



# New Executive Director Workshop

Economic Development Conference for the Denver EDA Region

Economic Brilliance and Resilience

August 26, 2019



**MarksNelson**<sup>LLC</sup>

**The smart move forward**

Certified Public Accountants  
and Business Advisors





# Speaker Bio

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MarksNelson, LLC

<b>9<sup>th</sup></b> Largest firm in Kansas City	<b>13<sup>th</sup></b> Largest firm in the Midwest	<b>161<sup>st</sup></b> Largest firm in the country
<b>#1</b> Largest locally owned firm in Kansas City		
<b>26</b> Partners	<b>174</b> Full-time professionals	<b>17<sup>th</sup></b> Fastest-growing firm in the country <small>2017</small>



# Discussion Topics

*Leading an organization is like riding a bike... you need to keep moving forward to keep your balance*

- ▶ Leadership Development
- ▶ Setting The Tone For Your Organization
- ▶ Organizational Management
- ▶ Working With Your Board
- ▶ Financial Management
- ▶ Managing Staff
- ▶ Overcoming The Previous Director's Legacy, Good Or Bad
- ▶ Cleaning Up Messy Situations
- ▶ Preparing For The Unknown





# Participant Introductions

# What I Wish I Knew

*Don't write so that you can be understood, write so that you can't be misunderstood*

-President William Taft

- Burnout is real
- Arrogance achieves little, humility achieves much
- It's never wrong to do the right thing
- Be open and transparent in all that you do.
- Communication is critical
- Don't pursue self interests
- Surround yourself with people smarter than yourself
- Learn as much as you can from others
- It's OK to be lucky.
  - > Luck = Opportunity x Preparedness





# Developing Your Leadership Style

# Attributes of an Effective Regional Leader

- > High octane, high energy, self starter
- > Great communicator
- > Creative entrepreneur
- > Visionary
- > Consensus builder and motivator
- > Open minded
- > Results oriented
- > Decision maker
- > Knowledgeable
- > Politically Savvy
- > Trustworthy



# Keys To Effective Organizational Leadership

- > Allow innovation to fuel the organization
- > Need to think outside the box-offer fresh perspectives to chronic challenges
- > Delegate to trusted and qualified staff
- > Lead Projects-Avoid getting drug into the mire
- > Surround yourself with people that are smarter than yourself, that complement your style of leadership, and offset your limitations
- > Find a mentor
- > Lead with humility
- > Running and growing an agency requires high levels of energy and ambition—understand your need to re-energize
- > Don't forget to plan for your own organization-
- > Don't forget to set goals for yourself
- > You are paid to make recommendations and to lead, do not avoid this responsibility





# Principals of Leadership

- > Know yourself and seek self-improvement
- > Be technically proficient
- > Seek responsibility and take responsibility for your actions
- > Make sound and timely decisions
- > Set the example
- > Know your people and look out for their well being
- > Keep your workers informed
- > Develop a sense of responsibility in your workers
- > Ensure that tasks are understood, supervised, and accomplished
- > Train as a team
- > Use the full capabilities of your organization



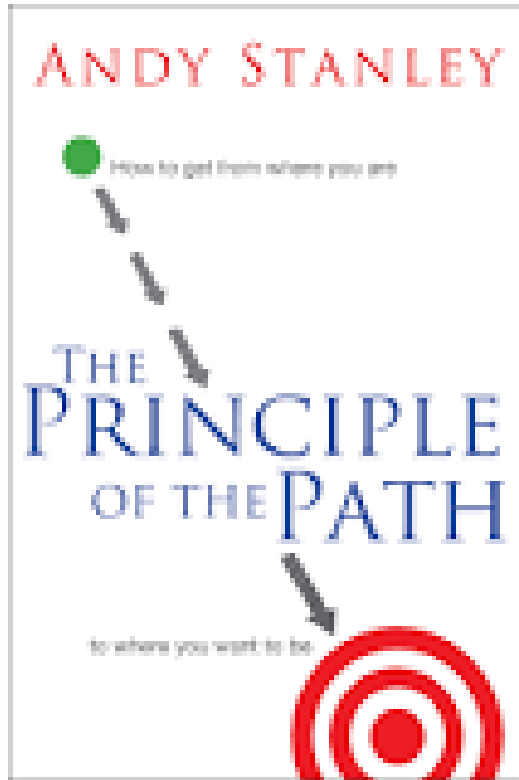
# Leadership Shortcomings

- > Lack of “big picture” focus
- > Too detailed and process oriented
- > Failure to recognize key product is intellect
- > Complacency

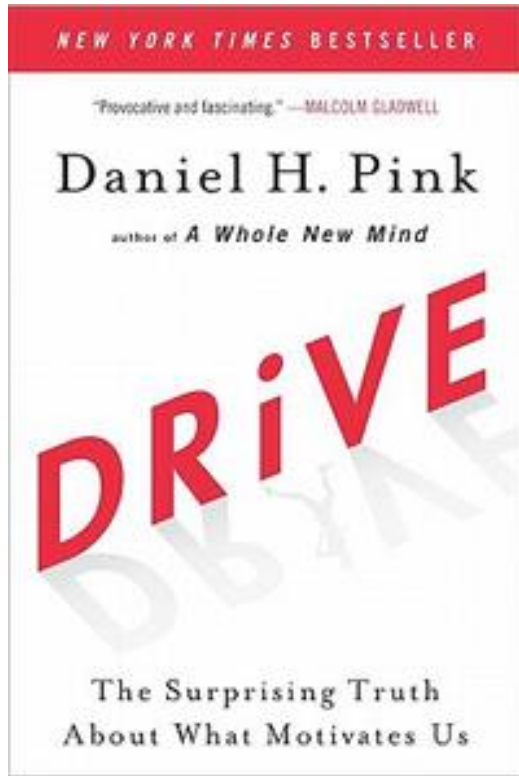
*“The problem is not the problem. The problem is how you think about the problem. We can not solve our problems with the same level of thinking that created them”*



# Principal of the Path



- **Direction--not intention--determines your destination**
- Often to get from where we don't want to be to where we do want to be requires two things:
  - time
  - a change of direction
- One gets to the place one wants to be the same way one got to the place one didn't want to be—by putting one foot in front of the other and moving in a specific direction



