

Helping Credit Unions  
Serve, Grow and Remain Strong.

# A New & Improved Board: Effective Leadership

Saturday, April 9, 2016



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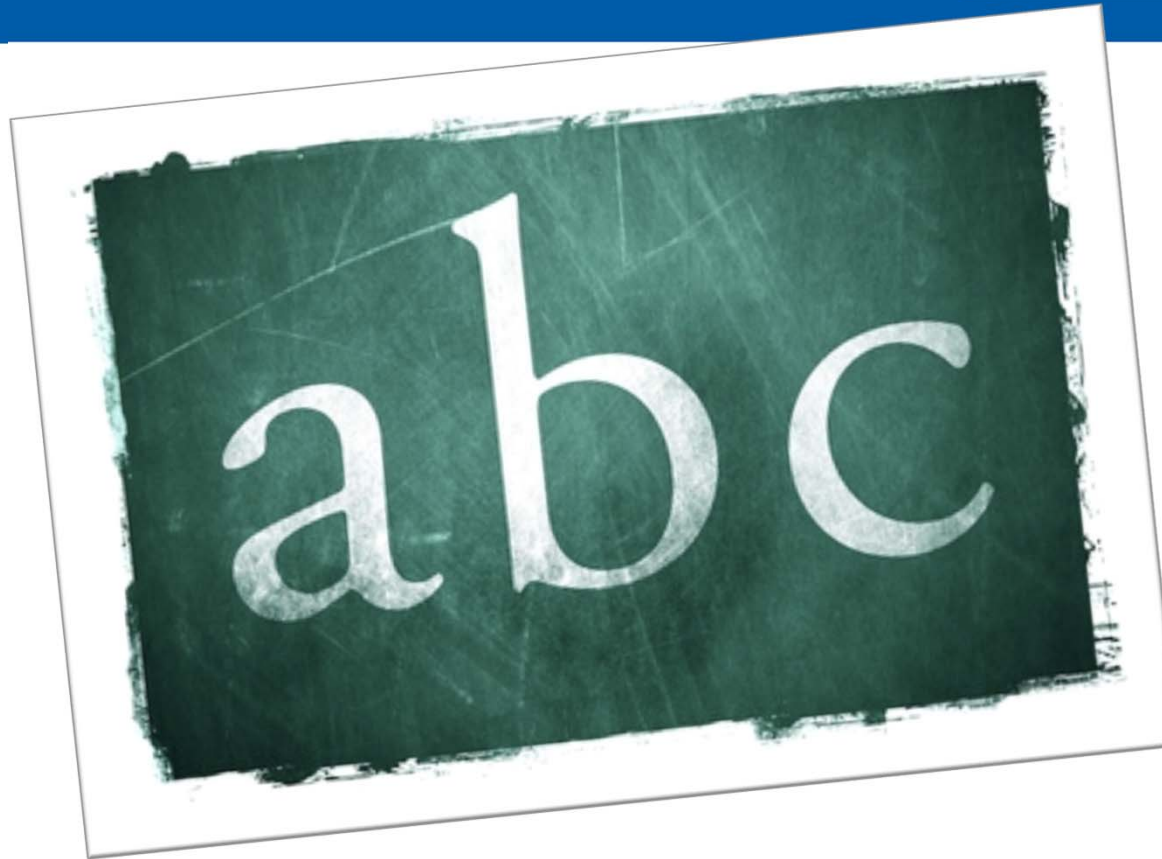
# Your Presenter

Helping Credit Unions  
Serve, Grow and Remain Strong.

