

THE CULTURALLY CONSCIOUS BOARD

BOARD DEPTH SERIES

# The Operations Review

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A Tool to Help Boards  
Assess Operations.

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# The Operations Review

The *Operations Review* helps boards assess the organization's *fulfillment system* — how promises made become promises kept. It focuses on the **3Cs**: **Capacity** (systems and staff to deliver), **Capital** (resources that sustain the mission), and **Culture** (the climate that shapes cohesion and trust). Together, they give boards a balanced lens to ask: not just “*Are we doing things right?*” but “*Are we deliver the quality we expect of ourselves, both now and well into the foreseeable future?*” We'll look at each lens separately:

## Section 1: Capacity (Fulfillment System)

- **Oversight Lens** | Boards ask: *Do we have the operational capacity — the systems, staff, and structures — to keep the promises we make?*
- **Key Point** | Operational capacity is the *fulfillment system* that carries a promise from **made** to **kept**. Boards don't manage the daily mechanics, but they must ensure the system is strong enough — with the right people, processes, and alignment — to reliably deliver outcomes. Weak capacity shows up when promises outpace infrastructure, creating gaps between mission intent and delivery.
- **Capacity Building Tool** | Logic Model – Your Chain of Inputs → Activities → Outputs → Outcomes → Impact.
- **Board Action** | Identify risks, gaps, and where oversight adds value.

## Section 2: Capital (Revenue & Resources)

- **Oversight Lens** | Boards ask: *Are our financial, physical, human, and social resources sufficient and sustainable for long-term mission delivery?* Do we have sustainable revenue and resources equal to the demands of our mission?
- **Key Point** | Sustainable revenue is a byproduct of balancing inputs and outputs to meet the demand of the missional promise. An over-reliance on fiscal resources and their indicators (like budgets, cash flow, or fundraising totals) risks missing other assets and liabilities hiding in plain sight — the condition of the physical plant, the tradeoffs of renting vs. owning vs. building, or the long-term maintenance costs of infrastructure.
- **Capacity Building Tool** | **Resources Inventory** – Your review of assets and liabilities affecting sustainable mission delivery, such as:
  - Financial resources: cash flow, reserves, revenue streams, debt load
  - Physical resources: facilities, equipment, technology, vehicles, utilities
  - Human resources: staff expertise, volunteer commitment, leadership pipeline
  - Social resources: partnerships, community trust, donor/funder goodwill
  - Intellectual resources: curricula, program models, reputation, brand equity
  - Liabilities and hidden costs: deferred maintenance, unfunded mandates, insurance, compliance burdens

### ***Suggested Resources Boards Must Review Regularly:***

- Audited financials and cash flow reports
- Debt/loan covenants and repayment schedules
- Facilities and technology infrastructure health
- Fundraising and grant pipelines
- Reserve policy and sustainability benchmarks

- Asset/liability inventory (including physical plant condition)
  Space utilization and cost analysis (rent vs. own vs. build scenarios)
- Board Action |** Ensure revenue and resources are financially sustainable, AND holistically sustainable — balancing cash, people, infrastructure, partnerships and liabilities to make mission delivery sustainable.

### Section 3: Culture (Cohesion & Mission Delivery)

- Oversight Lens |** Boards ask: *Does our culture strengthen identity, cohesion, adaptability and trust, or does it create disadvantages or risks that can undermine mission delivery?*
- Key Point |** Culture is not a backdrop but the *identity, generativity* (and reactivity) of the organization — the way people respond under stress, collaborate in daily work, embody mission values into action. A strong culture multiplies capacity and capital; weak culture erodes them.
- Capacity Building Tool | Resources Inventory** – Your review of assets and liabilities affecting sustainable mission delivery, such as:

#### **Board Reflection Prompts:**

- Are our stated values visible in daily operations?
- Do staff feel cohesion, psychological safety, and trust?
- Does our culture retain, develop, and attract the talent we need?
- How do we handle stress, conflict, and external change?

#### **Possible Dashboard Indicators:**

- Staff turnover/retention
- Employee engagement or climate surveys
- Psychological safety and social hygiene factors
- Stakeholder trust/feedback scores
- Board self-assessment results

- Board Action |** Monitor how culture aligns with aspirational framework, deepens cohesion, enables adaptability.

