

# Take It Up A Notch: Using Kaizen for Continuous Improvement

You can make enormous gains with a series of small changes.

*By Bob Harris*

## *“Can you help us take our organization to the next level?”*

It's a frequent question among boards and executive directors. But it's difficult to make improvements when staff members are busy “putting out fires” and board meetings are characterized as “micromanaging.”

For example, the board agenda may include annual conference objectives. But conversations quickly drop from broad goals to the tactical level of coffee breaks and hospitality suites.

Directors lose vision when they focus on minutiae. Instead, they need to step back to take the long perspective. Then they can make the small enhancements to systems and documents that can yield lasting results.

## The Process of Improvement

In eastern cultures the process is called Kaizen. It's the practice of continuous improvement. It's a pillar of an organization's competitive strategy.

To start the process, gain agreement from board and staff that enhancements can be beneficial. Then prioritize a list of processes, systems, and documents that may be out of

date, that cause frustration, or that are simply pointless. Strategize as a team about how to make improvements.

## Ten Elements to Take It Up a Notch

Here are some of the elements that may need tweaking, along with some suggested questions to help you pinpoint where small changes may be beneficial.

### 1. Board Meetings

- **Are meetings too frequent** or too long?
- **Is the room set-up conducive to conversation** and decision-making?
- **Is the mission statement visible** where everyone on the board can see it? (Some boards write the mission on each person's name tag or place card.)
- **Do guests or ex-officio people** inhibit dialogue?
- **Has the agenda been crafted to ensure** that the board focuses on mission and goals, not just reports and updates?

### 2. Bylaws

- **Are bylaws lengthy**, inconsistent, or hard to read? How can they be improved?
- **Should policies be moved** to a policy notebook?

- **Are bylaws compliant** with the state's not-for-profit corporate requirements?

### 3. Leadership Manual

- **Does the board have access to current documents** through a leadership manual distributed annually, or in a password protected portal?
- **Do directors sign something** to show that they've received and committed to read the manual?
- **Does the manual include organizational charts, calendars, strategic plan, and the essential notices of conflicts of interest, confidentiality, and antitrust avoidance?**

### 4. Strategic Plan

- **Is it clear to the board that creating the strategic plan** is the *start* of a process? Do you build in action plans and deadlines to be sure the plan is a living document rather than a report forgotten on a shelf?
- **Do you monitor the plan's progress**, using agreed-upon performance measures?
- **Do you appoint a plan champion** to report on the plan's progress periodically?

### 5. Director Orientation

- **Have you recently reviewed the process**, content, and delivery of orientation?
- **Do you conduct orientation yearly** as a refresher for the entire leadership?
- **At the annual orientation, do you discuss** conflicts of interest, risk awareness, and access to governing documents, budget, and strategic plan? Do you make sure everyone signs commitment forms stating that they have reviewed and understand this information? Do you invite committee chairs and future leaders to this orientation?

### 6. Committee Structure

- **Do you treat committees as flexible teams** rather than sacred cows that can't be merged or eliminated?
- **Does every one of your committees have a purpose statement**, current-year expectations, and performance measures?
- **Do committees align** with the goals in the strategic plan?
- **Do committees have the support** of committee liaisons from board or staff?

### 7. Chapters

- **Does a network of chapters** exist? If so, have you assessed their strengths and weaknesses lately?
- **Have you determined the proper structure** for chapters to ensure they're in legal compliance and have minimum risk?
- **Do you provide templates and tools for chapters** to support effectiveness?


### 8. Reports

- **Do you save time at board meetings by moving non-essential reports** to a consent agenda?
- **Do you keep oral reports** at meetings to a minimum?
- **Do board members identify the information they want tracked** so that staff can create dashboard reports depicting trends, successes, and gaps?
- **Do you use external benchmarks** to gauge organizational performance?

### 9. Financial Reporting

- **Do you present financial reports** in comprehensive, consistent formats?
- **Do minutes consistently reflect the board's acceptance** of the reports?
- **Would pie charts supplement financial reports** to improve understanding?
- **Does everyone on the board understand financial statements** and budgets?
- **Should a CPA offer board members a refresher course** on nonprofit financial requirements?
- **Do board members understand their relationship** to IRS Form 990?

### 10. Governing Body

- **Is the board the right size?** (The average is about 15 directors.)
- **Does the board take care to govern**, not manage?
- **Are directors selected based on competency** rather than on geography?
- **Does the board conduct** an annual self-evaluation?
- **Has a review of governing structure and documents** been conducted recently? 

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## Resources

(see [NonprofitWorld.org](http://NonprofitWorld.org))

**Do You Have These Four Crucial Committees?**

(Vol. 32, No. 4)

**A Board Member Self-Assessment** (Vol. 15, No. 6)

**Reporting Financial Information to the Board** (Vol. 28, No. 4)

**Got Bylaws?** (Vol. 26, No. 4)

**Improving Board Meetings: Three Steps to Success** (Vol. 24, No. 6)

**Using Board Portals to Keep Directors Connected** (Vol. 29, No. 3)