus-based decisions. So all the more important to have a fallback and or choose an easier method.

Finally, how much baggage, tension, or emotional charge surrounds this decision? Really important. If there's a lot, you may want to err more inclusion because buy-in will be harder to achieve without it, or if the baggage is insurmountable, you may want to think about leaning on the folks who are the least triggered and the least emotionally engaged to be your decision makers.

How do you choose? This is a shorthand for that long checklist. You choose the decision-making method if it fits, with I, being the importance of the decision, how if it's really important, go up on the bubbles. If it's less important, maybe one person can decide.

How much time do you have? Would be the reverse. What are the family and board dynamics? That can lead you anywhere along that scale of decisions, but you need to consider it. What information do you need and who has it? What's tradition in your family, and do you want to respect it or do you want to try something new shake things up to get out of the coma? How important is it to get stakeholder buy-in? Those are all really important summary factors for choosing how to decide.

This is one note. If it's complex, if you're faced with a set of decisions or a big decision that's going to have a lot of influence on your foundation, or your community or those with whom you work, you may want to get a facilitator to help guide the process, and a little bit of planning goes a very, very long way.

I can say this based on 25 years of experience, if there's a really high stakes or important retreat or meeting coming up, it can often take twice the amount of time to plan as the actual event takes because there's a lot of background research to do and conversations to be had so that when people arrive at the board meeting, they are prepared and they're prepared to participate in a way that is likely to lead to a good decision. What matters most is the board members feel that their views are respected and that the process is handled fairly and transparently. A little bit of fairness goes a long way towards people saying, "I agree."

Finally, step three, name it up front. Now, what's the "it"? The "it" is the decision-making process method. How are we going to make decisions? Because you can do all the work to become familiar with a range of decision-making methods and all the good thinking choosing the one that really fits. But if you forget to tell the board and all of a sudden we're in the middle of our decision-making discussions, people can, a) be very unclear, and b) feel very manipulated. So it's very important at the beginning of an undertaking, whether it's a meeting, a retreat, a series of meetings, a focus group to say, "This is how

we're going to make the decision, and this is how your input will be used." Because I know you've all either been there or done that, there's nothing worse than being asked for your input and having it ignored.

If a decision is already made, don't ask for people's input. Instead, create a forum where you genuinely want to hear that input and they genuinely know how it will be used. Again, it's about deciding and saying, before you enter the decision-making conversations, that this is how we're deciding. It could be "We're here today and we are going to make decisions about how our foundation will move forward addressing diversity, equity, and inclusion issues. We're going to try to reach consensus on these three different sub-decisions and we have about two hours to do so. If we don't reach consensus at the end of those two hours, our diversity, equity, and inclusion committee, which consists of the board chair, and two other people, will make the decision based on what they hear today and report back to the board." That was a little role-play of how this would work.

A few nice decision-making tools of the trade, and this is kind of a whole other talk. I don't have time to go into them in detail, but I did just want to mention them. It can be helpful to create a decision-making matrix where you put the decisions that the board is faced with up at the top, and then whatever lenses or lens alongside, and perhaps if it's your values, you can make them on the vertical axis. If it has to do with gender equity and some sub-issues related to that, they can be on the vertical axis, and then do the cross-section. You can either say, yes, no, it does meet this criteria, and it does meet this value. Or you can use a score from one to five or one to 10, where five or 10 is it meets it really well, and zero to one is not at all. Just a way of organizing information as you're making decisions.

I'm sure many of you have heard of the SWOT tool, strengths, weaknesses, opportunities, and threats. It's usually used in strategic planning, but it can also be used just to take a look at, as a foundation, what are our strengths in this area? Let's say, you're trying to decide whether to start a new program on early childhood education. What are our strengths? What are our weaknesses? And then what are the opportunities externally in our community? What are the threats? Another other way of organizing information where strengths and weaknesses are internal to the foundation and opportunities and threats are external in the community.