# What Motivates You?

- **Motivation 1.0**—Primitive Man--Try to survive
- **Motivation 2.0**—Carrot and Stick—seek reward, avoid punishment.
- **Motivation 3.0**—Identifies three elements current workplace desires:
  - Autonomy
  - Mastery
  - Purpose



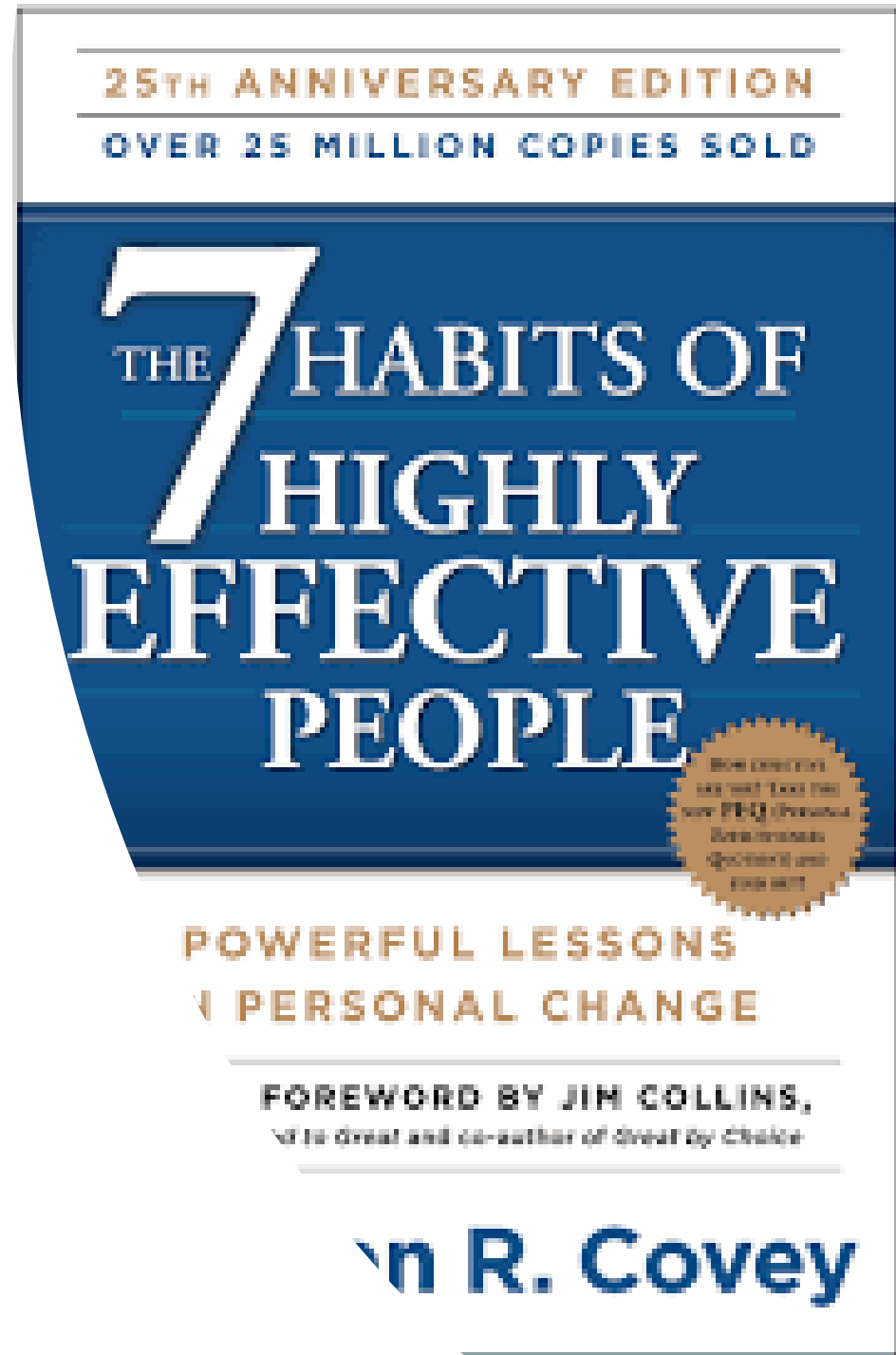
# Setting the Tone for Your Organization

# Stephen R. Covey

## 7 Habits of Highly Effective People

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- ▶▶ Be Proactive
- ▶▶ Begin with the End in Mind
- ▶▶ Put First Things First
- ▶▶ Think Win-Win
- ▶▶ Seek First to Understand, Then to be Understood
- ▶▶ Synergize
- ▶▶ Sharpen the Saw



# Observations of Highly Effective Organizations

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- Attitude
- Poise and Professionalism
- Focus
- Aspiring Leaders
- Positive Habits
- Efficient
- Effective

"A leader takes people where they want to go. A great leader takes people where they don't necessarily want to go, but ought to be."

Rosalynn Carter



# Organizational Efficiency

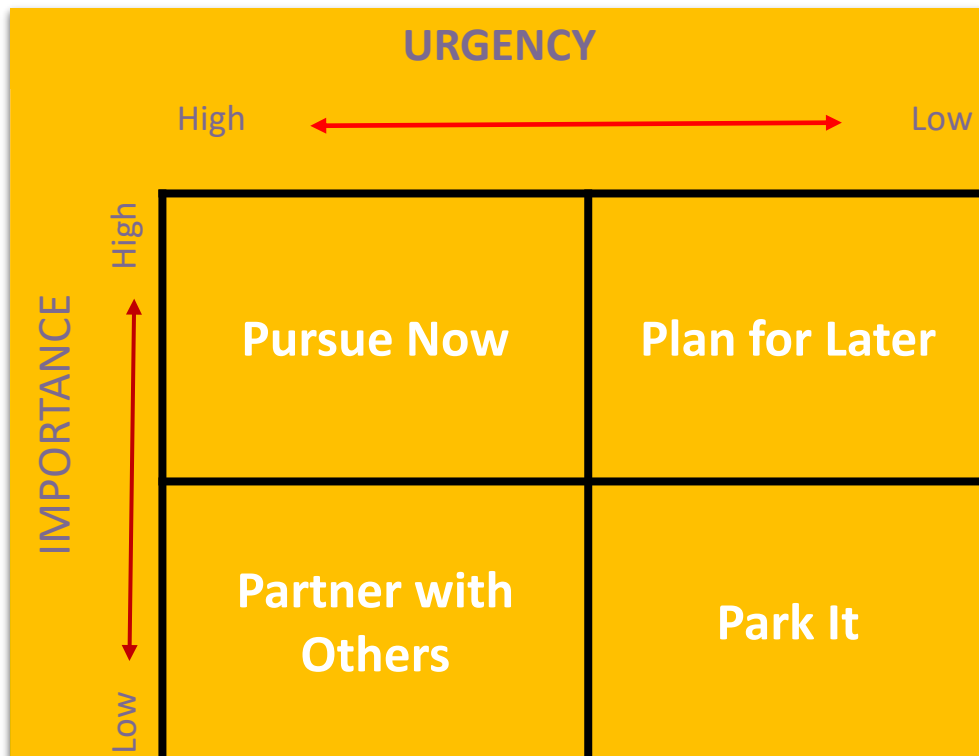
*Doing more with Less*

Eisenhower Matrix

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➤ Is it important?