- Worked in CU industry for 20 years
- Specializes in Board Governance & Effective Leadership
- Featured speaker for CUNA, CDCU Federation, NCUA and various state leagues



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# BACK TO BASICS



# Six Essential Duties

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## Duty to Direct

- Directors must attend meetings
- Ensure the needs of the membership are served
- Set “big picture” goals & delegate the execution

## Financial Literacy

- Familiar with basic accounting concepts
- Read & understand balance sheet & income statement
- Don't try to be an expert, ask meaningful questions



# Six Essential Duties

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## Good Faith

- Carry out duties with honesty & integrity
- Act in the best interest of the membership as a whole
- Exercise prudence & reasonable inquiry

## Impartiality

- Act fairly
- Abstain from actions, votes or debates that represent an actual or apparent conflict
- Do not discriminate against any particular member or segment of membership



# Six Essential Duties

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## Reliance

- Make decisions based on information/advice from reasonably competent sources
- Rely on employees, auditors, consultants

## Compliance

- Directors must act in compliance with Federal Credit Union Act/applicable state laws



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# UNITY OF CONTROL



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# Unity Of Control

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- Although the board is made up of individual directors, it must speak with one voice.
- Directors have no separate power or authority, only the board as a body may make decisions or issue directives.
- Officers may act as spokespeople for the board's decision or actions



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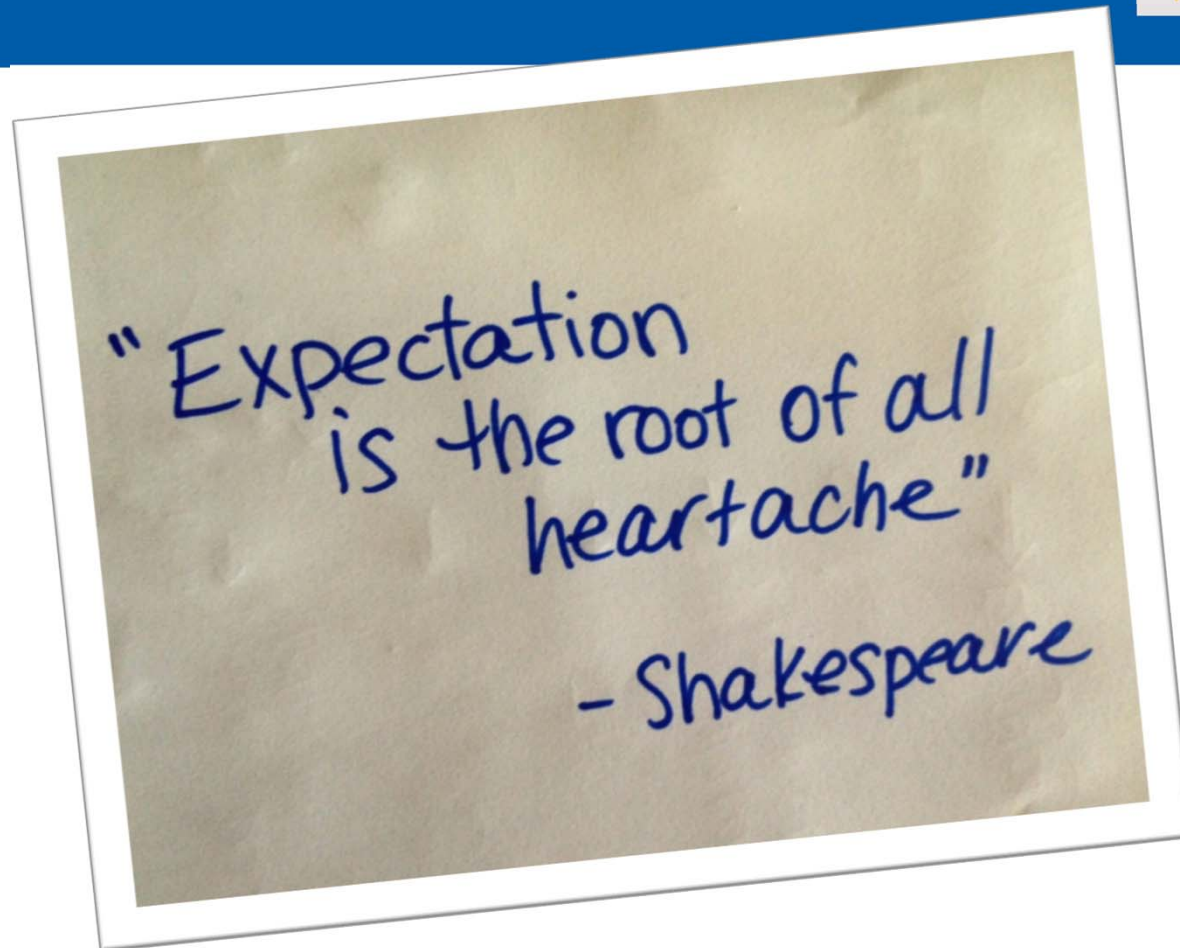
# Unity Of Control