The negative question, that's simply asking a question in the negative. For example, does anyone disagree with the proposal to include these three members of next gen in our next board meeting? Does anyone disagree? Does anyone have a problem with? Does anyone not want? The reason to use that in decision-making is often people who disagree will just be quiet. You might be able to read the facial expression, but you can't really read the quiet, and the negative question makes it a lot easier for them to express their disagreement so that you can work with it and hopefully figure out a way to move through it. For example, does anyone disagree? All they have to do is raise their hand and you know they disagree. Whereas, who agrees with? You don't get that disagreement. So it's a way to surface disagreement during the conversation so that it doesn't come out after and interfere with implementation.

Fist to Five, and I think somebody just posted a link for Fist to Five. Thank you very much for doing that. Really simple tool. People love to talk. We've all been there. They can be all in agreement with each other, but it sounds like disagreement just because that's the way they communicate. This is a check-in. It's a reality check where you go, "Okay, let's take a second and let's see where people are on this. So if you really strongly agree, you're a five, and if you really strongly disagree, you're a zero, and if you're somewhere in the middle, let us know what it is. You get this visual representation of where people are.

It can be an amazingly refreshing shortcut because you might see all five, end of conversation. The fun one.

Values-based analysis, actually it's the example I gave you for the decision-making checks inadvertently. It's where you put your values along one axis, you put your decisions along the other and you rate how well it does or doesn't support your value.

This is kind of a punchline in a way that I hope you'll remember because it isn't obvious, but process affects content, meaning how you carry out decision-making conversations, how you make decisions can affect the decision itself.

Your board's decision-making process can influence the decision itself as well as relationships among board members. Because as family foundations relationships have extra vibration, extreme importance, extra baggage at times, and extra emotional content, we want to pay attention to the process, both so that it will support positive outcomes and strong decisions and support relationships, because a messy process can do damage to relationships and a messy process can lead to messy decisions or outcomes. I guess the really final punchline I want to say is that, there's no such thing as checking the box on decision-making. You never have it neatly tied in a ribbon because things are evolving. The decisions you're faced with are evolving. The people engaged are evolving.

I don't know if any of you are meditators out there, but you never can check the box on meditation. It's a practice. It's something we continue to do and continue to improve upon, and it's the same with decision making.

I hope you don't feel pressure to memorize that checklist and get it all right. It's not about that. It's about trying on some new tools, flexing your decision-making muscles so that you aren't in a decision-making coma, and thinking about, how can I design a process that is really going to be respectful to the stakeholders engaged, and that is going to get the information we need to make the best decision possible?

I think we're done. I would like to invite Colleen, and Ashley, and Laura, my co-panelists and fearsome threesome to come on board with their videos. Welcome, welcome, welcome. We're going to have some time for a panel discussion. Maybe you can each just as I toss the question your way, you can remind everyone who you are.

Let's start with Colleen. If you could tell us a little bit about the decision-making approaches of your foundation, the Tauck Family Foundation, and how you implement decision-making methods based on what we just reviewed today. The thing I like to ask people, when things go well, it's not that interesting because they've gone well and there's a little less to learn. But if you'd be willing to share any pain points along the way or changes you've made to how you approach decisions along the way, that would be terrific. Thank you, Colleen.

Colleen Ritzau Leth:

Great. Well, thanks, Ann. We're very happy to be here. I'm happy to be representing our family and our family foundation. We're a 26-year old foundation. We have an eight-person board completely comprised of family members across three generations, 50% women, 50% next-gen.

I would say by and large, per our bylaws we vote by majority so all decisions do rest with the board. But in practice we are consensus-driven. We really strive to take as much time as we can to get information. We're community-driven, so we employ the use of an advisory committee where needed.

Over the past 10 years, we've developed a committee structure as well. We have four committees, one for governance and nominating decisions, one related to compensation and evaluation, so staff reviews, that type of thing, finance and investment committee, and most recently a communications committee as we've moved towards more advocacy work related to our grantmaking.

