

## Working with Your Board of Directors

This chapter will enable you to:

- ▶ Be familiar with different types of boards and their advantages and disadvantages.
- ▶ Be aware of the responsibilities of the board of directors.
- ▶ Define your relationship to the board.
- ▶ Choose strategies to strengthen your board and your relationship with your board.

Most farmers markets have a board of directors. All non-profit organizations are required to have a board and even farmers markets that are sponsored by other agencies or organizations often have boards. The relationship between the market manager and the board can take many forms but, to be effective, you as the manager should be aware of that relationship and seek to make it as positive and productive as possible.

### Types of Farmers Market Boards

Farmers markets across the U.S. utilize several different models of board leadership. While there is no one right way to organize and recruit your board, it is important to construct a governing body that has the time and the energy to assist you in your efforts at the market. Furthermore, many managers agree that the most effective market board is one that reflects the diverse interests of the surrounding community as well as the geographic reach of the market. If you are involved in starting a market, you may have the opportunity to contribute to the formation of the board; otherwise, this information will simply help you to recognize the characteristics, strengths, and weaknesses inherent in the model of board leadership your market has adopted. In some cases, you may use this information to initiate a discussion of changes in the market structure and bylaws to strengthen the board's ability to provide effective leadership for the market.

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#### Vendor-Only Boards

Many market boards are comprised exclusively of vendors at the market. This type of board ensures a direct interest in the success of the market since each member is, to some degree, trying to make a living from their sales. In addition, the policies and procedures set by the board will accurately reflect the realities of the market if

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the members are familiar with its day-to-day operations and the issues it faces. At least a few board members will always be present at the market to assist, particularly in situations of conflict.

Vendor involvement on the board can, however, create a conflict of interest if one or more board members are personally involved in a dispute with other vendors. It may be hard at times to separate a board role from a vendor role. If board members see themselves as being in direct competition with other vendors or, conversely, if they are good friends with other vendors, it may be difficult to make decisions fairly and without bias.

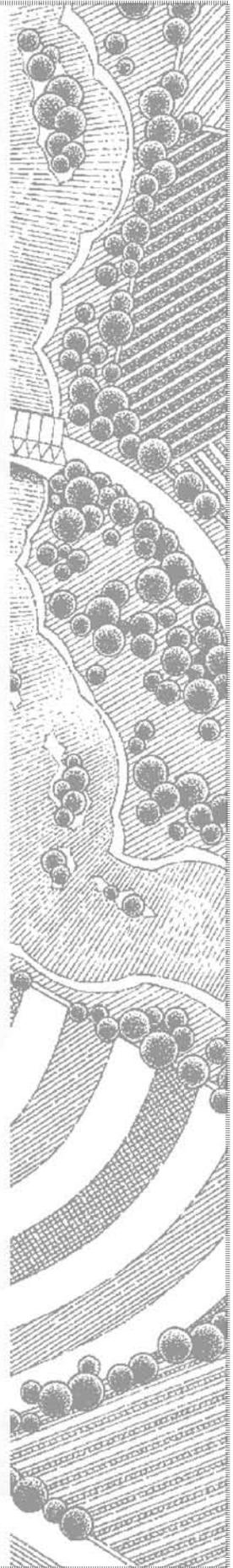
Vendor-only boards can also face difficulties if the vendor members are too busy during market season to attend to larger issues. Furthermore, as one manager stated, "Farmers are not bureaucrats. I have a hard enough time getting them to fill out paperwork, let alone attend meetings and participate in strategic planning." Boards composed entirely of vendors may rely more strongly on the manager to build community relations since most vendors will not live in town or possess non-profit management skills. In some cases, the manager may end up directing the board rather than the other way around. With no community representation, the board may have a more difficult time understanding the issues and needs of the local community.