➤ Is it urgent?





# Group Discussion-Time and Task Management

- ▶ You are the Executive Director of a regional development organization. As the Director you have countless demands for your time and attention.
- ▶ *As the Director, how do you manage your time and tasks to make sure all things get done and the most important things get the priority attention they deserve?*

# Group Discussion-Leadership

- ▶ You are the Executive Director of a regional development organization due to budget constraints your organization is doing more with less. As a director you are juggling multiple projects and initiatives in addition to running the organization—resulting in late nights at the office and spending weekends getting caught up. You are beginning to suffer “burn out” on the job.
- ▶ *As the Director of the EDD, how do you prevent burnout, how do you recharge your batteries, how do you find the motivation to get the job done?*

# Group Discussion-Employee Evaluation

▶ You are the Executive Director of a regional development organization. You have recently been hired as the Director. After a month on the job, you realize that moral in the office is terribly low, productivity is down, innovation and creativity are absent. Employees are very protective of their turf—to the point they hesitate sharing information with you as the Director

▶ *How would you handle this situation?*



- ▶ Relationships
- ▶ Relevance
- ▶ Revenue

# Ingredients for Organizational Sustainability

►► Perspective

►► Purpose

►► Role

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- Trusted Advisor
- Progress
- Foresight

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- Planner
- Performance
- Insight

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- Vendor
- Passivity
- Hindsight

# Organizational Effectiveness

# Keys to Success

- 
- RELATIONSHIPS--constantly build new and reaffirm existing
  - RESPONSIBILITY--do what you say, when you say, with a high quality product
  - RESPECT--you must rise above differences to work together.
  - REPUTATION--Aggressively work to manage public perception.
  - REALITY--is term limits, turnover, and elections.
  - RUN--to agencies and legislators—Don't wait for them to come to you.
  - RESOURCE-Become an indispensable resource for local, state and federal partners,--especially during an era of tight budgets and limited resources.



# Relevance

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## ▶▶ AREAS OF RELEVANCE

- > Relevance of you as a leader
- > The relevance of your organization within the region, state and nation
- > The relevance of your region.

## ▶▶ SIGNALS OF RELEVANCE

- > Respected
- > Resilient
- > Reputable



# Keys to Remaining Relevant

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- Innovation
- Results
- Transparency
- Trust
- Integrity

Every day you should ask yourself... *how is our organization adding value to our local governments, communities, funders, partners, and federal and state local officials?*





# Evidence of Being Relevant

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- ▶▶ Become a priority appointment for local officials
- ▶▶ Attract top level talent from private, nonprofit and philanthropic sectors to board or working groups
- ▶▶ Build a culture of board and member government involvement, ownership and leadership
- ▶▶ Earn loyalty, trust and respect from board members and leaders within the state and region



# Keys to Organization Sustainability

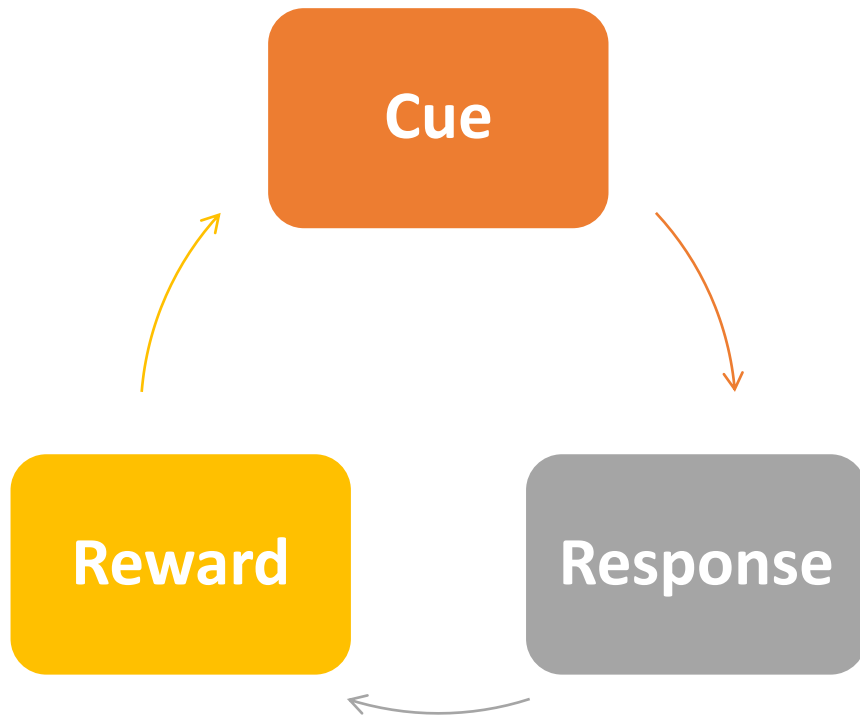
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- ▶▶ Cultivate and engage leadership
- ▶▶ Take care of the basics first
- ▶▶ Pay attention to details
- ▶▶ Know your customers and their needs
- ▶▶ Anticipate trends and plan accordingly
- ▶▶ Advocate for your organization
- ▶▶ Mobilize your marketing team
- ▶▶ Evaluate, benchmark and report performance



# Organizational Habits

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# Village of Rhineland, Missouri