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- It is inappropriate for individual directors to:
  - Voice dissenting opinion to membership, CU staff or in a public forum after a board majority vote
  - Discuss board business or make decisions outside formal board meetings/working sessions
  - Attempt to direct the CEO in a way that is inconsistent with a binding board decision



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# MUTUAL EXPECTATIONS



# CEO's Expectations of Board

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- Approve policies that set direction
- Define the parameters of CEO authority
- Support the consensus and majority decisions
- Provide continuity and direction in CU activities
- Perform a meaningful review of CEO performance annually
- Support initiatives of CU industry
- Avoid becoming too involved with day-to-day operations



# Boards Expectations of CEO

- Make decisions that fall within the CU's strategic plan & policy
- Recognize, hire & develop CU employees
- Stay informed on CU industry topics
- Develop communications to board, employees and members
- Facilitate policy making
- Develop products/services that will benefit members
- Participate in succession planning
- Ensure safety & soundness of CU





# EFFECTIVE LEADERSHIP



# Effective Leadership

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- To be effective, leaders should have a highly focused short list of objectives they monitor constantly until they are accomplished.
- Adopting the four types of behavior avoids priority overload, unnecessary meetings and inconsistent management.
- The effective leader must be comfortable with delegation and empower those around him/her.





# Be Supportive

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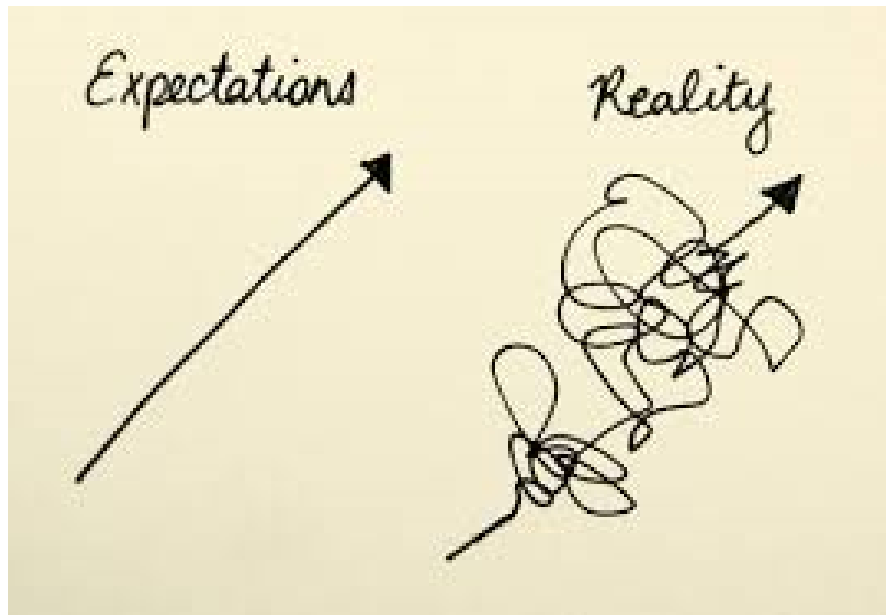
- Champion your people *and* their ideas
- Celebrate small victories



