

# Is It Time For a Strategic Board Tune-Up?

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Does your board routinely rubber-stamp management proposals without discussion? Put off strategic planning? Nitpick about minutia? If so, it's time for a tune up.

Board excellence demands continuing education and a commitment to "visionary strategic planning," says Jeanne Murphy, president of the Minnesota-based consulting firm Strategic Solutions. This entails looking beyond one- to three-year planning scenarios to determine just what your credit union means to members,, what positive impact the credit union will have on both members and the community, and which products, services, and practices fit in with the credit union's vision.

"If board members are doing visionary strategic planning, your credit union will be constantly evolving," Murphy says. "With visionary strategic planning, your annual business plan is tied to what your credit union wants to achieve in the long term. The key, however, is for your board and management to bring that plan alive throughout the credit union so every employee knows what his or her role is in helping your credit union achieve its future.

"Boards spend way too much time during meetings discussing what's already happened," she continues. "They certainly have a fiduciary responsibility to look at the financials, but when most of the board's time is spent doing that, there's no way the board will be revitalized and excited."

One excellent way to tune up the board, Murphy advises, is with continuing education. "And directors should share what they learn with the rest of the board and how it might apply to the credit union. This fosters discussion among board members."

"Conducting a needs assessment can help boards determine what types of training to pursue. Using a Needs Assessment or Benchmarking survey tool, directors can evaluate themselves and the overall board in a number of key governance areas while rating the level of importance for each area. Doing so will help the board clearly identify the most important areas of governance and their current levels of knowledge in those areas – quickly highlighting where board members may need further development," says Murphy.

## Assessing Board Effectiveness - Key Governance Areas

- Developing a strategic direction – vision, mission and values statements
- Creating / overseeing strategic and annual business plans
- Setting well-defined goals and objectives and evaluating progress
- Crafting a CEO's position description and setting measurable goals
- Evaluating CEO performance and creating the CEO's compensation package
- Ensuring CEO succession and/or hiring a new CEO

- Maintaining an effective line of communication between the CEO, members and the board
- Establishing and monitoring credit union policies and financial health
- Attending and actively participating in board meetings
- Effectively representing the credit union to members and the community
- Ensuring nomination and succession of qualified directors and officers
- Evaluating board performance and participating in ongoing development activities

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