

Demystifying Decision Making

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Description

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 and 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 a solution smoothly and expediently. Learn about the range of models that philanthropic families adopt to guide their giving and explore how to promote a healthy, open, and honest culture of communication across a family philanthropy effort.

Replay Link

View the webinar [replay here](#).

Summary and Resource List

Definitions and Key Phrases

A **decision-making coma** happens when a group makes decisions the same way all or most of the time. There is often an informal or formal process in place that is not being examined to understand how the group could be maximizing its decision-making potential. The decision-making coma happens for a number of reasons:

- **Tradition** – those who came before did it this way, so the group continues to follow in their footsteps.
- **Bylaws** – The bylaws dictate a type of process, or there may be an inaccurate understanding of what they dictate in terms of decision making.
- **Personalities** – There may be a strong personality and presence guiding the conversations, and others may be more conflict-averse.
- **Complacency** – Some may not want to rock the boat, or others may feel that the decision-making process is working well enough, so why change it.

There are five main decision-making models:

- **Individual decides unilaterally**
 - With this method, an individual—usually the board chair—makes a unilateral decision and announces it to the board.
 - This approach may also be used by a committee chair, a senior board member or any individual in a position to make the decision.
- **Unilateral decision, with input from individuals, or from the whole group**
 - In this case of individuals, one stakeholder is authorized to gather input from other individuals before making the decision and announcing it to the entire group. The key to using this method successfully is seeking input from appropriate stakeholders.

- In the case of input from the whole group, all stakeholders come together to share their perspectives on an issue but ultimately one person retains decision-making authority.
- **Delegation**
 - This method of decision making is useful in situations where a subset of the group is likely to have expertise about an issue, but where other stakeholders have one or more specific requirements for the decision being made.
 - In a board environment, decisions may be delegated from the full board to a smaller committee to take on the discussion and decision-making process.
- **Board vote**
 - Most foundations use some form of voting to make decisions. Besides being a familiar method, it yields a definite outcome, includes everyone, and feels fair.
 - The key to successful voting is informed, fair discussion before the vote is taken.
 - The vote can be simple majority, a two-thirds vote, etc.
- **Consensus approach**
 - Reaching consensus does not mean that everybody has to be in perfect agreement with a decision; rather, it means that all stakeholders have an opportunity to express their views as equals, understand the decision as it is proposed, and can support the decision in words and actions.
 - While it may not be everyone's first choice, they can all live with the agreed-upon decision and accept that it meets the important interests of the group.

There are helpful decision-making tools to assist discussions:

- **A decision-making matrix** allows you put the decisions that the board or decision-making body are faced against a lens or set of criteria important to the decision. A matrix can be scored with a yes/no or with a numerical answer to assist decision making.
- **A SWOT analysis** helps you map the strengths, weaknesses, opportunities, and threats of a situation for a multi-faced examination of the core decision.
- Asking a **negative question** allows for those who disagree to easily identify themselves and engage in the discussion. For example: "Does anyone disagree with the proposal to include these three members of next-gen in our next board meeting?"
- **Fist to Five** is a helpful visual tool to temperature check how individuals are feeling about a specific decision. It asks for each participant to show on their fingers how positive or negative they feel about the situation, with 5 fingers extended as feeling the most positive.
- **Values-based analysis** is when you rate your decisions through the lens of your collective values. Much like the decision-making matrix, put values along one axis, and decisions along the other axis, and rate how well the decision does or does not support these values.

Terms and definitions sourced from the webinar transcript and *Demystifying Decision Making in Family Philanthropy* by Ann Shulman.

Webinar Takeaways

There are three steps to strengthen your decision making:

Step 1: Know Your Decision-Making Options

- It is important to understand the different models for decision making at the board level and the advantages and disadvantages of each. Each family is different—holding different choices, relationships and emotions, and timelines for decisions—so it is essential to choose a framework that maximizes the decision-making potential of your family with its given circumstances.
- Depending on the level of inclusion and the level of buy-in your family prioritizes, you may be apt to choose a decision-making framework led by an individual or led by a collective body. The models with the lowest level of inclusion and buy-in are: individual decides unilaterally, or individual decides unilaterally with input from others. Delegation and a board vote or two methods with deeper inclusion and buy-in, with a consensus approach having the highest level of buy-in and inclusion overall.

Step 2: Decide How to Decide

- After understanding and examining the decision-making models at your disposal, you must “decide how to decide”. Making this choice helps the framework become clear to all stakeholders involved.
- This decision is commonly made by the board chair, but it can be chosen by the head of a committee or another stakeholder tasked with making the choice.

Step 3: Name it Up Front

- After the decision-making framework is finalized, it must be communicated out to relevant stakeholders before another opportunity to make choices collectively.
- It is very important to be clear about how decisions will be made and how individual input will be used at the beginning of an undertaking, be it a family meeting, retreat, or series of meetings.

