

# Nightmare Therapy: 9 Tips to Help You Deal with the Things That Keep You Up at Night

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As kids, we all had nights when we would wake up frightened by a nightmare, usually one involving monsters in the closet, scary clowns or other beasts. Getting over the fright was easy — a few comforting words from a parent usually did the trick. As adults, we still have nightmares; and, as association professionals, the boogey men are real. Getting over them can be a lot more complicated. Here is some advice that can help you overcome the issues that haunt you.

### **1. Do your homework**

What appears to be often isn't. An organization may outwardly appear to be doing fine and the board may believe it to be true. Yet, many organizations tolerate problems well beyond what should be considered normal. Stories abound of new CEOs trying to make sense of an organization's cash flow problems. Take the story of the small nonprofit executive who, because of a lack of computer systems and proper bookkeeping, was forced to manually review every account and every transaction to determine where the discrepancies were. Once she discovered the true state of the association's financial health, she laid off one-third of the staff and terminated one of the association's two building leases. While finding the root causes of problems can be painstaking, resolving them is critical to the health of the association. The lesson: don't stop digging until you find the answers, then act decisively on what you have found.

### **2. Educate, inform, contextualize**

You need to share your findings with those who can help you resolve the problem. Avoid the “hit-and-run.” Problems often persist in organizations because boards are not made aware of them. For example, many boards lack members with financial expertise who can read and interpret financial reports. If staff has not taken the time to educate board members on those reports and the implications they have for the organization, the board members may be perfectly happy to accept the information without question. Bringing a crisis, financial or otherwise, to the board without context, however, isn't much help. The board needs to understand the drivers that created the problem and what can be done to address them. Staff should go beyond simply stating the problem and explain the decisions that were made, how the decisions were executed, what the results of the decision were and options to consider in resolving the problems coming out of that decision.

### **3. Consider timing**

Being a new CEO helps. In addition to bringing a fresh perspective, the new CEO has no ties to the actions of the past and can expose problems without having been involved in creating them. This honeymoon period (usually about six months to one year) affords the new CEO an opportunity to resolve critical problems and create a level of trust with the board. Failure to address these problems early and directly will likely lead to a dysfunctional CEO-board relationship. Also, make sure the board is ready to tackle the problems that need to be addressed. If you are not a new CEO, be sure to raise issues and problems with the board early to avoid bigger problems down the road. If the first time the board hears of a problem is after it has become a crisis, your credibility will be shot.

### **4. Be transparent**

Honesty is always the best policy, no matter how difficult the truth might be. An association board accepted the resignation of the chief staff executive after two years of service. An interim executive discovered that half of the board and staff found the executive to be superb, while the other half believed he was horrible. The reason? The executive director had divided the organization (both staff and members) into winners and losers. Those that were rewarded loved him; those left out did not. He was

able to keep up a façade of effectiveness by keeping information from the board. The interim executive found there were no minutes for board or executive committee meetings for the past two years, no audits, no financial reports. The interim executive acted quickly to document the situation, inform the board, reconstruct past meeting minutes, conduct an audit, put together policies to avoid similar problems later and educate the board on its fiduciary responsibilities.

#### **5. Leverage your assets**

Find board members who can serve as opinion leaders to help explain the problem and educate the board. Dig into your past association experience (what worked or what didn't) and use those lessons to develop approaches to current problems. Even if you are not the CEO, you can have a great deal of influence in helping leadership address critical issues. Provide support to incoming executives and boards using complete and thoughtful analyses on difficult subjects. Your institutional history and ability to present issues non-threateningly can go a long way in helping to solve problems.

#### **6. Don't blame**

No matter what the source of the problem, avoid looking to place blame. Often, problems are the result of poor judgment, inadequate information or honest mistakes. The focus must be on resolving the issue and moving forward, not finding scapegoats, especially among volunteers. In one instance, an association's financial crisis was the result of years of lax financial oversight by the board. The root causes of the problem were a lack of understanding of the board's fiduciary role, how to read financial statements and the impact of board decisions on the budget. While many people contributed to the problem, several were no longer on the board and acted in good faith. Blame would have done nothing to resolve the crisis. However, if staff members or volunteers have engaged in improper conduct — conflicts of interest, malfeasance, unethical or illegal behavior — they must be held accountable and, in the case of employees, terminated if necessary. Once the appropriate disciplinary action is taken, move on.

#### **7. Get help**

Organizations have benefited from having a transitional figure take responsibility for significant financial and administrative problems to provide the incoming CEO with a "clean slate." Outside association audits, both financial and programmatic, can also be useful tools for uncovering issues and providing objective advice for addressing them.

#### **8. Maintain your principles**

In some cases, the right thing to do is to walk away. One executive discovered that his association was borrowing a significant sum against a line of credit held by a bank run by an officer of the board. The loan was almost one third of the organization's budget! The executive raised concerns about both the size of the loan and the apparent conflict of interest. Despite that, the board decided not to pay off the loan and kept the line of credit at the officer's bank. Given his concerns, the CEO resigned. Sacrificing principle to keep a job may have long-term consequences to your career. Don't do it.

#### **9. Be patient**

Chances are, the problems you are working to resolve did not occur overnight. They will not be resolved overnight, either. The effort to investigate problems, build an environment of trust and transparency, and educate staff and board members takes time, but the positive impacts to the association cannot be underestimated. Pleasant dreams!