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Foresight First

FOR ASSOCIATIONS TO SURVIVE AND THRIVE IN A TIME OF CONSTANT CHANGE, THEIR LEADERS NEED TO DEVELOP A CLEAR-EYED AND DISCIPLINED FOCUS ON THE FUTURE. THE DUTY OF FORESIGHT IS A RESPONSIBILITY THAT BOARDS MUST EMBRACE NOW.

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he beginning of 2016 is the right time for association boards to make a fundamental choice. On the one hand, they can choose to confront the insistent reality of profound societal transformation—as well as its growing impact on their organizations, their stakeholders, and the fields they serve—with a genuine seriousness of purpose. On the other hand, boards can permit the detrimental human limitations of myopia, nostalgia, orthodoxy, and denial to constrain how they think about governing for the future and, in so doing, severely limit their ability to build associations capable of thriving in the years ahead.

To some, my framing of this choice may seem overly dramatic and stark. It is an understandable reaction, since most of us experience change as a strictly linear phenomenon, similar to driving down a long road. The transformation already underway, however, is coming from all directions at an exponential rate, and it will continue to accelerate and intensify in every field of human endeavor over the next decade and beyond. No industry or profession will be exempt.

Preparing their organizations and stakeholders for whatever comes next, then, will require association boards, along with other governing contributors, to collaborate and embrace what I call the duty of foresight.

It is well established that the boards of all nonprofit organizations, including associations, must fulfill three critical legal duties:

- the duty of care (exercising prudence in decision making)
- the duty of loyalty (giving allegiance to the organization)
- the duty of obedience (acting in a manner consistent with the organization's mission)

These three duties define the standards of conduct for board members as they pursue the work of governing their organizations. In a world of transformation, however, they do not go nearly far enough. To this list, I am adding the duty of foresight, a higher standard of responsible board conduct grounded in the affirmative choice to look continuously toward the future.

Boards need to understand as much as possible about the plausible impact of the forces of societal transformation and learn how to harness them for the benefit of their organizations and stakeholders. While the duty of foresight may never become a recognized legal duty of nonprofit boards, it is clearly an essential strategic duty and, arguably, a moral obligation to both association stakeholders and society.

Core Concepts

Three core concepts form the foundation of the duty of foresight: strategic legitimacy, board stewardship, and readiness to learn.

STRATEGIC LEGITIMACY. The organizational inertia created by valuing the past more than the future damages the credibility and legitimacy of association boards. When board decision making is imbued with nostalgic feelings and driven by orthodox beliefs, how can stakeholders feel confident that those who govern understand or care about the most significant problems, needs, and outcomes that these same stakeholders and their peers are working on right now? To put it another way, why should stakeholders believe that the board “gets it”?

Reasserting strategic legitimacy requires every board to adopt a denial-free recognition of the forces of societal transformation. Board members must develop an empathic understanding of transformation's unique impact on the field, organization, and stakeholders they serve and make a genuine commitment to accelerate their association's progress toward the future.

BOARD STEWARDSHIP. Association boards also must nurture a shared responsibility for future-focused stewardship. Instead of adopting a short-term ownership perspective that may resist the realities of transformation, reject the risks of innovation, and reinforce a preference for the status quo, boards should operate as forward-looking investors who work collaboratively over time to grow the tangible and intangible value of the association as an asset that belongs to and exists for stakeholders' benefit.

This form of stewardship helps boards steer clear of myopic decisions by situating complicated and difficult choices in their real-world contexts. It demands greater coherence and a stronger sense of purpose around the board's long-term intentions for both stakeholders and the organization.

READINESS TO LEARN. Even as the ability to learn emerges as the primary differentiator between success and failure in a world in flux, many association boards still struggle to make

WHY SHOULD STAKEHOLDERS BELIEVE THAT THE BOARD “GETS IT”?