Resources

Resources on Decision Making

- [Demystifying Decisionmaking in Family Philanthropy](#) (NCFP, 2003)
- [Democratizing Family Philanthropy: Shifting Practice to Share Power](#) (NCFP, 2020)
- [Decision-making in Family Foundations](#) (The Bridgespan Group)
- [Fist to Five Voting and Consensus](#) (NCFP, 2018)
- [Good Governance: How to Use Board Committees Effectively](#) (NCFP, 2017)
- [Policy Central: Board Meetings, Board Job Descriptions, and Rotation Policies](#) (NCFP, 2021)
- [Splendid Legacy 2 - Chapter 8: Good Governance: The Foundation Imperative](#) (NCFP, 2017)
- [Trends 2020: Board Learning & Decision Making](#) (NCFP, 2020)

Stay tuned for the upcoming *Passages Issues Brief: Demystifying Decision Making in Family Philanthropy* by Ann Shulman. A copy will be shared with all webinar attendees following publication.

Featured Speakers



Ashley Snowdon Blanchard is a seasoned nonprofit strategy and management consultant, with a focus on strategic planning for family foundations. She heads the philanthropy practice at Lansberg Gersick & Associates, where she helps families create philanthropic institutions that make a meaningful impact in the world, and that provide a rewarding family experience. She also works with enterprising families to develop strategies for integrating their philanthropic and wealth utilization activities into their broader continuity plans.

Ashley works with family foundations to help them clarify and align their social impact and family engagement goals. She helps families define their collective vision for their philanthropy, and then build the structures and programs to support that vision. She applies her deep knowledge of family foundation governance to her consulting work and regularly presents and writes on family philanthropy for the National Center for Family Philanthropy, Exponent Philanthropy, Grantmakers for Effective Organizations, and regional associations and affinity groups. She is a fourth-generation family trustee of the Hill-Snowdon Foundation and recently joined the board of the National Center for Family Philanthropy. Before coming to Lansberg Gersick & Associates, Ashley worked as a consultant to foundations, first at TCC Group, and later in her own practice.

Ashley is a graduate of Stanford University and the Goldman School of Public Policy at the University of California, Berkeley, where she completed her Master's Degree in Public Policy. She lives in New York City with her husband and children.



Laura Donnelley chairs the board of the Gaylord and Dorothy Donnelley Foundation of Chicago and the Low Country of South Carolina. She has pursued her lifelong passion for innovative contemporary art in a variety of ways. She founded Art Matters Incorporated, a nonprofit organization funding artists taking risks outside the boundaries of the commercial arts culture. She founded the Good Works Foundation supporting arts, education, and climate resiliency primarily in Southern California. Laura also chairs the board of the Institute of Contemporary Art, Los Angeles (ICALA). As well, she sits on the board of Sarah Lawrence College.



Colleen Ritzau Leth is the President of the Board of Directors of the Tauck Family Foundation, a private, third-generation family foundation which invests in organizations and initiatives that equip the children of Bridgeport, Connecticut with the necessary social and emotional skills to thrive academically and in life. She has served on the Board of TFF for over 10 years, previously chairing the Governance and Nominating Committee and serving as Vice President. Outside of her work with TFF, Colleen is a specialist in museums and cultural affairs. Trained as an art historian, she is a published author and the recipient of numerous research grants for studies on the history of collecting and museum development. Colleen has worked internationally with government and cultural organizations including the National Museum of Denmark, the Egyptian Ministry of Culture, the International

Council on Monuments and Sites, the International Center of Photography, USAID, Film Independent, The Metropolitan Museum of Art, and Sotheby's, where she directed the Sotheby's Museum Network. She is a Creative Time Global Ambassador, Vice Chairman of the Statens Museum for Kunst, Executive Director of TRIP Giving, and Co-Founder of BAFA, a mentorship platform for culture sector professionals. Colleen holds a BA in Art History from Barnard College, an MA in Art History from New York University, and an MBA from the University of Oxford, where she was Chair of the Oxford Art & Business Network.



Ann Shulman has over twenty years of experience working with foundations and non-profits to diagnose challenge areas and help build organizational capacity to address them. Ann uses her expertise in facilitation, conflict resolution, leadership skills training and intra-organizational communications and decision-making to help organizations manage internal operational issues — from designing high-impact grant-making programs, to planning and facilitating high stakes meetings and retreats, to resolving governance issues on boards of directors.

Ann's focus is on environmental programs, as well as foundations and NGO's working in the fields of education, health and human well-being, reproductive rights, criminal justice reform and women's philanthropy. She is passionate about using the power of effective communication to transform human systems to do their good work even better.

Ann has extensive experience in leadership curriculum design and delivery, having trained the leadership and staff of organizations ranging from Fortune 100 and 500 companies to top-ten foundations to academic institutions to small family foundations and local community groups. She also serves as a professional executive coach, mediator, facilitator and trainer. Ann brings an international perspective, having worked in over a dozen countries.

She is the former President of the Northern California Mediation Association, is a past Executive Director of the Greater Good Science Center at U.C. Berkeley and is on its Board, is the Vice Chair of the West Marin Fund Board of Directors, is on the Board of Directors of the Blue Sky Funders Forum, and is the Program Director of the Lampert Byrd Foundation's Environmental Stewardship Fund.

Ann earned her B.S. in Psychology from Duke University, her J.D. from U.C. Berkeley Boalt Hall School of Law, and her LL.M. in International Law from the European University Institute. She is an adjunct faculty member of the Hastings College of Law in San Francisco where she teaches courses on facilitation.