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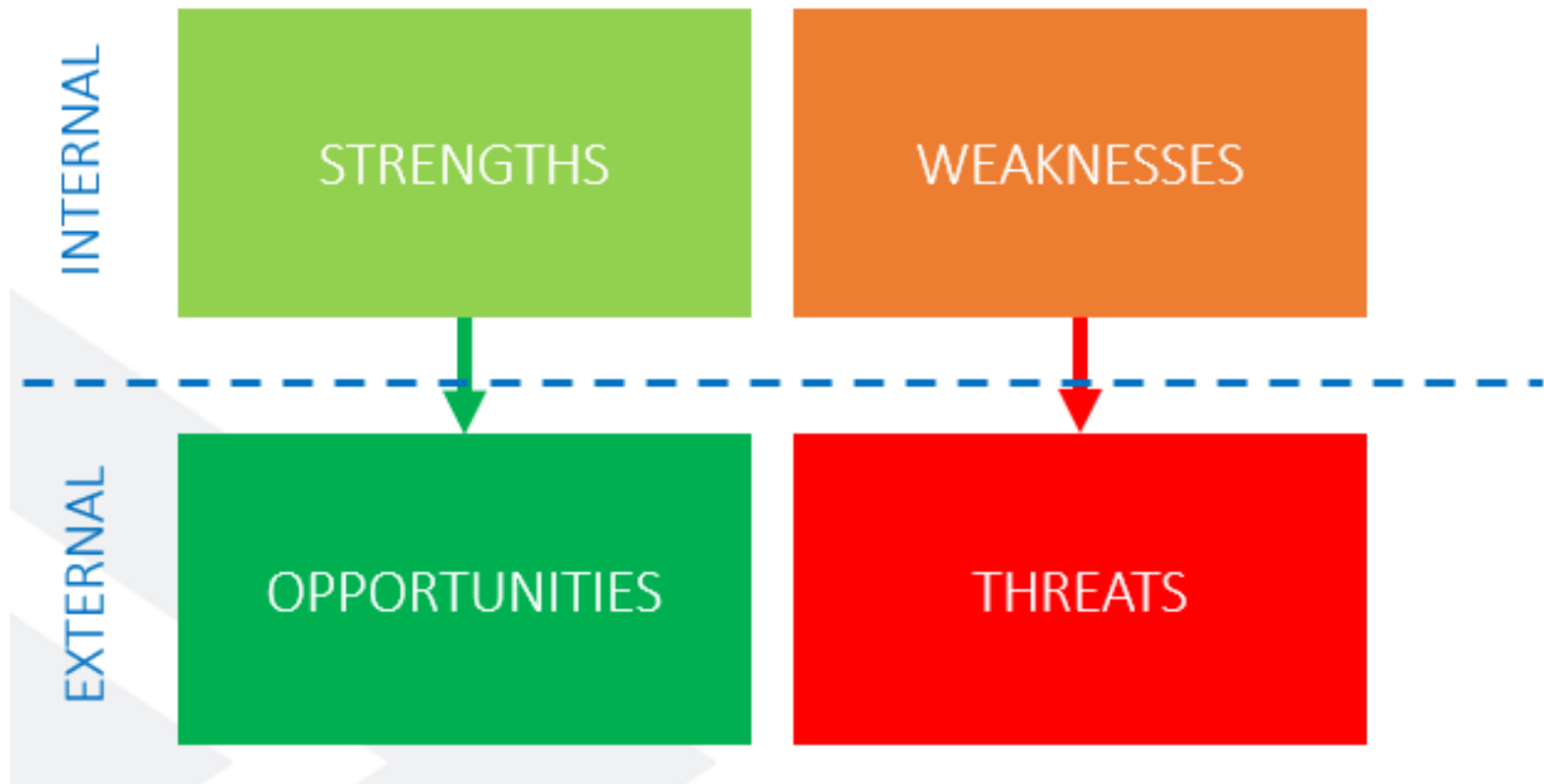


# Porta-King Building Systems



# Developing an Organizational Strategic Action Plan

# SWOT Analysis



## Tips to Keep in Mind...

- Strengths and Weaknesses: Focus Internally
- Opportunities and Threats: Focus Externally
- Map Into a Matrix and Align
  - > S-O
  - > W-O
  - > S-T
  - > W-T

	STRENGTHS	WEAKNESSES
OPPORTUNITIES	<b>Pursue</b> Strengths align with opportunity	Address weaknesses if possible to open opportunity
THREATS	Identify options to utilize strengths to minimize threats	<b>Vulnerability</b> Establish a defensive strategy



# Strategic Direction and Action Plan

## Strategic Direction

## Action Plan

Vision

SWOT  
Analysis

Goals

Objectives

Strategies

Measures

- *Where do we want to be in the next 10 -20 years?*

- *Where are we now?*

- Broad, primary expectations
- *Where do we want to go?*

- More specific than goals, clearly measurable, stated in realistic terms
- Controllable elements that influence the goal

- Identifies specific programs and activities to implement the goals and objectives
- Not merely a list of projects
- *How do we get there?*

