

## The Match Game: Ensuring Fit—and Effectiveness—as a Nonprofit Board Member



*Phyllis Yale is a senior advisor with Bain & Company, where she has held a number of leadership positions including running the largest office and leading several governance committees. She advises health care payers and providers, including the full continuum of care from academic medical centers to home health care. She also frequently works with the world's leading private equity firms on their investments in the health care sector. Ms. Yale serves on several corporate boards, as well as nonprofit boards and advisory committees. She is a graduate of Harvard College and the Harvard Business School. She has served on the Bridgespan Group board since its founding in 2000.*

If you're seriously considering joining a nonprofit board, says Phyllis Yale, it's a good idea to make sure that your passions and unique abilities are a good match with the organization's mission and needs. But since you can't be absolutely certain of that in advance, she suggests a good test: Do some specific volunteer work at a project level—sorting out a business issue on geographic reach, for instance—and in the process really get to know the organization's leadership, how its board operates, and whether its leadership is open to new ideas.

Even before you begin to explore, however, Yale stresses that you should be clear about exactly how you can best contribute. Here she shares her experience as a nonprofit board member and explains how she's applied her professional strengths to her board roles.

### **Bridgestar: Why did you decide to become a board member for a nonprofit?**

**Phyllis Yale:** The first time I was asked to be a board member was with Planned Parenthood. And that's an instructive story because it's a very good path for other people who might want to become engaged in a nonprofit at the governance level. My history is this: I had given some money to Planned Parenthood and was invited to an event. There, I was talking to a member of the board whose eyes lighted up when he heard I was both a consultant for Bain & Company and deeply interested in Planned Parenthood. He viewed this as a great opportunity to recruit more talent—not for the board right away—but as a member of a committee of the board. Like so many nonprofits, it had committees that involve non-board members. The one he asked me to become involved in was, not surprisingly, their Strategic Planning committee, because that's what I do for a living.

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I did that for several years as they refreshed their strategic plan and became known to the board and was put on its list as it considered adding board members. So that was a very natural progression from being a, frankly, relatively small donor to being a volunteer using my strategy expertise to then being asked to join the board.

**Today, you are on both the Bridgespan Group and Cradles to Crayons boards. What attracted you to each? How did you determine these particular board roles were good fits?**

**Yale:** Again, there was a personal story behind each. With Bridgespan, I was present as Tom Tierney and Jeff Bradach<sup>1</sup> conceived of [The Bridgespan Group], and I tried to be supportive early on as the person running Bain's Boston office to provide some basic support as their entity got launched.

I got to know Cradles by doing a day of service there. Their model relies on volunteers gathering high-quality used baby equipment and children's clothes and assembling packages for a child who is in need. I had an incredibly positive service experience. And then the CEO came to me and asked me if Bain & Company would do some pro-bono consulting. That work brought me in contact with the board, and subsequently led to my being invited to join the board.

These organizations are very different. Cradles is intensely local while Bridgespan has a global impact. But in determining the fit, I used a three-part test that others might find useful:

One is that each board had a really excellent relationship with the CEO. I'm on corporate boards, as well, and for me that's a criterion for corporate boards, too. I would rather spend my time helping the organization and the CEO be successful, instead of dealing with unproductive dynamics.

The second thing that was true of both is that they were organizations that were building; they were growing rapidly, meaning I could have a major impact. The Bridgespan organization has gone through extraordinary growth phases. Cradles has, too. In three years, we've doubled the number of people served [through Cradles to Crayons]. We've done a capital campaign. We've moved to a brand-new building. We've doubled the size of the board.

The third thing is that I felt in both cases that the board would be used very well by the executive director (ED). That is to say that [the board] is not a rubber stamp or just used in a fiduciary role; that my skills and

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<sup>1</sup> Jeff Bradach and Tom Tierney are co-founders of the [Bridgespan Group](#).

talents would be well used. Different aspects of my expertise are relevant in both. But I feel that the board plays a constructive role, and that I, as an individual board member, count.

**Let's explore that further. Many successful business people wonder if they can contribute to nonprofit boards. How have your for-profit skills and capabilities helped you contribute to the nonprofit boards on which you serve?**

**Yale:** The short answer with Bridgespan is that I really understand their professional services business model. But let's go deeper into Cradles.