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# Be Results Oriented

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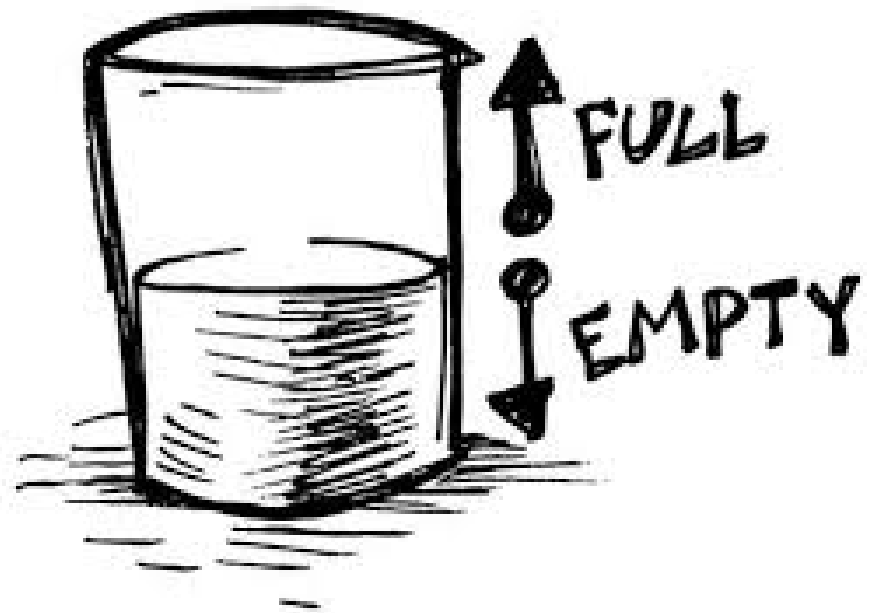
- Focus on results, not the way in which they are accomplished
- Set clear goals then LET GO and trust your team to achieve



# Seek Different Perspectives

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- Go outside your comfort zone
- Challenge long-held ideas
- Pursue alternate points of view



# Solve Problems Effectively

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**PROBLEM  
SOLVED!**

- Treat the disease, not the symptoms
- Focus on things that are important
- Delegate fire fighting



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# WHAT'S IN YOUR TOOL BOX?



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# Robert's Rules Of Order

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- A “light” version of parliamentary procedure, these rules are generally followed to assure that assemblies remain on task, acknowledge the opinions and votes of the majority and minority and allow for easier documentation of meeting minutes.
- A cheat sheet and short guide are included in your handouts.



The logo for CU Solutions Group, featuring the text "CU solutions" in a bold, sans-serif font, with "GROUP" in a smaller font above "solutions". A yellow and blue curved line is positioned to the left of the text.



# Consent Agenda

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- A meeting practice that allows items that do not need discussion to be acknowledged and recorded as one agenda item.
- Items in consent agenda may include:
  - Routine reports
  - Previous minutes
  - Any other item that is not controversial



# Committees

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The board may appoint committee members to help out with the gathering of information and/or to support the overall health of the CU.

- Committees might include:
  - Supervisory
  - Education
  - Information Technology
  - Credit
  - Nominating



# Associate Directors

- Associate directors can be appointed by the board to sit in on meetings and engage in debate
- Associate directors do not have voting rights
- Associate directors are bound by confidentiality & code of ethics
- Terms can vary
- A sample associate director policy is included in your handouts



# Associate Directors

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## Why appoint associate directors?

- Great training program for new directors and/or committee members
- Allow a seasoned professional to bring expertise to the table
- To capture opinions from segment not currently represented in board makeup



# Annual Meeting

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The annual meeting must be held in accordance with your bylaws and applicable regulations.

Generally, the annual report will be made available to the membership and voting for any open seats will be held.



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# Thank you!

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