DEVELOPING A STEWARDSHIP STATEMENT

Through a stewardship statement, boards can crystallize the deeper significance of their work for themselves, as well as for staff and other volunteers, and can communicate clearly about the critical role that foresight plays in achieving the full impact of effective stewardship. Here is an example of a stewardship statement that has been edited to remove specific association references:

As its primary stewards, the board of directors ensures that the association's day-to-day activities connect with the long-term evolution of the profession. The board supports staff's efforts to create distinctive and meaningful value for all stakeholders through its thoughtful oversight, ongoing strategic thinking and foresight, and consistent investment in innovation. The board also strives to ensure that its work, as well as the work of other association contributors, embodies a shared commitment to collaboration, passion, and professionalism.

The board's duty of foresight is made explicit in this stewardship statement. The statement establishes the key elements underpinning the board's strategic legitimacy, clarifies how the board thinks about its own stewardship responsibilities, and demonstrates a readiness to learn through the pursuit of innovation.—J.D.

learning a genuine priority. But associations must acknowledge that their boards cannot possibly know everything and actually don't know what they don't know.

In this context, learning is about much more than gathering up enormous quantities of data and information to drive decision making. Instead, it is about making sense of the operating environment's unfolding dynamics, making meaning around their implications for strategic intent, and crafting insights that can guide effective board action.

Taking Action

There is no one preferred method for boards to move forward with embracing the duty of foresight. Indeed, boards should experiment with developing approaches that can be sustained and expanded with the assistance of staff and other voluntary contributors. The following three-part structure is a straightforward approach that most organizations can use to get started and then build on over time.

DEVELOP A STEWARDSHIP STATEMENT.

Future-focused stewardship is not just a board responsibility. All stakeholders can participate in stewardship, including (and especially) the work of foresight.

To make that connection explicit, I recommend that boards develop a stewardship statement. (See the example on page 51.) Creating a stewardship statement challenges board members to reflect on and synthesize their original motivations for getting involved, their understanding of individual and collective governing responsibilities, and their long-term aspirations for the association. Through this statement, boards can crystallize the deeper significance of their work for themselves, as well as for staff and other volunteers, and can communicate clearly about the critical role that foresight plays in achieving the full impact of effective stewardship.

PURSUE THE WORK OF FORESIGHT

AS A CONSISTENT PRACTICE. The rapid and relentless pace of transformation means the time to look ahead is *all the time*. With that in mind, boards must treat the work of foresight as a consistent practice. Board chairs and CEOs should work together to ensure that every meeting agenda includes generative questions developed through the regular use of foresight tools, including environmental scanning, scenarios, and stakeholder personas.

In addition, boards should cultivate foresight as an open and inclusive practice by inviting the participation of widely distributed stakeholder networks that include diverse and edgy voices not normally heard in association boardrooms. These network contributors are less likely to be beholden to organizational orthodoxies, frequently are more attuned to

“DESIGN FOR THE LOSS OF CONTROL”—THAT IS, PURSUE NOVEL OPPORTUNITIES THAT CAPITALIZE ON DISRUPTION.

important signals of the future, and sometimes are already involved in redefining the rules of their fields. Boards can collaborate with these stakeholder networks to anticipate emerging shifts and harness the forces of transformation to create distinctive new value.

CRAFT PRINCIPLES OF ACTION. To translate both stewardship intentions and the practice of foresight into action, boards need a robust yet flexible framework to guide their decision-making processes. Principles of action—a small number of justified beliefs about the necessary conditions for the association to thrive—can help to create organizational resilience even as associations confront volatility and uncertainty. In fact, adhering to a carefully crafted set of forward-looking principles can help association boards “design for the loss of control”—that is, pursue novel opportunities that capitalize on disruption.

Principles of action must be grounded in the substance of the stewardship statement and infused with an understanding of how foresight influences the board's thinking about value creation for stakeholders through the organization's strategic intent and business model. They can function as a compass that guides boards toward reflective rather than reflexive decision making about the future.

The board's duty of foresight currently does not possess the legal standing and importance of other established governing duties. Perhaps one day, it will. Today and in years to come, however, the real-world consequences of boards failing to accept the responsibility of pursuing the work of foresight will be borne primarily by associations and their stakeholders.

As stewards who have succeeded other stewards, board members who recognize the duty of foresight as an opportunity to harness the forces of societal transformation and create a different future for those they serve will demonstrate personal humility, shared trust, and genuine respect for their successors. These are worthy next traditions for all association boards to embrace.

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