The committee structure per your presentation allows us to really generate as much buy-in and engagement across the board as possible. All board members are required to serve on at least one committee and decisions are then rested with the committees. They do the due diligence. They can employ outside advisors or consultants or speak directly with our grantees and investee partners, and then they bring their recommendations to the board.

Again, we have plenty of time for conversation and open debate. I'm proud to say that we are not afraid of rocking the boat, and we have a founder who very much willingly steps back from conversations and encourages all members, including the next-gen to have equal voice and equal say. And then of course we vote in the end.

We have had instances where people have abstained or disagreed. I wouldn't call those pain points, but perhaps there wasn't as much engagement over the years as decisions went one way or another. But I think that process has allowed us to retain engagement throughout the family.

I will also add quickly that we have a strategic planning process and Theory of Change process, which we require every five years. In doing so, we're able to address not only the what, but primarily the how, so we reassess our governance structures, our decision-making processes, and in doing so, we can ensure that everyone is engaged in the work.

Our current strategic planning process, for example, has an ad hoc committee, a strategic planning task force, which is composed not only of board directors, but also members and family members who are eligible for board service or membership, but perhaps have not chosen to get involved. In opening up that task force, we're welcoming people in and trying to be as transparent and inclusive as possible.

Ann Shulman:

Thank you so much, Colleen. That's really informative and super clear. Thank you. Ashley, how about you? Let's hear about how your family foundation approaches decision making. Any things that are similar to Colleen, any things that really strike you as different?

Ashley Blanchard:

We're similar in many ways. I'm a fourth-generation trustee at the Hill-Snowdon Foundation. We have, up until very recently had a seven-member all family board, just added three community directors. I'm happy to talk more about that process because I think the decision-making process that led to that is perhaps an interesting example of how we make decisions.

But I think a few things to just know about how we operate, which informed our decision-making structure, we have been doing this together in this iteration for sort of 20 years. We've had the same executive director for 17 years. We, the six of the seven of us and really the seven of us have been on the board together for a long time. So there's a lot of trust. We're also a small family, we're three siblings, and dad, and aunt, and uncle who are all pretty close, and a cousin.

When you think about decision-making and the way that we do it, I think a lot of that is informed by the fact that we have a lot of trust, a lot of clarity of purpose and values, and a lot of just familiarity with how we do this work together.

The addition of three new directors I think will force us to step back and rethink and really formalize and clarify these processes that have in many ways been pretty informal. But I do think we are all pretty clear about the target we're aiming for, so we haven't put as much thought probably into some of the processes for how we get there, because we were all clear about where we're going. We're willing to give a fair amount of latitude for the path we choose to get there.

We're also very much a staff-led foundation. The board governs and the staff leads and really drives the programmatic decision making. The board operates more on a policy and I would say sort of steward of values level.

We address issues that come up that are really related to, who are we as an institution? Whether that be about grantmaking process or more weighty strategic decisions and things like that. How much do we increase our payout during this moment of COVID and racial equity uprisings in light of our mission? How do we rethink our grantmaking process to be more responsive? We deal with those kinds of matters, and some degree of oversight of the actual grantmaking.

So all of which is to say our formal process is that we also, like the Tauck Foundation, vote with a very strong preference for consensus. I can give you examples of the very few occasions candidly, where we haven't started out all being in one place and how we've gotten there. But in terms of the brass tacks typically, we also have committees which are delegated some authority and we're pretty clear about what those lines of delegation are. Staff has some delegated authority formally, and informally staff has a lot of delegated authority.

Staff really shapes the issues and frames the topics to go to the board for consideration with input from the relevant committees, and the board deliberates and there is a formal vote. But we really try to come to consensus. On the few occasions we haven't, we really put time and energy into working through the issues and hearing one another.

Again, I can talk more about some specifics, but the other thing that we do is have a consultant who's really our board governance consultant on hand, who is on retainer and who interviews board members every year. Really tries to figure out, what are those issues that we do need to be focusing time and attention on governance level at a policy level? And helps again, frame those issues so that we can get reports back on where everybody is positioned and what the areas of alignment or malalignment are so that we can figure out what we need to work through.

