

Considerations for an Effective Board of Directors



Key Considerations for Board of Directors

Members of a not-for-profit Board of Directors dedicate much time and effort to the organization for which they serve. They typically bring a diverse set of skills and experience, and most have no previous involvement with senior living organizations. As such, the Board of Directors can struggle as they attempt to identify ways to be most effective while clearly delineating their role from Management's.

Sawgrass Partners has worked with numerous senior living organizations and their Boards in tackling a variety of challenges and opportunities. We believe the organizations best positioned to succeed are those with strong leadership from Management and the Board, and whose Board of Directors understand and embrace a clear vision of the strategic direction for the community. Provided on the following page is a list of questions that we believe every non-for-profit Board should consider.

The list provided is an overview of areas the Board should consider. We'd welcome the opportunity to share more of our knowledge and help your Board maximize its effectiveness. Please contact Janice Maloney at (847) 724-1759 or jmaloney@sawgrasspartners.com to discuss how we can assist you.

Key Considerations for Board of Directors

1. Does your organization have a 3 to 5 year Strategic Plan in place?
Do you revisit your Strategic Plan every 2 to 3 years?
2. Does your community have a clear market position? What is this position relative to your competitors and how do you differentiate your community?
3. How has the market your community serves changed over the past 5 – 10 years and how do you expect it to change in the upcoming 5 – 10 years?
4. What is your organization doing to maintain the marketability of its service offerings and physical plant?
5. Do you experience strong and stable occupancy in each level of service? If not, does your marketing plan identify specific strategies for addressing occupancy by level of service?
6. Is your organization focused on maintaining/building a strong financial position, reflected both in annual operating results and on the balance sheet?
7. Do you have a succession plan for the Board and the Community's leadership?
8. Do you have a long-term capital replacement plan in place?
9. Does Management have a strong relationship with your investors (banks and bondholders)?