- *How are we doing?*
- *What can we do better?*

## SMART GOAL SETS

- Specific
- Measurable
- Achievable
- Relevant
- Time-based

# STRATEGIC ACTION PLAN FOR ENCOURAGING BUSINESS GROWTH

## OVERALL METRICS:

*JOB CREATION, UNEMPLOYMENT RATE, COUNTY AVERAGE WAGE, COUNTY ASSESSED VALUE*





GOALS / METRICS	OBJECTIVES / METRICS	DRAFT 2019 STRATEGIC INITIATIVES / METRICS
<p><b>LAUNCH NEW BUSINESSES</b> # OF NEW BUSINESSES FORMATIONS &amp; PROFILE</p>	<p>Provide facilities, resources, and networking for entrepreneurs Survey of entrepreneurs on facility, training, &amp; networking availability</p>	<p>Operate the business incubator facility Offer training &amp; counseling services # of business incubator participants Satisfaction survey of incubator tenants</p>
<p><b>RETAIN &amp; EXPAND EXISTING BUSINESSES</b> # OF BUSINESSES EXPANDED &amp; PROFILE # OF BUSINESSES RELOCATED/CLOSED <i>(LOW GOAL)</i></p>	<p>Improve access to capital for new &amp; existing businesses Survey of entrepreneurs &amp; business owners on availability of financing</p>	<p>Operate the SBA 504 &amp; 7A programs Issue industrial revenue bonds (IDA) # of businesses assisted with financing Value of financing assistance</p>
	<p>Provide support, training, and resources to emerging, growing &amp; struggling businesses Survey of business owners on training &amp; resources</p>	<p>Operate &amp; provide resources through the Small Business Development Center # of businesses receiving assistance Satisfaction survey of participants</p>
<p><b>ATTRACT NEW BUSINESSES</b> # OF NEW BUSINESSES ATTRACTION WINS &amp; PROFILE</p>	<p>Brand St. Charles County as the location of choice for business <i>(Short-term - Initiative complete/incomplete)</i></p>	<p>Develop &amp; implement a new business attraction branding campaign Brand development <i>(Complete/Incomplete)</i></p>
	<p>Generate leads of new businesses interested in St. Charles County Number of EDC leads generated Pipeline dynamics</p>	<p>Develop &amp; implement a 2019 annual outreach strategy targeting priority lead sources # of contacts made Plan implementation <i>(Complete/Incomplete)</i></p>
	<p>Provide professional project management services to prospective new businesses on behalf of St. Charles County 100% RFI response rate Satisfaction survey of Community Roundtable on project management</p>	<p>Hire a professional project management lead Develop a project management protocol agreeable to participating governments Staffing <i>(Complete/Incomplete)</i> Approved project management protocol <i>(Complete/Incomplete)</i></p>
<p><b>PROVIDE A STRONG VOICE WITHIN THE REGION</b> # OF REGIONAL ISSUES WITH <i>(HIGH GOAL)</i> &amp; WITHOUT <i>(LOW GOAL)</i> STRONG ST. CHARLES COUNTY REPRESENTATION</p>	<p>Provide representation at key regional events/initiatives Survey of Community Roundtable on strength of voice within the region</p>	<p>Provide staff presence at all Regional Chamber meetings/events and all meetings/events requested by the Community Roundtable Participation rate for Regional Chamber meetings/events Participation rate for meetings/events requested by the Roundtable</p> <p>Work with the Community Roundtable to identify key issues without a coordinated effort &amp; develop an implementation plan Inventory of key issues without coordinated effort <i>(Complete/Incomplete)</i></p>

# Priority Needs by Goal: *Encouraging Business Growth*

## Key Questions:

*What is keeping the goal from naturally occurring?*

*What is the pain that needs to be eliminated?*

GOALS	WHAT ARE THE PRIORITY NEEDS?
 <b>LAUNCH NEW BUSINESSES</b>	<ul style="list-style-type: none"> <li>✓ CAPITAL FOR ENTREPRENEURS</li> <li>✓ TRAINING RESOURCES FOR ENTREPRENEURS</li> <li>✓ NETWORKING FOR ENTREPRENEURS</li> </ul>
 <b>RETAIN &amp; EXPAND EXISTING BUSINESSES</b>	<ul style="list-style-type: none"> <li>✓ CAPITAL FOR EXISTING BUSINESSES</li> <li>✓ TRAINING FOR EXISTING BUSINESSES</li> </ul>
 <b>ATTRACT NEW BUSINESSES</b>	<ul style="list-style-type: none"> <li>✓ BRANDING</li> <li>✓ LEAD GENERATION</li> <li>✓ UNIFIED PROJECT MANAGEMENT FOR ST. CHARLES COUNTY</li> </ul>
 <b>PROVIDE A STRONG VOICE WITHIN THE REGION</b>	<ul style="list-style-type: none"> <li>✓ REPRESENTATION AT KEY REGIONAL EVENTS/INITIATIVES</li> <li>✓ LEADERSHIP OR COALITION BUILDING FOR PRIORITY INITIATIVES</li> </ul>



# Performance Evaluation and Benchmarking

*“What gets measured gets done. What gets measured and fed back gets done well. What gets rewarded gets repeated.”*

# Evaluating Performance



Measure **RESULTS** not activity



Identify the key **ELEMENTS** to measure



Establish **BASELINE** for historical comparison



Identify **COMPETITION** to measure/benchmark against



Evaluate and **REPORT** progress, impact, and value



**RAISE** the bar once goals have been met

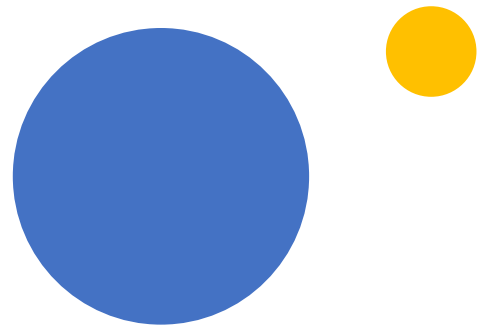
# Strategic Action Plan Structure

The following is an overview of the Strategic Action Plan evaluation process that should be the basis for regularly assessing the various components and making effective resource allocation decisions based on the measurable success/failure of each component to achieve the intended outcome.

<b>OVERALL METRICS</b>	<b>4</b>		<b>Are the Overall Metrics Positively Impacted?</b>	
	<i>If No</i>	<i>Change Goals</i>		
	<i>If Yes</i>	<i>Continue</i>		
<b>GOALS</b>	<b>OBJECTIVES</b>		<b>STRATEGIC INITIATIVES</b>	
<b>3</b>	<b>2</b>		<b>1</b>	
<b>Was the Goal Positively Impacted?</b>	<b>Was the Objective Positively Impacted?</b>		<b>Was the Initiative Effectively Completed?</b>	
<i>If No</i> <i>Change Objective</i>	<i>If No</i>	<i>Change Initiative</i>		<i>If No</i> <i>Accountability for Initiative Champion</i>
<i>If Yes</i> <i>Was Overall Metric Positively Impacted?</i>	<i>If Yes</i>	<i>Was the Goal Positively Impacted?</i>		<i>If Yes</i> <i>Was the Objective Positively Impacted?</i>

- Poverty
- Employment
- Earnings
- Housing choices
- Commuting time
- Safety
- Education
- Valuation
- Primary Employers
- Spending
- Health
- Access to opportunities

# Identify Key Measures for Your Region





# Working with your Board



# Organizational Management and Governance

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*Successful, impactful organizations share a common feature—they have a board of directors that is engaged, understands their role, and contributes their talents and expertise to the success of the organization*



# How to Effectively Engage Your Board Members

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- > Have regularly scheduled meetings that encourage participation
- > Have a structured meeting format to make the most use of their time and provide value to the members
- > Have an agenda and stick to it.
- > Stay within the time constraints set up for meetings
- > Utilize committees as appropriate to streamline the policy debate, make recommendations, and broaden board member engagement.
- > Create Ownership by the Board