Having outside help, as you talked about, Ann, not till it gets critical and there's like a powder keg, but just on hand to keep us on track so that we can focus our energies productively on the stuff that we really need to wrestle with and not waste our time on the stuff that is more kind of proforma and not a great use of our time.

Ann Shulman:

That's a really interesting approach. Good for you. I'm wondering, given that you operate so much on consensus, have you ever set a time limit and a fallback, or at least a time limit and then said, "Hey, maybe we can come back and revisit this"?

Ashley Blanchard:

Literally I can think of one decision, two maybe that we haven't gotten to consensus, and in that case, the timeline was sort of, we had to make a decision by the end of the meeting and we didn't talk about an advance, which probably would have been beneficial.

But I think there was enough. The specifics on that, many, many years ago we were funding or there was a decision about whether to fund Get Out the Vote work. There was a board member who was concerned (and this was pre-2016, this is a long time ago) about the potential political nature of this, not from a kind of fiduciary standpoint, but from a family cohesive standpoint. Like, do we want to be involved in things that could be potentially politically divisive?

And so there were some debate and discussion and ultimately there was not consensus on the vote. But everybody felt heard to your point. I think we all agreed, we were okay with that. The alternative is that we could have put a pin in it and said, "We're going to revisit this in a week or a month." We checked the pulse and people felt okay with the decision, even not being unanimous.

But again, that was one time that we were able to get to unanimity. There were enough other examples, which I can maybe speak to later about, how we have extended the process to work through issues, bringing in additional information, bringing in opportunities to hear one another more where we could revisit and say, "Okay, where are we all now? How can we adjust things to compromise more?" Which has been incredible and really powerful.

Ann Shulman:

It really sounds like given the small and trusting nature of the past relationships, you could do that in that kind of spontaneous way. And maybe as you're inviting three new folks on, it would be really good time to think about clearing up the process before you enter it. Thank you.

Laura, I want to make sure we bring you into the conversation now, and hear a little bit about how the Gaylord & Dorothy Donnelley Foundation makes decisions at the board level, and especially if there've been any pain points that you have overcome along the way.

Laura Donnelley:

It was really good to hear the other people talking about their foundations. It's really enlightening. Thank you so much, and thank you for inviting me today. My parents started the foundation in 1952 and from the get-go they always had more non-family board members than family.

Over the years we've kept that, not just as a tradition, but because it really suits the way we like to do work, which is very collaborative with our grantees. And so we really want the expertise of these board members who are everyone who is a board member, has an area of their own expertise. We fund in only two geographies, Chicago and the Lowcountry of South Carolina. And so our funding is just so fundamental to everybody's experience on the board. We have the full complement of committees, which really sounds very much like Ashley's foundation.

We put a lot of time and energy into our committees. We work with our staff. They clearly are doing the work to get us the information so that we can start to make the decisions. How we do that is, so the committee deliberates and we will make a recommendation to the full board at the board meeting. But we will continue to have conversation about whatever it is that's a special project, so that everybody listens and is able to weigh in. When it comes time to the decision making, I would say it's almost always consensus. And then we take the vote and chances are, it's almost always going to be a full complement. So it is consensus.

I'm thinking about times when we didn't have consensus are really, really interesting and it's great to actually revisit. There was a period of time two years ago, I think two years ago, where we were working on the project of retooling our collections, a part of our funding. We'd been doing it for many, many years. But we knew that there was a lagging response and interest in it. So we decided to work with consultants to bring ourselves up-to-date and see what we were missing.

We have an arts and collections committee, which I think took time to review the work that they were doing and we were all on this committee going, "This is so mechanistic. This does not reflect the values and the humanistic approach that we have in our foundation." And so we decided it was time to take to the full board. It is one of the few times I've seen the board erupt in emotion and kind of disturbance, and really don't like this approach and it was just sort of doomed too.

I am sitting there as the board chair, I was looking at the executive director who was getting more red in the face because the staff had done so much work with these people. Finally, we think these people out the door, and we had a really great discussion about how our staff was more capable than these people by creating the kind of inclusion that we wanted to have in our collections process and in grantmaking.

