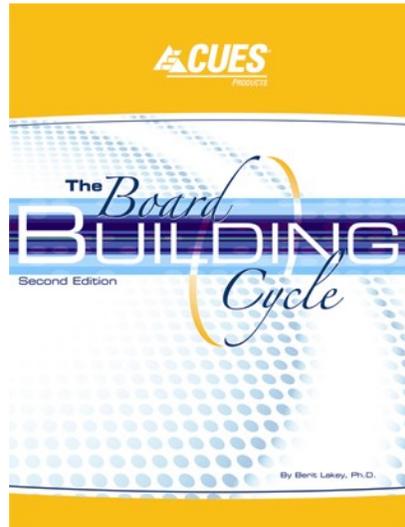


# *The Board Building Cycle*

## Executive Summary



*“Good boards do not just happen: They take care, thought and planning. Credit unions with strong, active boards often spend significant time and attention on each part of the board building cycle.”*  
– Berit Lakey, Ph.D.

Credit unions operate in a different world than a generation ago. Greater competition in the financial services marketplace, declining membership growth and the prevalence of mergers and expanded charters has changed the landscape. Does your board reflect this change?

The supply of qualified volunteers seems low and the demand for their time is high. In addition, boards face increasing regulatory responsibilities, which puts an even greater onus on credit unions to assemble strong and effective teams. For these reasons and more, it’s imperative to regularly focus on all aspects of your board.

*The Board Building Cycle*, by Berit M. Lakey, Ph.D., addresses these concerns and more in a comprehensive, nine-step approach credit unions can take to develop high-performing volunteer boards. Lakey, a credit union governance expert with more than 30 years of experience, identifies important ongoing steps for maximum board performance.

According to Lakey, the board building process serves two major purposes: To **replenish the board’s people power** by bringing in new members and to **strengthen board performance**. *The Board Building Cycle* presents **practical tips, worksheets, documentation samples**, links to comprehensive **resources**, and informative **case studies**. Explore each of the steps below for a preview of what you’ll find in this useful manual.

### **Step 1: Identify**

*Consider the “WCWs” that every board depends on: work, commitment and wisdom. Every board needs people who are willing to roll up their sleeves to get things done; who are committed to the credit union movement’s “people helping people” philosophy; and who possess the wisdom to ask the right questions, provide the needed knowledge and support healthy discussion.*

What does your board need and who do you want? Determine the right mix of volunteers for your board, with detailed steps the current board can take today.

### **Step 2: Cultivate**

*The outcome of the cultivation process should increase the likelihood that someone with the right qualifications will be waiting in the wings when the need arises.*

Develop relationships with people before you need them on the board. This section offers practical tips on how and where to find directors.

### **Step 3: Recruit**

*The recruitment portion of the board building cycle is a highly personal activity—and a two-way street.*

Not every candidate will join the board, and the ongoing cycle of recruitment explores whether a candidate is a good fit for your organization. Careful recruitment will tell you a great deal about potential candidates. Turn here for important tips on how to:

- Engage prospects.
- Evaluate candidates.
- Identify red flags.
- Interview potential members.
- Close the deal.

### **Step 4: Orient**

*Results from hundreds of board self-assessments have shown that board orientation is often a weak area of board performance.*

Once you’ve successfully elected a new member, Lakey makes a strong case for the importance of new director orientation. The manual includes a useful board orientation checklist and chart to facilitate this crucial step.

### **Step 5: Involve**

*Individual commitment to a group effort—that is what makes a team work, a company work, a society work, a civilization work.*

—Vince Lombardi

While it's critical to get new directors actively involved in the board on day one, it's equally important to keep long-time directors engaged in the process. Lakey offers practical suggestions for director involvement, discussing how to maximize individual skills for their unique role on the board. "The board must become a cohesive unit that makes use of what every director can offer." She also provides helpful tips outlining barriers that keep directors from staying.

### **Step 6: Educate**

*Continuous learning is a key characteristic of boards that stand out from the crowd.*

"No board can afford to believe that it has arrived at perfection, that it has no more to learn about being a great board," says Lakey. This section offers practical ways for volunteers to expand knowledge and understanding to help them stay engaged and informed of issues that may impact the credit union.

### **Step 7: Evaluate**

*Now, when every credit union exists in an environment of almost constant change and challenge, wise boards take time for regular check-ups to discover ways to strengthen their performance.*

Make ongoing assessment part of your board cycle, recommends Lakey. Evaluate regular meetings and full-scale assessments every two to three years. Turn to this section for useful worksheets:

- Board Meeting Evaluation Form;
- Mini Board Self-Assessment Survey; and
- Individual Director Self-Evaluation Form.

### **Step 8: Rotate**

*In the early stages, board membership can be exhilarating and challenging. However, over time, if the board remains largely unchanged, it can grow stagnant.*

Making room for new people is critical for the vitality of volunteer boards, and Lakey presents steps credit unions can take to ensure fresh insight and continued engagement.

### **Step 9: Celebrate!**

*Celebration is not the last step in the board building cycle: It is a spirit that should be infused in every step of the cycle for a lasting and successful outcome.*

### **Conclusion**

Don't just let your board happen—actively build the right board with the best mix of directors to lead your credit union's governance committees. This practical and informative guide will generate rich discussion among your current volunteers and will strengthen your credit union leadership for the future.

CUES and CUES Director members may [download](#) the entire 72-page *The Board Building Cycle* as a benefit of their membership. (E-mail [cues@cues.org](mailto:cues@cues.org) if you need your password.)

Or join now to take advantage of this and all the other benefits of [CUES](#) or [CUES Director](#) membership.