Before I joined that board, the CEO and founder, Lynn Margherio, asked Bain to do a piece of strategy work on how it works with its partners. When Cradles provides a bundle of clothing to a needy child, it does not interact with that child directly. It does so through other nonprofits that serve that child and where a social worker has noticed that a child is in need—whether it is for baby equipment, clothing, books, toys, or anything that equips them to go to school. Since Cradles works through others, the question we were asked to answer was: “How can we have the most impact?” Because our service partners work with us in different ways, and because the organization can run out of product, the real question was: “How do we think about our partners and where do we become more focused?” That also got into some other issues about our geographic focus. And, if we're going to focus down, what does success look like?

These are genuine business issues. So given our current penetration rate, where was Cradles in terms of how many children we were serving in our target, how many children did we aspire to serve and, therefore, what was our growth ambition? The work I helped lead served as a platform for saying that we wanted to be more precise about who we're trying to serve. But that we also had much higher ambitions for the number of kids we were going to serve within that target. All this set us on a substantial growth path. Ultimately, it helped the board create clarity around our business model.

### Transferrable Skills

Skills that Phyllis Yale honed in the for-profit sector have helped her more effectively engage as a nonprofit board member. Here she shares the most relevant skills and some of the questions they've led her to ask of the nonprofits with which she has worked.

- **Strategic focus:** Where specifically should the nonprofit target its efforts? What “markets”—both geographically and target populations—should they serve?
- **Financial analysis:** What parts of the enterprise contribute financially and which require support? Is the enterprise financially sustainable?
- **Customer centricity:** Is the nonprofit serving its customers optimally? What metrics should be used? How can they improve continuously?

## What is different between nonprofit and for-profit board membership, and how do the differences shape your thinking as a board member?

**Yale:** I serve on both corporate boards and nonprofit boards, and I would say they are more alike than different in terms of the role of the board and what is required to be a good board member. I have a particular bias that being a good board member is a lot more than being a good fiduciary and checking up on the management team. I think that's true for both corporate and nonprofit boards. You're not an adequate board member, in my mind, if you're just looking at the numbers—the financial statements. And if you're just sort of trying to manage the numbers of a nonprofit, you're really missing the boat.

Yet there is one major difference: Nonprofits do have multiple bottom lines. It may sound trite, but the metrics you should be using for measuring success are far more extensive and far more complicated in a nonprofit. Secondly, [as a board member] you have a major role in actually helping to achieve some of those goals. So, on a for-profit board, it's unusual for a board member to play a significant role in actually achieving the business results; whereas, on a nonprofit board, it's very common. It's very typical that a board member would run a major event or broker a significant relationship. So I think that the level of impact that a board member can have on a nonprofit board is potentially larger.

## From a board member's perspective, what are some best practices EDs can adopt that can enable them to get the most out of their boards?

**Yale:** I think EDs should seek board members who can contribute to sharpening the organization's strategy and help to make it crystal clear what the organization is trying to accomplish. For a potential board member, the reverse is true. In other words, as one of your due diligence items you should determine whether there is an openness to change, and to thinking about and wrestling with the organization's issues, whether they are strategic, programmatic, financial, etc.

It's in this type of collaborative environment that EDs can employ, what I think, are ED best practices: asking committees to do some specific work and reaching out to individuals to tap their specific expertise. The latter is very motivating to the board member: It's valuable to the organization and it engages the board member uniquely.

## Do you have a check list for potential board members?

**Yale:** I would encourage people to think about the following things:

One is do you have an affinity for the organization and its mission? Is the topic of importance to you? And can you see yourself dedicating a chunk of time and potentially some of your own money [to this organization]?

Second is that you need to have clarity about how you can contribute. That entails thinking about what you are good at and having a discussion with the ED about whether that could be useful. There are a number of general business skills that could be valuable, such as an ability to think creatively, think in a more disciplined way, and run good meetings. Plus, you may bring some specific expertise. You may have a good grasp of technology; you may have a good grasp of the regulatory environment.

Third is, again, determining how the board works together and how it relates to the CEO. That should be part of one's due diligence. Does it work in committees? Does it work in a so-called committee of the whole, where the board works as a group? What's the frequency of the meetings? Where and how do board members contribute as individuals? The situations that I enjoy most are where I contribute both in committees as well as an individual and where the CEO solicits my thoughts as an individual on a particular issue that he or she is grappling with. It's that combination that I find the most satisfying.

### **Speaking about “satisfying,” what sort of personal meaning do you derive from serving on nonprofit boards?**

**Yale:** For me, it's one of the most important things I've ever done. Serving on nonprofit boards creates enormous meaning in your life. I have not chosen to spend my career in the nonprofit sector, so serving in a significant way, providing what I hope is a positive contribution to a handful of nonprofits, brings extraordinary meaning.

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