

Words from a Winning Board President “Tone at the Top Matters”

by Vincent Hyman, Vincent Hyman Editorial Services

God’s Pantry Food Bank distributed nearly 23 million pounds of food this year, a substantial portion of which is frozen meat and fresh produce. Its focus on good nutrition for people in need is just one indicator of a forward-thinking nonprofit.

Located in Lexington, Kentucky, God’s Pantry Food Bank covers 50 counties to the east, including many in the hard-hit coal regions and parts of Appalachia. Of the nation’s 25 poorest counties, 12 are in the food bank’s service area, and the need is growing. The organization has completed a successful capital campaign, raising \$3.6 million to expand capacity to meet the urgent need in this region.

Steve Jennings recently stepped down as president of the board at God’s Pantry Food Bank. He was also awarded the 2012 PNC Bank and Mountjoy Chilton Medley Outstanding Board Leadership Award by the Kentucky Nonprofit Network. In a recent interview, he discussed some of the factors that have helped the board reach more people.

“When I first joined the board, about twelve years ago,” says Jennings, “we’d just completed a new building and were distributing a bit less than ten million pounds of food annually. Need has skyrocketed. In fiscal year 2011, we saw our poundage increase thirty-three percent, from eighteen million to almost twenty-four million pounds.”

The organization moves this much food with about 40 employees. “We’ve benchmarked against our peers. We have a lot of poverty in our service area, so we have to look hard at being efficient, and we’re doing extremely well on that front. There are many places that distribute fewer pounds with more employees. Eighty to ninety percent of every donation we get goes to feeding someone.”

Jennings credits the success of the organization with excellent staff leadership and a stable, engaged board that sets a tone of high expectations for performance. It may help that Jennings is an audit partner with Crowe Horwath and interacts with numerous boards of directors. The experience he’s had observing other boards has led him to some important reflections on how a board influences the success of its nonprofit.

Defining your brand

Jennings explains, “When we do an audit, we evaluate the ‘tone at the top.’ This tone is how the board governs and interacts with the organization. As an auditor, we have to determine if the board is active and doing a good job. Are they attending? Are they maintaining reserves? Are they actively governing?”

“When I took over as board president at God’s Pantry Food Bank, the notion of tone at the top stuck in my head,” Jennings continues. “I asked, ‘What are we doing to send the right message to the organization, the staff, our volunteers, our clients and the public?’ Yes, we want to manage risk, but we also want to engage employees, build a strong board, cultivate and engage good people so we can fulfill our mission.”

At a glance

Steve Jennings is an audit partner with Crowe Horwath and past president of the board at God’s Pantry Food Bank, which includes in its service area 12 of the nation’s 25 poorest counties. Jennings recently received an award for his board leadership. In this interview, he describes three notes that combine to create a “tone at the top” that shapes organizational success:

- Take governance seriously
- Get the right people on the board
- Empower top management to do its job

Jennings says three attributes create the right tone at the top. First, it must take governance seriously. Then it must be sure it has the right people for the current and coming conditions. And it must enable top management to do its job. The notes that set the right tone will sound different for every board, of course.

Taking governance seriously

At God's Pantry Food Bank, governance was already taken seriously, but Jennings set about ensuring that the culture continued to do so. Boards must of course set budgets, evaluate the executive director, and monitor performance indicators. These are the basics of good governance, but, notes Jennings, "a lot of times, board members aren't as engaged to do this stuff—carefully reviewing and approving a budget doesn't strike them as being mission-focused. But the basics of governance are where the board exercises its significant oversight role."

Jennings says that the Kentucky Nonprofit Network and the Kentucky State Auditor had both issued guidelines for good board performance. An ad hoc committee of the board reviewed the guidelines and compared them with the organization's board practices. "They made a formal report to the board, and we reported back to the Kentucky Nonprofit Network on our practices." Jennings said that the board already met or exceeded most of the recommendations and had only a few areas on which to concentrate. A second check against the State Auditor guidelines showed that God's Pantry Food Bank was in compliance with all applicable recommendations. "We applied multiple best practices, checks, and balances to be sure we were functioning as a board should be."

Enabling top management

Jennings referenced Jim Collins's 40 page booklet, *Good to Great and the Social Sectors*. "Collins talks about 'getting the right people on the bus.' Our board is fortunate. We have three past presidents on the board, and they have done a great job with the nominating committee. We don't have a board filled with the usual suspects or people who are sitting on several other boards. We have folks from some significant organizations, but they are at levels in their organizations where they can really get things done. And we've had good continuity. We've brought in the right people." Jennings explains that they were fortunate to have a retired Fortune 100 finance leader as board president, who helped guide the organization through the recession.

Jennings says that good cultivation helps get the right people queued up for the bus. "We have a new board president and have a good succession path after that, with several future president prospects. Not every board member works out. When someone isn't engaged, we part ways after their term on the board expires."

The organization's recent capital campaign required an intense focus on fundraising. "We really raised the bar, increasing the size of gifts dramatically and changing our culture of fundraising. We also needed board members to step up and give more. We asked for a lot, and they gave. Even as we cultivated new members, we let them know about the gift expectations. We have had one hundred percent participation in board giving to the capital campaign."

The board also increased engagement by shifting toward a consent agenda and adding board education components to most meetings. "We had meetings at warehouse sites, we had staff talk about food sourcing, we met with local political representatives, we visited a food pantry site, and we heard firsthand from member agencies and clients about the importance of food banks in their lives. All those meetings were well-attended," says Jennings.

Finding the right people

The third component of "the tone at the top" is the board's role in helping management succeed. "Our CEO, Marian Guinn, is an awarding-winning, nationally recognized food banking leader," says Jennings. "She has done a great job of building a leadership team. We have to continue to empower her and keep up with her. We need to let her go as fast as she can to keep up with the changing needs and also know when to challenge her thinking. She knows the day-to-day business better than us."

Sound advice, but follow-through counts

As with all management advice, talk is cheap; it's action that counts. The success of God's Pantry Food Bank in meeting increasing needs during a time of economic recession is evidence that the three notes that make a good "tone at the top"

are in good harmony. The organization has a board culture that seeks action-oriented members, reinforces engagement, and cycles out those who can't participate. Its actions to set the tone—taking governance seriously, finding the right people, and enabling its top leaders—serve to perpetuate that culture.

It's a virtuous cycle others may learn from.



Vincent Hyman is an award-winning writer, editor, and publisher. After leading the development of the nonprofit publishing center at Amherst H. Wilder Foundation and the publishing program of Fieldstone Alliance, Inc., he founded Vincent Hyman Editorial Services, with expertise in nonprofit management and related issues and additional work in human services, corrections, and business writing.

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1 South Wacker Drive Suite 2380
Chicago, IL 60606
800.526.4352
Fax: 312.930.0375

www.firstnonprofit.org