

## **What Non-Profit and For-Profits Boards Can Learn From Each Other**

On June 25<sup>th</sup>, NACD Chicago Chapter members and guests were treated to a very engaging discussion regarding “What Non-Profit and For-Profit Boards Can Learn From Each Other.”

The impressive speakers were Dr. Helene D. Gayle, President and CEO of The Chicago Community Trust, and Linda S. Wolf, Executive Chair of The Chicago Community Trust and former Chairman and CEO of Leo Burnett Worldwide. Both speakers have remarkable backgrounds and experiences that they shared with the group.

Dr. Gayle is fairly new in her role at The Chicago Community Trust, one of the nation’s leading community foundations. The Trust works with donors, non-profits, community leaders and residents to lead and inspire philanthropic efforts that improve the quality of life for residents of the Chicago region. Hailing from New York State, her initial impressions include the realization that Midwesterners are less edgy than people on the East Coast, and more importantly, how much pride Chicagoans have for their city.

Key takeaways from the discussion:

- Whether a for-profit or non-profit board – developing and managing a strong culture is essential and oversight is a responsibility of the board. Dr. Gayle believes culture is a core asset of any organization. While an organization can exist without it, with a strong culture, an organization has the necessary “rocket fuel to move forward.”
- Many non-profit boards have term limits for directors and both speakers believe for-profit boards should adopt term limits as well. When Ms. Wolf was a director at Walmart, she was surprised that a study conducted at that time revealed that only 3% of public company boards have term limits. In 2017 term limits with the S & P 500 were still a scant 5% according to the IRRC Institute.
- For-profits are starting to focus more on creating social value – they can learn from non-profits.
- Non-profit boards can learn from for-profits when it comes to recruiting – focus more on the skill sets needed for the organization versus the “give or get” mentality.
- For-profits are very good at setting objectives and measuring results – an area where non-profits could learn and do better. While it may be difficult for many organizations to measure social change, it is an important component of measuring impact.
- Non-profits are strong at creating passion, purpose and mission – an area where for-profit boards can learn and improve.
- Non-profits tend to take more risk and innovate – they welcome change. The speakers felt this is an area where for-profit boards could do more.
- Regarding governance, without an “SEC” to regulate non-profits, their governance practices vary greatly. The speakers believe non-profits could benefit from more structure and transparency in this area.