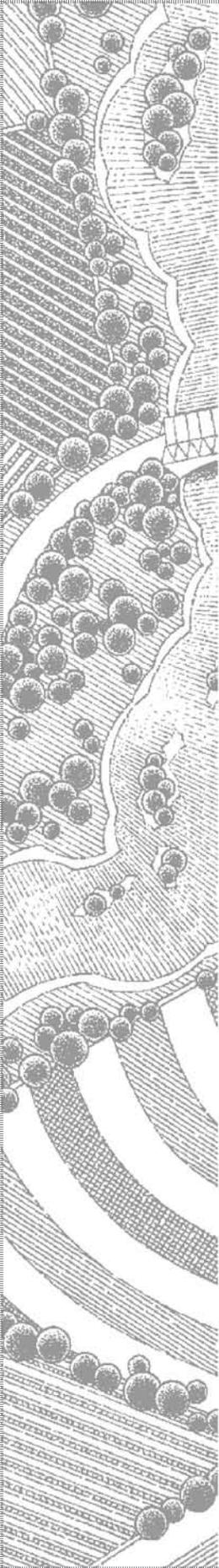
Finally, if vendor board members are selling at more than one market, they may be too busy to focus on their board duties. In some cases, they may rarely attend the market, sending an employee instead, which gives them little connection to the market's day-to-day issues.

### **A Combination of Vendors and Community Members**

Another common type of board is one that is made up of a mix of market vendors and representatives of the local community. Board members bring with them various strengths, such as legal or financial expertise, well-developed ties to the business or political community, and strong marketing and publicity skills. A board can maximize its effectiveness by paying careful attention to the assets of each member and developing a complementary and well-rounded mix of individuals.

Furthermore, this type of board not only offers representation and awareness of vendor issues but also reflects the diverse interests in the community. Board members who are local residents will be more attuned to issues that may affect the market and can potentially be more connected to the resources that will assure the market a strong position in the community.





On the other hand, board members who are less familiar with the realities of farming and direct marketing will have to pay extra attention to the concerns of vendors and make sure that the plans and policies they implement reflect the needs of the vendors. A common complaint is that board members who have prestige and power in the community but who are not well-versed in the organization they guide are “out of touch.” As one board chairperson said, “The diversity of the board is our greatest strength and our greatest weakness. The challenge is to live with the conflict that diversity brings.”

### **Organizationally Driven Boards**

A third type of governing board comes from the nonprofit or local business organizations that often oversee farmers markets, such as downtown improvement districts and community development organizations. Markets sponsored by these types of organizations may have boards that have little connection to the people directly involved in the market. For example, a market may have a board composed entirely of business owners from the downtown area where the market is located, providing no vendor representation whatsoever. As one manager said, “Our board members connect us to the downtown district really well, but they do not shop at our market.”

These boards may have the benefit of substantial expertise that members bring and well-developed ties to the local business community. In this case, it often falls to the market manager to ensure that vendor interests are well represented and that communication between the board and vendors remains open. The potential exists for vendors to feel that the decision-making process is beyond their control even though they depend to some degree on the board for the success of the market. Vendor investment in the market may also be more difficult to achieve if the infrastructure does not include them in the larger issues of the organization.

### **Responsibilities of the Board of Directors**

The purpose of a board of directors is to provide vision and direction to an organization. The board can help shape the market and its performance in many ways, including strategic planning, monitoring and evaluation, public relations, and promotions. Boards of directors generally consist of several officers (chairpersons, cochairs, secretaries, treasurers) whose positions are defined in the bylaws. The manager may or may not be a voting member of the board.

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In theory, the board works closely with the market manager to assist in the development and implementation of long-range plans as well as day-to-day activities. In reality, the level of board involvement in farmers markets depends on the way the board is structured, its relationship with the manager, and the time, assets, and strengths the individual members bring to the board.



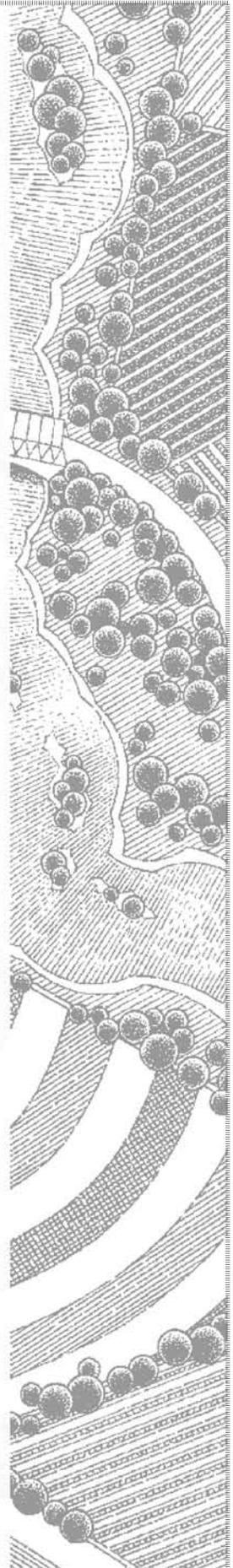
The responsibilities of the board vary from market to market but may include:

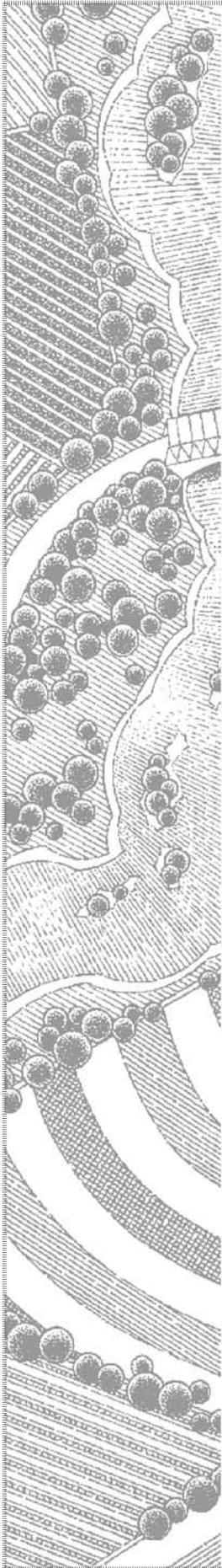
- ▣ Long-range planning and goal-setting.
- ▣ Setting policies and fees for the year.
- ▣ Developing the market bylaws and mission statement.
- ▣ Establishing an annual budget.
- ▣ Providing direction to the manager.
- ▣ Supporting the manager in situations of conflict and intervening when necessary.
- ▣ Making major staffing decisions.
- ▣ Promotions and marketing.
- ▣ Fundraising.
- ▣ Recruiting new vendors.

Responsibilities assumed by the board fall into two general categories: governance and support. Governance refers to the broad-based, policy-making responsibilities that address the benefits and services the organization provides. Support refers to day-to-day responsibilities conducted through committees or on an individual basis that further the goals of the organization. The Board Responsibility Matrix on the next page outlines the different roles that board members traditionally fulfill.

### Clarifying the Purpose, Role, and Responsibilities of the Board

All leadership models have strengths and weaknesses. The main criterion for judging the model is the extent to which your board meets the needs of your market and your community. The function and organization of your board will emerge in some form from the initiating purpose of the market. For example, a market primarily initiated by several farmers as a way to market their produce is more likely to have a vendor-driven board than one initiated by a neighborhood organization that is focused on revitalizing its community. Boards of directors often reflect the





The Board Responsibility Matrix	
The board acts to <b>GOVERN</b> the organization	The board acts to <b>SUPPORT</b> the organization
<b>Objectives</b>	
To represent the community's interests within the organization.	To represent the organization's interests in the community.
<b>Process for Action</b>	
The board acts as a body.	Board members act as individuals or through committees.
<b>Responsibilities</b>	
<p><b>Determine mission and purpose.</b></p> <p><b>Legal:</b> Ensure compliance with federal, state and local regulations and fulfillment of contractual obligations.</p> <p><b>Financial:</b> Safeguard assets from misuse, waste, and embezzlement.</p> <p><b>Staff:</b> Select and monitor staff and evaluate their performance.</p> <p><b>Planning:</b> Determine strategies and overall priorities.</p> <p><b>Programs:</b> Determine the organization's program priorities, monitor implementation, and conduct evaluations to measure impact.</p> <p><b>Efficiency and impact:</b> Ensure a realistic budget that maximizes resources.</p>	<p><b>Fundraising:</b> Develop fundraising strategy; ensure adequate resources by raising funds and assisting staffing in raising funds.</p> <p><b>Public relations and community contacts:</b> Act as ambassadors to the community on behalf of the organization and its clients.</p> <p><b>Volunteer recruitment and volunteering.</b></p> <p><b>Act as individual advisors:</b> advise staff in areas of expertise; act as sounding board for executive director and other executive staff.</p> <p><b>Lend names, personal credibility and reputation</b> to the organization for use in brochures, grant proposals, and other formats.</p>

The Support Center for Nonprofit Management, *Workshop for Effective Non-profit Boards of Directors*, San Francisco, California.