# Keys to Leading a Board of Directors

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- > Ask them their opinions
- > Allow them to take ownership in ideas.
- > Provide value to them through information, and project results.
- > Filter and interpret data to provide meaningful information.
- > Board education is critical and must be constant.
- > Immediately educate and include newly elected officials and appointed board members



# Roles and Responsibilities

Board Members	Director (CEO)
Sets policies and develops priorities	Recommends and Carries Out Board Policies and Priorities
Provide general guidance and counsel to the director	Manages day to day operations
Ensure financial integrity of the organization	Maintains organizational relationships
Nurture a vision for the organization	Oversees the staff
Overseeing the Executive Director	Assess the performance of the staff
Assess Performance of the director and organization	Communicates with the Board of Directors
Participate responsibly, ethically & knowledgably	Reports performance and impact of organization

## Out of Bounds

Board members should not involve themselves in operational matters or personnel issues  
Directors should not engage in politics



# Board of Directors Dos and Don'ts



## Do

Learn all you can about your members—spouse's name, children, occupation, etc.

Remember important events such as election cycles and years in office.

Communicate with your members between meetings using email, handwritten letters, phone calls, or visits.

Invest time in your members because you are asking them to invest time in you and your organization.

Be consistent in all your communication—tell all board members the same thing. Don't gossip.

Address board members by their title and last name—it's a sign of reverence and respect. To get respect you need to give respect.

Encourage diversity and youth on your board as appropriate

## Don't

Avoid personal relationships with members.

Do not address board members only by their first name in a meeting.

Do not ignore phone calls or emails from board members.

Do not get involved with politics and elections.

Don't PRETEND to have all the answers

Don't give lengthy technical or detailed responses to a question—be concise and informative

Don't be defensive—accept constructive criticism

Don't only talk to your members about activities—reinforce the mission, purpose and strategic objectives the organization is pursuing

# Tips for Running Board Meetings

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- Understand the most convenient date and time for your members to meet
- Meet with your chairman in advance to set the agenda and discuss agenda items
- Develop an agenda and stick to it.
- Respect members time—keep meeting on schedule
- Provide ample notice for the meeting date, time and location
- Send board packets out a week in advance of the meeting—agenda, minutes, financials, policies, action items, and reports.
- Have at a minimum coffee, water, and a light refreshment
- Arrange the room so members are facing one another to promote good dialog
- Make sure if necessary you have a PA system



# Tips for Running Board Meetings

- 
- Use A/V as needed—don't overdo the PowerPoint presentations
  - Control the room temperature—anticipate impact of a large crowd
  - Allow your chairman to run the meetings and let him defer to you for additional information
  - Provide the chairman with annotated agenda with key information—make the chairman look good (competent)
  - Know where you and the staff should sit during the meeting.
  - Don't allow staff to blurt out during the meeting/discussion
  - Personally greet your board members when they arrive
  - If large board with unfamiliar members-prepare name tents or name badges
  - Introductions can be appropriate-manage the time element
  - If assigning seats for your board members—know any personality conflicts that may exist between board members



# Tips for Running Board Meetings

- 
- Don't overdress for board meetings
  - Be prepared to accommodate the press and the public
  - Be prepared to offer your recommendation—that is what they are paying your for.
  - Provide content of value to the members
  - Address board members by their title, not their first name
  - Correctly pronounce board members names
  - Turn off your cell phone during the meeting—You are not that important
  - Avoid passing out papers during the meeting-have it at their table or send in the packet.
  - Use color paper to manage handouts
  - Avoid the use of acronyms with the board
  - Know your by-laws and Roberts Rules of Order
  - Use committees as appropriate and beneficial
  - Always be prepared for the meeting—anticipate questions, prepare for the unexpected.





# Governance

- ▶ How would you describe your Board member's understanding of their responsibilities:
1. just shows up at meetings
  2. understands they are responsible for approving organizations actions
  3. understands their role of oversight
  4. clearly understands of their role but not as clear on the "ownership" of the organization
  5. clear understanding of their role and the "ownership" of the organization

# Governance

## ▶ Questions to ponder:

- Is your board an asset, impediment or non-factor?
- What strategies are you using to engage, reward and motivate your policy board?
- Is your board operating at a:
  - policy level,
  - Operations level (micro-managing),
  - or as a networking club?

# Group Discussion-Engagement

- ▶ You are the Executive Director of a regional development organization. Due to large turnover in elected officials during last year's election your board composition has drastically changed. It is difficult to gain a quorum at the monthly meetings; some members "doze off" during the three hour meeting; all they seem interested in is what type of cookies await them upon adjournment.
- ▶ *As a director, how will you address this situation?*



# Financial Management



# Keys to Financial Management

- ▶ Have a financial management procedures manual—serves as an agreement, a list of responsibilities between you and the staff assigned to handle the finances of the organization
- ▶ Hire trustworthy, competent, experienced staff
- ▶ Oversee the financial staff directly—they report to you!
- ▶ Maintain fidelity insurance on all staff and board members that are involved with the financial process
- ▶ Separate duties as much as possible
- ▶ Educate yourself if are not 110% confident in your financial aptitude
- ▶ Have an audit done every year by an independent accounting firm
- ▶ Meet with the auditor to get his opinion on the financial practices of the organization
- ▶ Sit in on the exit conference with the auditor and your staff
- ▶ Don't just think of financial management as statements of historical activity-you need to project the financial condition of the organization-to lead the organization

# Financial Management

## What the Director Needs to Know & Understand

Cash inflows and outflows are different from revenues and expenses.

Budgets are blueprints for the future...plans.

Financial statements are historical; they report what happened in the past.

Financial projections are critical to addressing current and future needs

## What the Board Needs to Know & Understand

What resources the organization has.

Sources of fund to acquire resources and provide services (Assets)

How the organization has performed financially

# Financial Statements

## Balance Sheet

Financial status report.

Shows financial position at a position in time.

Usually prepared last date of accounting period.

## Income Statement

Financial performance report.

Covers the duration of the reporting period.

## Cash Flows

Explains the reason for change in CASH during the accounting period.

What were the sources of cash inflows?

What were the uses of cash outflows?