In the end we convinced them that we didn't need these people to be leading us to continue to come consult. We just used our staff with some of the information they brought us. What happened is we have now retooled our collections grant making to a much better inclusive process. The whole board was just got really excited about it and the focus of our collections grantmaking now is really a lot about trust-based philanthropy. These are smaller organizations. They're BIPOC, quite a few of them, and we are really sailing now in terms of this whole area by funding. That's a really good example.

Ann Shulman:

It is really wonderful. I think it brings a lot of different points to light. There's one, if you don't mind, I'm sorry to interrupt, it just is so perfect a segue to a question that we got from an audience member where you were talking about the mechanistic approach to funding, just not being a fit for the humanistic values of your foundation.

I want to read this question and respond, and we see if any of the panelists have responses as well. It says, this question is about the decision-making process around funding. Our board makes decisions

about what agencies to fund by going around in a circle and letting each board propose an agency. Out of courtesy, the board members don't object to agencies that are proposed. Even if several board members don't support a proposal, it will most likely get funded. The process is efficient, but doesn't always reflect the full board's collective views.

I'm going to take a little crack at that. It's a really wonderful rich question and very relevant to decision-making because that is a parallel to what I mentioned about poor use of a vote, or maybe I shouldn't say poor, it's a bit judgmental, but maybe an incomplete use of the voting tool. Without discussion and without understanding why people are proposing a one agency or another agency, it's almost like you have a bunch of individual decision-makers. And so this is where I could see process really affecting content, and there are many, many choices.

One way you could change the process is, perhaps listing the different agencies that are proposed. Go round, get all the agencies and list them on one axis, and then come up beforehand with some criteria that your foundation wants to use when examining these foundations. And that could be the values of your foundation, or it could be different criteria about what you think are important.

So obviously you have to have that conversation first. What is the other axis going to be about? So that you can then have at least a collective conversation where you're looking at how each of those agencies does or doesn't fulfill a value criteria and a lens. That would be one approach.

Another even simpler is maybe you have pairs or trios of people at the meeting talk to one another and among the two or three people, you come up with an agency. So at least you're building like little mini consensus pods among people and it isn't this siloed decision making so that they come together, they talk about what they're thinking and come up with perhaps one, perhaps two agencies, but not three separate agencies. That's an example of how process can really affect content and I appreciate that question a lot.

I want to raise one other question that came up from the audience. This framework is so helpful. Thank you. The examples you're giving flow from a traditional board governance model. Can you speak to how you've seen these or other frameworks applied outside the traditional board model in family philanthropy, i.e. when the structure is not through a private foundation?

I would say I have seen this framework used everywhere in for-profits, in nonprofits, in government, in foundations, in just family conversations. It can be between two people. You can sit down and say, "Okay, we're going to have a conversation on our communications committee, because we need to bring three proposals to the board about our brochure, about changing our logo, and about getting the word out for our next round of proposals. Let's talk about how we're going to make this decision."

Let's say the committee is 5 people. We're going to have time for discussion to make sure everybody's answers are heard, and we'll try to reach a consensus, but if not, we'll take a vote.

I'm sorry, that is still in the committee structure, but you can have just a conversation with two people and say, let's talk about this. How are we going to make a decision? Because we're just two people. If we disagree, we can't pretend we don't disagree. So we've got to figure out some way to come to agreement. Maybe if we don't disagree at the end of our conversation, we're going to go out and get more information. Maybe let's agree, but a head of time on who will get that information from so that if two of us don't agree, we know what our next steps are right at the end of the conversation.

Those are my quick responses. Let's throw it back to the panelists and see if you have any responses either to, how do we use this framework outside of the traditional board model, or the previous question about each person suggesting an agency and not really reflecting the foundation as a whole? Just raise your hand if you want to respond.

