Duty of Foresight

Is Your Board Ready to Lead?
Cathi Hight

• President of Hight Performance Group
• Developer of The Member Retention Kit and A New Approach to Tiered Membership
• National instructor for the U.S. Chamber Institute for Organization Management since 2004
• Previous positions: SVP of Growth Strategy & Investor Relations for the Greater Austin Chamber, VP of Operations for the Chamber of Commerce of Hawaii, Regional Manager of Dole Foods and for Dean Foods, FastTrac Entrepreneurship Program Manager for the Kauffman Foundation
• Is a member of the:
  ▪ Association of Chamber of Commerce Executives (ACCE)
  ▪ American Society of Association Executives (ASAE)
  ▪ Society for Human Resource Management (SHRM)
You will explore:

• Drivers of change and the need for chambers to practice foresight.

• How a Board Competency Matrix ensures the right mix of skills, knowledge and member representation.

• Traits of agile boards and how to develop a Duty of Foresight to navigate your Association’s future.
Drivers of Change

THE NEED FOR FORESIGHT
Associations Study the Impact of Change

• In 2015, ACCE (Association of Chamber of Commerce Executives) explored 9 influences shaping the roles of chambers of commerce.

• In 2018, ASAE (American Society of Association Executives) released *Foresight Works* to help associations explore 41 drivers of change and their impact on members.

HORIZON INITIATIVE: CHAMBERS 2025
Eight Influences Shaping the Next Decade for Chambers of Commerce

Duty of Foresight: Is Your Board Ready to Lead?
Drivers of Change Fall into 6 Trend Categories

- Political
- Economic
- Social and cultural
- Technological
- Legal
- Environmental
Social Demographics Trends

“The Rise of the Minority”

• Drivers of Change
  – The Aging World
  – Next Gen Professionals
  – Immigration-Driven Demography
  – Empowered Women (the Future is Female)
  – Households of One
  – Higher Education 3.0 (new modes of learning)
  – Micro Learning
  – Mentoring 2.0 (informal)
  – Socializing Reshaped (digital interactions, online tribes)
Workforce and Workplace Trends

“Work Redefined”

• Drivers of Change
  – Automating Work (*machine learning, robotics, spread of blockchain*)
  – Human-Machine Cooperation (*jobs complementing technology*)
  – More Human Humans (*the need for EQ*)
  – Bifurcated Workforce (*employees/gig workers*)
  – Diversity & Inclusion (*driven by demographic changes, values and YPs*)
  – 21st Century Guilds for gig workers
  – Reputation by the Numbers
Data and Technology Trends

“Anticipatory Intelligence”

• Drivers of Change
  – Cyber-Security (*digital security*)
  – Dark Data
  – Big Data Analytics, Nichification
  – Personalized AI (*artificial intelligence*)
  – Predictive Analytics
  – Blockchain Platforms (*enable trustless transactions*)
  – IOT (*Internet of Things*)
  – Fast Data (*real-time decision-making*)
Economic Trends

“Power Shifts”

• Drivers of Change
  – Cartel Capitalism (*market domination by a few large companies*)
  – Trade in Transition
  – Global Power Shifts
  – The Stagnation Economy
  – The Sharing Economy (*peer-to-peer exchange of goods and services*)

Duty of Foresight: Is Your Board Ready to Lead?
Society & Political Trends

“Persuasive Eco-Systems”

• Drivers of Change
  – Algorithmic Politics
  – Declining Trust in institutions
  – Splintered Society (self-segregation along divides politically, economically, socially)
  – Ethical Consumption (values-driven spending)
  – American Inequality
  – Philanthropy Reshaped
  – Shifting Terrain for Advocacy (national gridlock will drive policy efforts toward state and city governments)
  – Transparent Organizational Ethics
Drivers of Change Impact Communities

Social Dynamics
“The Rise of the Minority”
- The Aging World
- Next Gen Professionals
- Immigration-Driven Demographics
- Empowered Women
- Households of One
- Higher Education 3.0
- Micro Learning
- Socializing Reshaped

Workplace & Workforce
“Work Redefined”
- Automating Work
- Human-Machine Cooperation
- More Human Humans
- Bifurcated workforce
- Diversity & inclusion
- 21st Century Guilds
- Reputation by the Numbers

