

# EXEMPT

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## At The Top

*Nonprofit boards seek transformational executive leadership*

BY DENNIS C. MILLER

**N**onprofit boards are seeking a chief executive with transformational leadership styles. Board members previously often placed a strong emphasis on recruiting chief executives who were passionate about the mission, experienced with grant writing, program development, possessed good management and community relationship skills.

Though these skills remain important, they are secondary to the ability to communicate one's vision and motivate all stakeholders to work toward its achievement.

Transformational leaders motivate others through a continuous demonstration of self-confidence, courage, competence, compassion, communication, collaboration and coaching. They serve as role models who inspire their staff and board members to work towards achievement of a common goal of having a greater impact on the lives of others.

The following are the transformational leadership competencies that nonprofit boards are seeking:

- Visionary thinker;
- Inspirational motivator;
- Entrepreneurial spirit;
- Relationship builder;
- Achievement driven; and,
- Collaborator.

Leaders need to be visionary thinkers. Today's nonprofit executives need to chart the future direction for their organizations and communicate it to all stakeholders. Though it is crucial to collaborate and initi-

ate discussions with their board members on setting the vision, board members want their executive leader to take the first step. It requires courage to set the vision and others will be inspired and motivated by your inspiration to chart a new course.

Having an entrepreneurial spirit is another key competency required by today's transformational nonprofit leaders. Executive directors need to become the chief entrepreneurial officer (CEO) for their organization. Whereas in the past executives had to manage the organization's revenue, today they need to creatively build the revenue base by generating investments for the organization. They need to create revenue by building relationships with those willing to invest in them. In the for-profit world, chief executives are paid for increasing their stock price and improving the net worth of their investors. The nonprofit leaders of today need to do something very similar.

You need to have a nonprofit stock price. This "stock price" increases by positive achievements of your organization, effective communication newsletters and reports, board members who serve as ambassadors promoting your good will, friend and fund development initiatives and creating an overall positive winning attitude among all stakeholders. The higher your stock price, the greater the likelihood that people will want to invest in your success.

Transformational nonprofit leaders should also be rewarded for increasing the stock price and generating significant investments.

A leader must have is the ability to build trusting relationships. Organizations where

leaders are able to bring out the best in others, are able to make people feel important, make people feel that their voices, concerns and actions do matter are the organizations that will be the most successful. A leader's job is to help the staff understand that individual goals are tied into achieving organizational goals.

A key to building relationships is establishing your credibility with your colleagues. Whenever you consistently make decisions that benefit the organization, decisions that align with the organization's mission, you will earn people's trust and respect.

Another new core competency for today's transformational nonprofit leaders is being the chief branding officer (CBO). The concept of building a positive brand identity for your organization is very important. The chief executive is the face of the organization. Though sometimes the board chair takes on this role, it is more and more the need of the executive director to be the chief communicator proudly letting everyone know of your achievements and results (thereby increasing your stock price).

Nonprofit leaders traditionally informed stakeholders on the number of programs and services offered, how many people were served, how many tickets were sold and other organizational statistics. These facts were often thought of as indicators of organizational success. The reality today is that funders or investors are more interested in your achievements, outcomes and positive results. They want a return on their investment.

Nonprofit leaders need to build an organization's positive brand through constant

communication of achievements and success. Don't be afraid to toot your own horn.

Another key competency is the ability to be collaborative. Far too often, nonprofit leaders placed too much emphasis on control. The more programs they controlled the greater their perception of their empire. The opposite is true today. The chance of success increases the more a leader can initiate discussions around collaboration. In recruiting and rewarding leadership, nonprofit board

members need to encourage collaboration.

Funders are interested in receiving grant proposals that involve "teaming up" between organizations toward achieving a common goal. Collaborating with a competitor requires a new way of thinking about leadership.

Inspiring and motivating others toward achievement of a common vision, building trusting and respectful relationships, becoming an entrepreneur, proudly communicating your

achievements and seeking collaboration are all skills required and sought after for today's nonprofit transformational leadership. **E**

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