Colleen Ritzau Leth:

To the first question, which I thought was very interesting. I just say a choice of one is not a choice. So I think it would be really interesting if you maintained the round-table proposals, but came with a proposal of two per person, and allow the board to vote on each of the two. I think that would perhaps enable more engagement, sense of agency, whilst enabling people who propose to have their recommendations and not drift too far from the existing model. Because we've found sometimes when change is too immediate or too fast, there can be pushback.

For example, we went through a strategic planning process 10 years ago. We brought in an outside consultant. It was a very confrontational engagement, let's say. He wanted to change a lot of what we're doing and we lost some board members through that process. Adjustments slowly and maybe going from one to two proposals would be wise.

I think on the second, it's hard to say. I am most familiar with the traditional board structure. But decision making, sometimes the decision-making pipeline let's say, or that path from information gathering to final decision-making can be reversed by the use of a straw poll. I know Ann proposed that in one of her papers recently.

We often will do a straw poll and get a sense of where people are leaning and then move back to decide what type of information are we going to need? Because if it's 50-50, we might need to go back to the drawing board and get more buy-in or information from outside stakeholders. If it's 90% one way, we might be able to call a vote today.

Ashley Blanchard:

I would just add on the first question about the process. This is where Colleen was like, "Let's be gentle and not move it too quickly." Where I'm like, you got to rethink your whole purpose here. So often when I work with clients and you come into an engagement and everybody's so focused on decision-making process and Robert's Rules, it's like the problem is not process in those cases. Usually the problem is purpose, or you don't know why you're all here together.

In this example, I would say, if the purpose of this foundation is to facilitate your individual philanthropy, then model it that way, then do that. Just give people more authority. What's the purpose of everybody rubber-stamping one another? It's not collective, it's not uniting people. If that's your goal to really bring people together around common purpose, then the individual trustees putting forth their personal projects isn't going to get you there.

If you're open to a more radical process, I think that's the model of the siblings sitting around the table can work fine for siblings. But that doesn't really scale to the cousin level. It doesn't really scale to a bigger family. So often people are clinging to like, "But that's how we do it. People put forth grants and we all democratically decide." But that's not truly collaborative. And so that tension can be really a

transitional tension. But I think at some point you have to decide what you're all doing there and then structure the process to fit the purpose.

Ann Shulman:

Beautifully said really. You're talking about purpose. Other language for that is your mission, and maybe your vision, and also your values. So those are three fundamental pieces, and I'm not sure if the person that posted the question have those to fall back on.

Colleen, I'm really sorry that I interrupted. I just wanted to make sure that people know what a straw poll is. It's similar to Fist to Five. It's like, "Okay, let's take a quick straw poll. Thumbs up if you agree, thumbs down if you disagree, thumbs neutral if you're not sure." At least that's what the tool that I use and then you can get a quick read of where people are. Is that how you do it? More or less. Thumbs up.

We got two more really great questions. So I'm going to read them and then see if people on the panel want to respond. We are exclusively family-driven now on the fifth-generation. However, I am concerned that not enough members of our funding decision processes are fully engaged in reading and evaluating grant applications. How do we create a decision-making process that encourages or even requires more diligent study of the applications and reports? Anybody want to respond to that?

Laura Donnelley:

I will. Maybe this seems really radical, but I would suggest that you don't use trustees' time reading grant proposals, because I think you really want the time for them to have conversations to discuss directions they want to go to start making decisions.

If you've got a really good staff, your staff does that and reports to you, and then you do the work of really developing your foundation and find out your mission. If you have a mission, that's wonderful, but it's time to develop it as well. I don't know if that fits you or offends you, I apologize. But I remember the days when I was reading proposals, it was such a waste of time for me. We learn plenty about our grantees by meeting them and interacting with them.

Ann Shulman:

Thank you, Laura. Thank you. How about other? Ashley?

Ashley Blanchard:

No, I would just add, I'm a trustee of a foundation that is really it sounds like echoing Laura. We have a staff and I know that the person who submitted this question said that they don't, that it's exclusively family. I think the question there is like, what do people want to do? What role do they want to play? If people don't want to be doing that work, it sounds like there's a hard challenge getting people engaged in the diligence.