Can help you anticipate a need for cash



# Financial Practices

- Adopt an annual operating budget
- Present the budget to the Board of Directors for adoption
- Prioritize accumulating sufficient financial reserves
- Prioritize eliminating any indebtedness (exception=building)
- Know how your organization's operating budget is trending
- Develop a financial procedures manual
- Contract for an annual independent financial audit
- Maintain bonding/fidelity insurance on key employees
- Develop an indirect cost plan or rate
- Provide monthly financial statements to the Board of Directors
- Require multiple signatures on all checks





# Financial Reporting— Communicating with the Board of Directors

- ▶ Be transparent at all times.
- ▶ Be direct at all times.
- ▶ Be truthful, don't use numbers to paint the wrong picture.
- ▶ Don't use jargon or technical language the board may not understand
- ▶ Use dashboards, graphs and summary reports to present the data in meaningful way
- ▶ Be consistent with financial reporting, use the same(effective) format each meeting to create familiarity
- ▶ Tie the budget and financial activity to how that helps achieve the organization's purpose and focus
  - > Remembers a financial statement is only a snapshot of a specified period of time. It may be necessary to provide trend data for you and the board to understand long term implications.
- ▶ Distribute financial reports in advance of the meeting to allow members to review, understand and ask questions
- ▶ Offer training to your board members to enhance their understanding of the organization's financial structure and performance

# Group Discussion-Financial Management

- ▶ You are the Executive Director of a regional development organization. You have recently been hired to run the organization. In your new position you discover that the organization has scant financial resources and has been deficit spending for a couple of years, nearly depleting the cash reserves.
- ▶ The current budget is over optimistic on revenues and still shows nearly a deficit spending level of 10% of projected revenues. When you were hired the board assured you the organization was financially strong and they want to keep it that way.
- ▶ *As the Director how will you manage this “situation” for the organization and how will you communicate this with your board?*



# Managing Staff

# Staffing for Regional Organizations

- Staffing for a regional development organization is best described as “talent management”
- Talent management is the practice of attracting, retaining, developing and promoting outstanding talent to serve the organization.
- Talent management should be formed from the organization's mission, values, and goals.
- An effective talent management system helps employees feel as if they are part of something bigger than their current job

*What happens if we  
invest in  
developing our  
people and they  
decide to leave?  
What happens if we  
don't and they stay?*

# Staffing for Regional Organizations

- Without the right talent in key areas, you run the risk of missing out on emerging opportunities.
- You need to constantly be planning ahead –identifying and nurturing future leaders.
- You need to understand how to attract today’s emerging talent
- You need to be able to offer the necessary challenges and career development to motivate/retain top performers
- You need to weed out poor performers, poor performers undermine productivity and erode morale

# Realities of the RDO World



RDOs are  
knowledge firms



RDOs are public  
agencies



RDOs primary  
expense is  
personnel



Public service has  
an interesting  
definition by the  
general public.



RDOs must thrive  
through innovation,  
problem solving,  
collaboration, and  
creativity.



RDO's customers,  
audience, and  
members are  
changing more  
rapidly through the  
election process



RDOs face a  
constant battle to  
avoid a bureaucratic  
label and as such  
people view you as  
government  
employees versus  
social  
entrepreneurs.

# Tips for Hiring Staff

- ▶▶ Do credit check and criminal background checks for all new employees.
- ▶▶ Verify that stated degrees are legitimate
- ▶▶ Research social media sites for applicants and/or employees
- ▶▶ Have a staff manual that includes personnel policies, statement of benefits, organizational charts, etc
- ▶▶ Develop strategies to reduce turnover rate
- ▶▶ Make “cross training” a priority, eliminate functional silos?
- ▶▶ Seek measure(s) that evaluate the competitiveness of your salaries and benefits

# Determining Staff Compensation

- ▶▶ Seven Factors for Determining Staff Compensation
  - > The value of the job to the Organization
  - > Position in the salary range (support staff, professional staff, managerial staff)
  - > Competence
  - > Performance
  - > Experience
  - > Education/Credentials
  - > Economics
    - > Employer
    - > Employee



# Employee Evaluations

- ▶▶ EDDs spend 60-80% of expenses on personnel costs
- ▶▶ Employees deal with a myriad of people with a stake in the organization
- ▶▶ Policies and Procedures need to be developed to:
  - > Reward superior performance
  - > Hold marginal employees accountable
- ▶▶ Policies must be administered according to principles of:
  - > Equity
  - > Efficiency
  - > Effectiveness
- ▶▶ Performance standards must be designed to promote the goals and values of the organization

# Employee Evaluations

- ▶▶ Define Expectations
  - > Define what is expected of the employee
  - > Make sure goals are measurable and observable
- ▶▶ Create Goals
  - > Discuss the goals with the employee
  - > Obtain the employee's agreement and signature
- ▶▶ Provide Written Evaluations
  - > At least annually, more frequent if needed
  - > Ensure evaluations reflect the entire evaluation period
- ▶▶ Maintain a Performance Record
  - > Make written notes throughout the year
  - > Do both praising and correcting in real time
- ▶▶ Ensure Integrity of Evaluation
  - > Written comments should be factual, detailed and constructive
  - > Performance criteria shouldn't be changed arbitrarily
  - > Evaluations shouldn't digress from the measures initially identified.

MANAGING PEOPLE BETTER

# Pitfalls of Performance Evaluations

- ▶ Supervisory staff not trained in doing evaluations
- ▶ Evaluation criteria is vague, never communicated in writing, not realistic, not results oriented.
- ▶ Measures only a single point in time—doesn't consider the entire evaluation period
- ▶ Not bilateral in communications
- ▶ Measures the wrong criteria
- ▶ Stockpiling of shortcomings throughout the year and unload on the employee during the annual evaluation



"A leader takes people where they want to go. A great leader takes people where they don't necessarily want to go, but ought to be."

