

Stanford SOCIAL INNOVATION^{Review}

Viewpoint
Training in Progress
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VIEWPOINT

Training in Progress

A program at Credit Suisse helps high-level employees—and valued clients—to master the art of nonprofit board service.

BY LALITA ADVANI & JULIA CHU

Most successful companies recognize the value of motivating employees to contribute their time and talent to benefit their community. Often, however, company leaders grapple with the question of how to maximize the benefits of corporate involvement in volunteer efforts of that kind.

In 2009, the Credit Suisse Americas Foundation completed a strategic review of its various programs. One of the main findings of that review was that although the foundation had succeeded in engaging junior-level employees in hands-on volunteer projects, there was an opportunity to increase the number of senior-level, client-facing employees who participate in volunteer efforts. To do so, the foundation would need to find a compelling way to engage those senior employees and to help them use their skills on behalf of their community.

At the same time, we and others at Credit Suisse became aware of a different (but, as it turns out, closely related) issue: Nonprofits desperately need high-quality, high-level human capital. In a survey that was part of the BoardSource Nonprofit Governance Index (published in 2010), 27 percent of nonprofit CEOs and executive directors reported that they did not have the right board members to govern their organizations effectively. Here, we recognized, was an opportunity for our employees to meet a critical social need.

In conducting research on peer organizations, we found that although some companies offered board placement programs, very few provided robust training in how to serve on a nonprofit board. The need for such training is strong. In the 2010 BoardSource survey, only 56 percent of board members

said that they were well informed about their legal and governance responsibilities. To help our employees overcome that knowledge gap, we launched the Nonprofit Board Training Program.

In developing our program, we drew on the expertise of several organizations: BoardSource, the Robin Hood Foundation, Quantum Governance, and the United Way's BoardServeNYC program. We followed a two-pronged approach. One part of the program would target senior employees, and the other would serve mid-level employees. Recognizing the different skills, motivations, and financial giving potential of these two groups, we believed, was essential to the success of the program overall.

The content of the Nonprofit Board Training Program focuses on the need for integrity and transparency. Among

the topics covered in training sessions are fiduciary oversight, conflicts of interest, and nonprofit financial literacy, as well as the importance of strategic planning. In those sessions, we also highlight the personal commitment that board service requires, and we encourage employees to conduct due diligence on the financial and skills capabilities that they would need before joining a nonprofit board. We also make financial grants available to employees who become nonprofit board members.

The Nonprofit Board Training Program has exceeded our expectations. We found that by aligning our volunteer programs with employees' most valuable skills, we could equip and motivate them to make long-term, high-impact contributions as nonprofit board members. Along the way, we also learned that by extending our board training to clients, we could align our interests more closely with theirs: We could enhance the social impact of their philanthropic and volunteer work—and benefit our business as well.

ENGAGING EMPLOYEES

Today, five years after starting our program, we have trained more than 800 employees across seven cities in the Americas and have

completed more than 100 board placements. (Many employees who go through the program find board placements through other channels.) According to data gathered for 2013, board service constitutes 15 percent of total hours volunteered by our employees, and nonprofit board members volunteer five and a half times as many hours as the average Credit Suisse volunteer.

We have learned some important lessons from the program. First, we learned that employees' passion for a particular cause is what inspires them to dedicate their



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time to board service. By giving our people the tools and resources to serve in this way, we are able to build a more engaged workforce and to strengthen our connection to senior, client-facing employees in particular.

Second, we have found that through their board service, employees are developing new skills that they can apply to existing or new roles at Credit Suisse. Consider Michele Cubic, a managing director who joined the board of SCO Family of Services, a social services organization based in New York City. "My work on the board and its strategy committee helped me learn to take a more critical view on how a company's strategy develops," Cubic says. "This helped propel me to my next leadership role at Credit Suisse, as head of Americas Investor Relations."

Joining a nonprofit board also allows employees to integrate their charitable efforts more completely into their client work. Doug Healy, for example, is a managing director who serves on the board of the Eagle Academy Foundation (EAF), which runs a network of public schools in the Greater New York Area. "I see the board training I received and the placement at Eagle as a tangible and valuable benefit that Credit Suisse has provided to me," he says. "My board service has also allowed me to strengthen connections with some of my senior clients, most of whom are passionate philanthropists."

Third, we found that employees are using their business skills to steer the long-term strategy of the organizations for which they serve as board members. Many of them have taken on roles such as board president or chair of a committee that focuses on finance, development, or strategic planning. "I have been the treasurer and head of the finance committee for EAF since 2011," Healy says. "At Eagle, I am using the same skills as I do in my day job. I have been able to work in partnership with the staff to bring more structure to Eagle's budgeting and reporting processes."

In some cases, employees have helped a nonprofit to make a difficult decision. One senior employee, a managing director,

describes the challenge that confronted him soon after he joined the board of a school: "It was clear that my organization was in steep decline and in need of a major turnaround. I led the effort to replace the current leadership and developed a transition plan to appoint a new head of school, so that we could begin the hard work of restructuring the school."

From nonprofits, meanwhile, we have heard about the significant impact that board members from Credit Suisse are making. Take the example of Stephen Dundon, director at Credit Suisse, who serves as president of the board of Rebuilding Together NYC, a nonprofit that supports low-income neighborhoods and affordable housing preservation in New York City. "Stephen has been remarkable over the past five years," says Kimberly George, executive director of the organization. "Under his leadership, during a two-year span from 2012 to 2013, Rebuilding Together NYC went from one staff member to eight, from a budget of \$360,000 to \$2.5 million, and from less than 20 rebuilding projects per year to more than 100 projects. Stephen has ensured that processes are in place to respond to the great demand for our services."

ENGAGING CLIENTS

We learned something else: The demand for training in board service is widespread. In conversation with Peter Skoglund, vice chairman of Private Banking North America at Credit Suisse (he also serves on the board of the Credit Suisse Americas Foundation), we discovered that the firm's relationship managers and their clients had a deep interest in the topic of effective nonprofit board governance. Inspired by the success of our training program among employees, we extended it to serve our private clients in 2012.

The connection between our work with private clients and their board service may not be readily apparent. After all, a wealth advisor's core capability involves the management of financial assets. In our view, however, comprehensive wealth management must also encompass the philanthropic

interests of clients—especially given the amount of time and capital that they devote to those interests. Educating clients on board governance helps them improve not only their performance as civic leaders but also the financial sustainability of the organizations they support. By offering coaching to current and prospective clients, we solidify our relationships with them.

Our board training workshops also enable our relationship managers to distinguish themselves as advisors who are committed to the success of local nonprofit organizations. More generally, our thought leadership in effective nonprofit board governance bolsters the Credit Suisse brand, reinforcing our reputation as a principled partner both in business and in the communities where we operate.

We continue to develop and expand our board training program. We plan, for example, to extend the program to private clients between the ages of 20 and 35. People in this group often express interest in impact investing and social enterprise, but they seldom have any experience or training in nonprofit board service. Understanding topics such as prudent management and long-term planning will be critical to their success in navigating the landscape of philanthropy.

In 2013, according to CECF (formerly known as the Committee Encouraging Corporate Philanthropy), only 47 percent of companies had board leadership programs in the location where they are headquartered. (And many, if not most, of those programs offer only placement services. They do not feature a training program.) There is an opportunity for more companies to adopt this practice in order to generate greater social and business impact. Nonprofit board service is an effective way for corporate employees to make a meaningful, long-term contribution using their professional skills. By extending their philanthropic activities to their clients, moreover, companies can not only augment the impact of their clients' philanthropic efforts, but also improve client relationships and enhance their corporate reputation. ■