Maybe you need to rethink the board roles and consider at some point, particularly in like the fifth-generation people end up engaging professionals because the board, the family doesn't have the interest or the capacity, or the ambition for the work gets bigger than what the board feels it can really do.

There's expertise in grant review and I'm a full-time working parent, I can't. That's not how I want to be spending my time. But what Laura suggested of kind of input into strategy governance, mission, that seems not only like a way that I could actually add value, but something that would be more collaborative than getting a thick docket of proposals I'm supposed to be reviewing.

I think at some point, if it becomes this sort of obligatory, everybody who wants to participate has to do all this work, there'll be implications in terms of engagement. People won't come to the party if that's what's expected and they don't really feel like they can add value. So there's sort of a trade-off and a choice there that you'll have to confront.

Ann Shulman:

I love how based in reality these responses are. This is great. Colleen, do you want to chime in, too?

Colleen Ritzau Leth:

Very quickly, I would say, create a committee for reviews and a committee for engagement with current grantees or investee partners and make it a rotational committee so that you have one or two people who are responsible for reviewing the grants until you have a staff.

Or if you choose not to have a staff, that way the onus is on them, but it doesn't become a burden because in one or two years, somebody else will take on that role. And ensure that there's also time and dedicated effort to engaging, as Laura said, with current grantees, because that's really the heart of the work that you're doing, is the people you're investing in at present.

Ann Shulman:

Beautiful. Thank you. I think we have time for one more question and here it is, we have four committees that do site visits and read applications and report their suggestions of funding to the board. The board has become a rubber stamp of the committee decisions. How can we give the board a broader role in assessing the committee decisions and not just being a rubber stamp? This is not dissimilar from the last one, but has a different twist. Anyone want to take a stab at that? Ashley?

Ashley Blanchard:

I think that it's a great question, the question of what is truly delegated and what role does the board feel it actually needs to play? If the board is comfortable and has faith in the committee's decisions, then you perhaps don't really need to assess them.

I mean, you can delegate the authority to the committee. If the issue is that the board feels detached and feels like we don't know what's going on, I think there are ways beyond grant review to do that. There are mechanisms, there are site visits, there are speakers, there's ways you can connect to the work that don't require that you rubber stamp or second guess the actual grantmaking work of the committee.

I would, I guess, try to figure out, what is it that the board wants? Is it that we don't actually trust the committee? Because that's one question or we just want to have a better sense of what's going on. That doesn't need to be served by grant review.

Laura Donnelley:

The word you use, I think really comes to the heart of it is trust, because if you've got a really great staff, they are taking care of the business and the way we operate, we give multi-year grants and we create consortiums and collaborations so that our grantees are talking to each other. The time spent at the board meeting is more the staff discussing bigger issues in our geographies. What are the trends? What do we need to be spending our time considering maybe advancing or shifting our grantmaking in some area? So that our decision making is predicated really on learning.

I want to say something about, when you have an engaged interested board, they like learning about areas that are not their fundamental area. I mean, the people who are working on our conservation efforts love hearing about what's going on in the arts, vice-a-versa all that. I would say that.

Ann Shulman:

Helpful.

Colleen Ritzau Leth:

I placed it really well when she spoke of trust. I think you really want to create a culture of trust if you're working on a committee structure. I'll just add that one thing that's very helpful for us in affording the time needed to let's save that, or question, or get involved in the committee work, because oftentimes the time on the board during those four times a year that we meet is not enough, is executive committee calls.

So in between each meeting, our executive committee meets, if there are questions about the work that's ongoing at the committee level, or there are doubts, those are often aired on those calls in a concentrated space, where time's not going to run over necessarily. So you might think about creating interim check-in points.

Ann Shulman:

Lovely. Love that. I just want to echo, when it comes to creating a culture of trust, clarifying decision-making may be your very best tool. Truly making it super clear how people's input is going to be used and how decisions are going to be made, goes a long way to creating a culture of trust.