### Closing Board Actions (Next Best Steps)

- Add Operations Review to the Annual Board Calendar.
- Appoint a Person, Committee or Policy to Ensure these reviews are conducted in a timely manner.
- Interrogate the Capacity logic model annually.
- Review Capital resources & sustainability quarterly.
- Conduct a Culture check semi-annually.
- Ensure SPACE dashboard integrates all three oversight areas.

# Appendix A: Capacity Check Grid

| Logic Model Element | Board Oversight Question   | Rating (Green, Yellow, Red)  | Notes |
|---------------------|--|--|-------|
| <b>Inputs</b>       | <i>Do we have adequate resources (staff, partnerships, funding)?</i>     | <input type="checkbox"/> G <input type="checkbox"/> Y <input type="checkbox"/> R |       |
| <b>Activities</b>   | <i>Are programs and processes efficient and mission-aligned?</i>         | <input type="checkbox"/> G <input type="checkbox"/> Y <input type="checkbox"/> R |       |
| <b>Outputs</b>      | <i>Are we meeting quality and quantity expectations?</i>                 | <input type="checkbox"/> G <input type="checkbox"/> Y <input type="checkbox"/> R |       |
| <b>Outcomes</b>     | <i>Are stakeholders experiencing the short-term benefits we promise?</i> | <input type="checkbox"/> G <input type="checkbox"/> Y <input type="checkbox"/> R |       |
| <b>Impact</b>       | <i>Are we achieving the long-term change we exist to create?</i>         | <input type="checkbox"/> G <input type="checkbox"/> Y <input type="checkbox"/> R |       |

## Appendix B: Capital Check Grid

| Resource Area          | Board Oversight Question                              | Rating (Green, Yellow, Red)  | Notes |
|------------------------|---|--|-------|
| <b>Cash Flow</b>       | Is liquidity sufficient to meet obligations?          | <input type="checkbox"/> G <input type="checkbox"/> Y <input type="checkbox"/> R |       |
| <b>Reserves</b>        | Do reserves meet policy and cushion risk?             | <input type="checkbox"/> G <input type="checkbox"/> Y <input type="checkbox"/> R |       |
| <b>Assets</b>          | Are facilities, equipment, and technology maintained? | <input type="checkbox"/> G <input type="checkbox"/> Y <input type="checkbox"/> R |       |
| <b>Liabilities</b>     | Is debt manageable and transparent?                   | <input type="checkbox"/> G <input type="checkbox"/> Y <input type="checkbox"/> R |       |
| <b>Revenue Streams</b> | Are they diverse, sustainable, and mission-aligned?   | <input type="checkbox"/> G <input type="checkbox"/> Y <input type="checkbox"/> R |       |
| <b>Human Capital</b>   | Do we have the expertise and people power needed?     | <input type="checkbox"/> G <input type="checkbox"/> Y <input type="checkbox"/> R |       |

## Appendix C: Culture Check Grid

| Culture Indicator           | Board Oversight Question   | Rating (Green, Yellow, Red)  | Notes |
|-----------------------------|--|--|-------|
| <b>Values in Action</b>     | Do staff and board behavior reflect stated values?                 | <input type="checkbox"/> G <input type="checkbox"/> Y <input type="checkbox"/> R |       |
| <b>Psychological Safety</b> | Do staff feel safe to speak up, take risks and share concerns?     | <input type="checkbox"/> G <input type="checkbox"/> Y <input type="checkbox"/> R |       |
| <b>Social Hygiene</b>       | Are norms around respect, civility, belonging and fairness upheld? | <input type="checkbox"/> G <input type="checkbox"/> Y <input type="checkbox"/> R |       |
| <b>Retention</b>            | Is turnover at a healthy or concerning level?                      | <input type="checkbox"/> G <input type="checkbox"/> Y <input type="checkbox"/> R |       |
| <b>Adaptability</b>         | Do we handle stress, conflict, and change constructively?          | <input type="checkbox"/> G <input type="checkbox"/> Y <input type="checkbox"/> R |       |
| <b>Board Culture</b>        | Does the board itself model cohesion and mission-aligned behavior? | <input type="checkbox"/> G <input type="checkbox"/> Y <input type="checkbox"/> R |       |