Society & Politics
- Algorithmic Politics
- Declining Trust in Institutions
- Splintered Society (polarization)
- Ethical Consumption
- American Inequality
- Philanthropy Reshaped
- Shifting Terrain for Advocacy
- Transparent Organizational Ethics

Economy
- Cartel Capitalism (M&A)
- Trade in Transition
- Global Power Shifts
- The Stagnation Economy (decline of rapid growth)
- The Sharing Economy

Data & Technology
- Cyber security
- Dark Data
- Big Data Analytics, Nichification
- Personalized AI
- Blockchain Platforms
- IOT (internet of things)
- Fast Data

Duty of Foresight: Is Your Board Ready to Lead?
Associations of the Future Require Future-Focused Leadership

- Keep awareness about drivers of change and how they could impact communities and businesses.
- Identify risks that could lead to policy and environmental changes.
- Anticipate how to serve members and the community.
- Move from **Sense-Making** (why we’ve done things in the past and currently) to **Meaning-Making** (consider how to meet future needs) and use **Decision-Making** to decide what to keep and how to capitalize on new or potential opportunities.
Going Beyond the 3 D’s

CREATING FUTURE-FOCUSED BOARDS
The Standard 3 Ds of Board Service

3 legal duties  *What do these entail?*

**Duty of Care**
Take care of the organization by paying close attention to activities & operations in order to ensure prudent use of all assets, including facility, people, & good will.

**Duty of Loyalty**
Guarantee that the organization, its board members, activities, & transactions are loyal to the mission; that the interests of the organization are foremost, before personal and professional interests; identify & disclose conflicts of interest.

**Duty of Obedience**
Make certain that the nonprofit obeys its own bylaws; applicable laws & regulations; & adheres to its stated mission.
The Fourth D: Duty of Foresight
Foresight = Future-Focused

• Preparing the organization and its stakeholders for “What’s Next?”

• Looking continuously forward

• Three core foundational concepts:
  – Strategic Legitimacy for stakeholders
  – Board Stewardship to grow tangible and intangible value of the organization
  – Readiness to learn and making sense of the environment’s unfolding dynamics and creating insights to guide action
Associations Need to be Agile Organizations

• Learning organizations that thrive in unpredictable, rapidly changing environment

• Stable organizations with tried and true practices, yet dynamic and can fluidly adapt to market changes, innovative technology and government regulation.

• Organizations that feel open, inclusive, non-hierarchical, evolving continually, and equipped for the future.
An integral part of PPAI’s strategic plan

Goal 3: Develop and leverage strategic foresight

- Identify and track emerging trends with an eye toward member, industry and Association businesses with short, medium and long-term opportunities and implications
- Identify thought leaders within and outside the industry to cultivate ongoing dialogue and analysis around emerging trends that may affect the industry
- Develop meaningful and actionable tools to communicate trends, opportunities and threats to the PPAI Board and membership
PPAI Helps its Members Develop Foresight

Duty of Foresight: Is Your Board Ready to Lead?
Board Competency Matrix

MOVE FROM CONSTITUENCY TO COMPETENCIES
Using a Board Competency Matrix

• Build a board of directors strategically to benefit the organization based on skills, experiences, acumen, behaviors and representation.

• Consider the ideal mix of resources, backgrounds, experiences, community connections and other characteristics your Board needs to navigate challenges and the direction of the organization.

• How do you ensure diversity that breeds varying opinions, approaches, attitudes, and strategies?
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<th>Governance competencies</th>
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<th>Director B</th>
<th>Director C</th>
<th>Director D</th>
<th>Director E</th>
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<td>Strategic thinking/planning from a governance perspective</td>
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<td>Ability and willingness to challenge and probe</td>
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Add Agile Competencies

Duty of Foresight: Is Your Board Ready to Lead?
Summary

• Drivers of change impact associations, their communities and their stakeholders.

• Learning organizations thrive in unpredictable, rapidly changing environment by practicing foresight.

• Board Competency Matrix ensures the right mix of skills, knowledge, experiences and member representation.

• Agile boards embrace the Duty of Foresight to navigate your association’s future and require new competencies.
Questions and Answers

WHAT’S ON YOUR MIND?
Additional Resources

- Leading Agile Transformation: The new capabilities leaders Need to build 21st century organizations *(McKinsey Report)*
- Promotional Products Association International, Strategic Foresight Playbook
- American Society of Association Executives (ASAE) Foresight Works
- Smith Bucklin’s 20 for 2019
- IOD Competency Framework
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