Let's do a lightning round in closing where I'd like to ask each of our panelists, if you had one piece of advice about decision making for those listening, what would it be and why? What do you want people to walk away with based on your years of experience and insights about decision making? You can take a moment to think about it.

Ashley Blanchard:

I'll jump in. I said this earlier, but I think if, as I said, you're spending a lot of time thinking about process, you might want to question why you're doing that, because I think you might have some other issues you want to attend to.

So if your every meeting you're hung up over where, "Wait, has somebody called a vote? Who's made a motion?" If that's a lot of how you're spending your time, I would step back and look at, okay, are we clear about our goals and why we're doing this and our values? Are we using the time of the board most effectively and efficiently? Are we asking the board to be involved in decisions that maybe they don't actually need to be involved in? Are we asking the board to make decisions that they actually don't have the information they would need to make and so there's discomfort there?

I think it's really important to clarify process. It's really important to clarify decision authority, like who has a seat at the table and has a voice. But if you're finding yourself in circles, you might need to have to step back and think about purpose and values.

Ann Shulman:

Terrific. Colleen?

Colleen Ritzau Leth:

I would say that the decision-making process is a listening process first and foremost, when done best. I think when we, and I don't mean we, but in general when anyone reverts to quick rubber stamping or approval because of afraid of dissent or afraid of questioning or afraid of veto, engagement is lost almost overnight.

The more listening, the more time you can afford to share the process that's behind the recommendation or the pain points or points of questioning that went into making a proposal before the decision is made and afford that time for listening, the richer the experience, the better the engagement, the longer and stronger the sustainability of the foundation.

We, at the end of the day were created by my grandfather and his purpose was not to create a foundation necessarily for the benefit of grantees, but also for the benefit of family participants and to ensure long-term sustainability of governance and to ensure that the next generation would want to be there. One of our greatest strengths has been just that we have these deep conversations, not only with each other, but with our grantees. So listen, listen, listen, and afford that time.

Ann Shulman:

Beautiful. Thank you. Laura?

Laura Donnelley:

There has always been a long term legacy about the areas of purpose and interests that my parents were really setting up the foundation for. There's been a lot of evolution, but I want to say that because there's a sense of parity amongst the family and the non-family board members that has been really kind of generated and fostered over many, many years.

I would say that one reason that we don't get a lot of hot water and squabbles on the board is that we don't bring in family issues into the work of our foundation. Our decision making does not have to deal with that kind of thing. But we do have a mechanism outside of the board for the family as a whole to really grapple with certain issues that actually relate a lot to particularly conservation.

I think that, that also has helped us to keep the interest of the family board members who will be coming on in the next generation. And so I would say if at all possible, take it out of the boardroom.

Ann Shulman:

Really great advice. We have just a minute left. I just want to say one quick thing, which is foundations like any organization, go through stages of development, just like people and the decision-making methods have to evolve with the organization.

I want to thank my panelists. I want to thank everyone who has been here today. I'll turn it over to Nick.

Nick Tedesco:

What an extraordinary conversation. I want to thank you all. I want to thank you, Ann, Ashley, Colleen, and Laura. Really appreciate this. This was very informative.

A couple of brief announcements before we all depart here. Our next Fundamentals of Family Philanthropy webinar, "Building a Social Impact Strategy and Approach", will be held on Thursday, June 10th at noon Eastern. In this webinar, we hope to share practical guidance for how to build or refresh your grantmaking strategy and approach.

We're also pleased offer peer networks for those who are interested in connecting with your colleagues. We recently launched a Board Chair Peer Network. So if you're interested in joining any of our existing or new peer networks, please email Katie Scott at the email address on your screen. Don't forget to connect with us on social media for great information like live tweets from today's webinar and articles from the field.

Lastly, please be on the lookout for our new Passages Issue Brief, Demystifying Decision Making in Family Philanthropy, authored by Ann, that will go much deeper into the concepts that we talked about today.

Thank you all for joining us and as always being part of the community. Hope you have a great rest of your week. We really appreciate you. Take care.