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Creating Your Credit Union's Sexiest Board Alive

Learn the four Cs of all-star volunteers.

By **Brandi Stankovic** | Sept. 20, 2018

When credit union cooperatives were first formed, there was strong intrinsic value placed on volunteers who donated their time to guide the pooled funds on their membership's behalf. Your chairman's auto loan was approved on good faith and a handshake, so he could make it to work and feed his family. Loyalty like that is a lost art.

The most effective volunteers are those who give strategic counsel and direction while maintaining their own sustainability and competence.

How can your credit union create such a sexy board? By utilizing the following four C's of effectiveness to become a high-functioning and engaged volunteer group that together can tackle any industry or community challenge.

1.) **Competence** → **Contribution**. From both a strategic and regulatory standpoint, competency is critical in regard to financial literacy, risk management and strategic direction. You need to ensure your board is participating beyond the annual jeopardy BSA game. Set standards for education and measure these critical competencies.

However, competence alone is not enough. Volunteers must get involved. At one of my planning sessions, a board introduced a political advocacy initiative and divvied up jobs on how to individually participate. This

kind of collaborative interaction between volunteers and legislators help build connections as well as spotlight credit unions and the credit union movement. And, by taking on an altruistic role of contributing towards a meaningful initiative that results in a positive impact, your team will feel a greater sense of worth.

2.) **Consistency.** In an industry dominated by older board members, I may be among the minority who believes board demographic diversity is only as important as creating a volunteer team consistent with the credit union's field of membership and targeted future membership. If you serve older, working and retired county employees, then that board representation makes sense. If you are running a community-based credit union that serves the Hispanic market and targets young college kids, but your board is composed of entirely retired, SEG-based members of the military (and the base has been closed for 20 years), then (shaking my head) it is time to switch things up.

3.) **Connection.** Successful volunteer teams have chemistry and cultivate open communication built on mutual trust and respect. They share information, connect on a personal level and challenge one another's conclusions when appropriate. Even (especially) if they've been together for 20 years, they spend time nurturing the board's relationships.

Effective boards and committees typically form a strong connection with the CEO as well. One of the greatest struggles we see as emerging executives advance to the CEO role is the management of the board. Establishing routines, expectations and standards help facilitate a successful relationship between your CEO and the board.

Another important consideration is the future of meetings and how your board will connect with one another. This goes beyond teaching volunteers how to use their iPads. Effective volunteers create opportunities for participation in alternative or virtual ways. At one of my planning sessions, a board member asked me the theoretical question: Would I prefer to attend a board meeting at 11 a.m. or 6 p.m.? I replied,

neither. I work at 11 a.m. I have kids to love at 6 p.m. so, if you want my profile or demographic involved, there needs to be flexibility.

- 4.) **Commitment.** The best way to motivate and enforce commitment and accountability is through peer pressure. Establish informal roles beyond the traditional secretary or vice chair, such as advocacy, emeritus or events. Directors who take their duties seriously will require their fellow members to do the same. Conduct anonymous peer evaluations of your board to create an objective rating that is reviewed openly. This becomes a measurable benchmark for performance.

Developing directors who go beyond the basics of competency, challenge each other to contribute, connect to one another virtually and personally, and continue to learn will lead to the creation of your credit union's high-performing, sexy board of the future.

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