-Rosalynn Carter

# Overcoming the Legacy

# Potential Issues Facing New Leadership



- Following a legend
- Inherit a strong board
- Inherit sound financial condition
- Have a trained and competent team
- Strong and compatible organizational culture
- Growth
- High morale and enthusiasm

- Following a loser
- Disengaged board
- Financial crisis
- Lack of skills, talent, and team effort
- Dysfunctional organization
- Decline
- Low morale, low energy in organization

***No one else cares as much about your organization as you, and no one else has as much to gain or lose as you as the executive director.***

# New Director Challenges

## If Hired from within

- ▶▶ Managing former colleagues and peers
- ▶▶ Board perspective of your new role
- ▶▶ Seeing the big picture
- ▶▶ Shaping the culture to fit your style

## If Hired from outside the organization

- ▶▶ Understanding the region and its players
- ▶▶ Understanding the organizational culture
- ▶▶ Grasping the breadth of programs and services
- ▶▶ Unaccustomed to staff and practices
- ▶▶ Need to “hit the ground running”

# Keys for Overcoming the Legacy



Create your own  
brand, reputation  
and culture



Listen, learn and  
then change what  
needs to change



Focus on the  
organization  
mission, and you  
and your staff's  
strength



# Preparing for the Unknown



# Preparing for the Unknown

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- Have a long term financial plan for the organization
- Create a reserve fund and be disciplined to maintain and replenish it
- Keep your overall mission and purpose forefront—especially with the board
- Develop a strategic action plan for yearly focus, and an overall organizational plan that provides a long term perspective
- Be nimble, so you can adjust as conditions change (nimbleness is restricted if carrying debt)
- Be flexible—work at doing things differently and more efficiently or be prepared to ramp up quickly
- Be entrepreneurial





# Cleaning Up Messy Situations

# Cleaning Up a Messy Situation

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- Be honest about the situation
- Be transparent
- Seek resolution as quickly as possible
- Create a new and improved image and reputation with stakeholders
- Deep clean if necessary
- ABOVE ALL ELSE-Cease the bad practice and never repeat it.
- Find your niche
- Keep your focus



# Economic Development Matrix

Information & Focus	Needs Assessment & Planning			
Product Development	Public Policy	Site Development	Infrastructure Enhancements	Workforce Development
Outreach	Marketing	Lead Generation	Employer Interviews	Programming
Execution	Project Management		Project Management	Project Management
Results=Jobs	New Business Attraction		Existing Business Development	Business Creation



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# Group Discussion-Staffing

- ▶ You are the Executive Director of a regional development organization. You have recently been hired for this position. A board member has approached you about a job for one of his/her family members.
- ▶ *As the Director how will you handle this situation?*

# Group Discussion-Staffing

- ▶ You are the Executive Director of a regional development organization and one of your staff, who is assigned to lead a critical regional project, is speaking negatively about your organization, its board, and its director in public.
- ▶ *As the Director how will you handle this situation?*

# Group Discussion-Employee Evaluation

- ▶ You have recently hired an employee to work on a special community project. Though highly qualified for the job and producing the desired project results, the employee is not fitting into the culture of the organization (The culture is focused on teamwork, creativity, innovation and customer service)
- ▶ The employee does poorly at interpersonal relationships in the office, doesn't share information freely or collaborate with other staff members working on the same project, nor does the employee take calls from member communities when "working on a project".
- ▶ *How would you evaluate this employee and use the evaluation process to get him/her to fit into the culture of the organization?*



# Group Discussion-Employee Evaluation

- ▶▶ You have hired a new “Millennial generation” employee to work in your organization doing mapping, and data research and evaluation.
- ▶▶ The employee has been on the job for 2 years and does a fantastic job of mapping, gathering and interpreting data and meeting project objectives and deadlines.
- ▶▶ During the employee evaluation process last year he/she was critically evaluated for his/her work habits and attendance.
- ▶▶ The employee has not made any improvements to his/her punctuality or modified his/her work habits.
- ▶▶ *How would you use the employee evaluation process to gain the results desired of the organization?*

# Group Discussion-Employee Evaluation

- ▶ You have an employee that has been with the organization a number of years. The employee has a lot of positive attributes, does good work, meets project deadlines, and produces high quality products and results.
- ▶ However, the employee is chronic gossip. The employee is talking to or about someone every chance they have—and not necessarily in a positive light.
- ▶ You have critically evaluated the employee in the past for this action, particularly what is said, how it is said, and to whom things are being said. In addition to chiding them for not using their time appropriately.
- ▶ After evaluations the gossip diminishes in the office for a while, but weeks or months later, the habit begins again.
- ▶ *How would you evaluate this employee and use the evaluation process to modify this behavior?*

# Group Discussion-Sustainability

- ▶ You are the Executive Director of a regional development organization. Due to recent action by the federal government one of your key programs has been eliminated. You face the reality that at the end of this fiscal year you need to “trim” your organizational budget by more than 20% as a result of this action. As the director you will need to lead your organization through this transition.
- ▶ *As the Director what are some of the actions you will consider, and how do you begin to tackle this challenge?*

# Group Discussion-Employee Evaluation

- ▶ You are the Executive Director of a regional development organization. You have recently been hired as the Director. As you begin your tenure as the Director you notice that the staff members come in whenever they want, take exceptionally long lunch periods, and spend a lot of time around the coffee pot. When 5:00 hits, there is a stampede by the back door to leave the office.
- ▶ *As the new Director how will you go about changing the culture of the organization?*

# Group Discussion-Employee Evaluation

- A long term employee who oversees a vital program in the organization is not making reasonable or appropriate gains in learning to utilize technology in the delivery of the program. He/she has been given numerous opportunities to take classes to improve his/her technological skills, some during work hours, some on the employee's own time.
- The organization has been willing to pay for this professional development. A few classes are attended during the working hours, but none beyond that. The implementation of new technologies or the utilization of existing technologies by this employee has been void-almost negligible.
- *How would evaluate this employee and how would you use the evaluation process to create a change in behavior?*

# Group Discussion-Employee Evaluation

- ▶ You have an employee that has been with the organization nearly 3 years. The employee has learned the job duties quickly, is a team player, has a great attitude, and is generally liked around the office and by the customers.
- ▶ In prior evaluations you have critically evaluated the employee for the neatness and quality of their work—particularly noting their lack of attention to detail on reports.
- ▶ Errors continue to occur and the final products produced is often a poor reflection on the professionalism of the organization.
- ▶ Not to mention the employee's office is a complete mess, totally trashed, all the time.
- ▶ *How would you evaluate this employee and use the evaluation process to achieve the desired results*

# Group Discussion-Preparedness

- ▶ You are the Executive Director of a regional development organization, your region has just been impacted by a major natural disaster. How do you prepare and position your organization to assist with the disaster RESPONSE and the disaster RECOVERY
- ▶ *What risks are you willing to take as an EDD?*
- ▶ *How do you get invited to the table?*