### Guidelines for Establishing Board Conduct

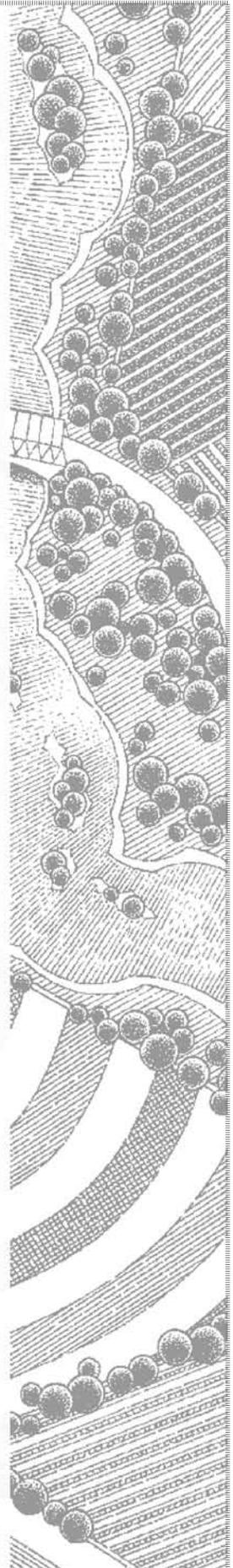
The Southland Farmers Market Association in Los Angeles recommends using the following policies as guidelines for establishing board conduct:

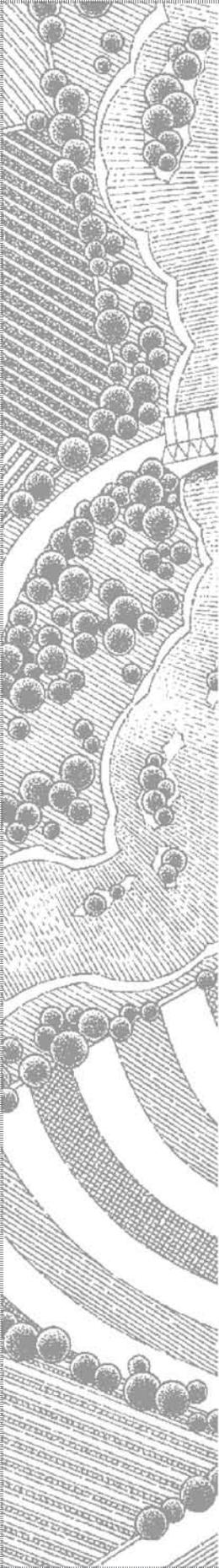
- Each board member is a fiduciary. He or she must act in good faith and with full honesty for the benefit of the market association.
- Each board member has a duty to subordinate personal interests to the common good of the market association and must fully disclose any direct or indirect personal interest in board action.
- Because acts of mismanagement can frequently be avoided by attendance, it is the responsibility of each board member to attend all board meetings.
- Minutes of all board meetings must be recorded and approved. Board members should express and record in the minutes their disapproval of any board action.
- Board officers must have the ability to understand financial statements, file all legally required reports in a timely manner, and report to the board of directors on a regular basis.
- Each member must exercise care in investigating the accuracy of subordinates' reports. Any obvious signs of employee misconduct must be reported to the board immediately.
- Board members should limit their actions to those defined by the rules and regulations.

overall intent behind the market's creation.

If your market is in the start-up phase, you have an opportunity to decide if you want an advisory board or a participating board. An advisory board provides broad policy support but is guided by the market manager. In this case, the manager develops policies and procedures and receives feedback from the board. A participating board, on the other hand, is much more involved in market operations and decision-making. It provides a higher degree of direction to the manager and is more closely involved in day-to-day issues at the market.

The effectiveness of any model of board leadership depends to a great extent on the understanding of board members of their purpose, roles, responsibilities, and relationship to the manager. Take time to discuss with all the board members and the staff the role that each individual plays and the role of the manager and of the board as a collec-





tive body. The board should make your work easier, not harder. If you find that you are taking on more than your job description entails or that the board is directing in name only, you may want to raise the issue at the next board meeting and discuss strategies to increase board involvement.

### **Conclusion**

This chapter outlined various types of boards and their strengths and weaknesses plus the roles and responsibilities of the board of directors. In the next chapter, you will learn strategies for strengthening and working more effectively with your market's board of directors.

