

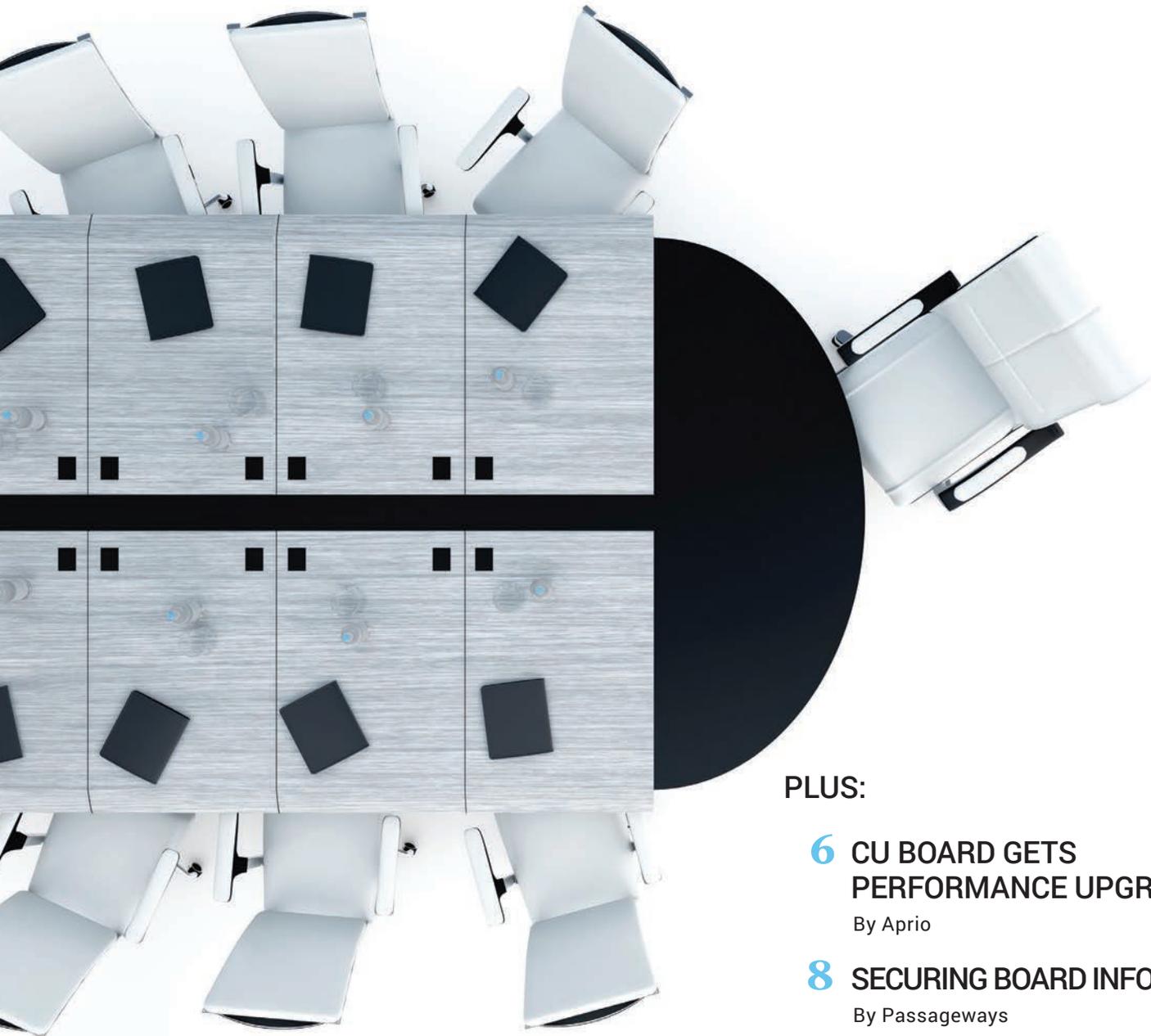
# Special Report: Boards

## *Credit Union Management*

SEPTEMBER 2018

### The Promise of Portals

Implemented strategically, this board technology can promote director diversity, improve security and make meetings more efficient.



PLUS:

**6** CU BOARD GETS  
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# The Promise of Portals

IMPLEMENTED STRATEGICALLY, THIS BOARD TECHNOLOGY CAN PROMOTE DIRECTOR DIVERSITY, IMPROVE SECURITY AND MAKE MEETINGS MORE EFFICIENT.

BY STEPHANIE SCHWENN SEBRING

Every credit union board wants to be strategic. Strategic thinking can be boosted when directors have a mix of expertise, demographics and credentials. By encouraging board diversity, boards can incorporate broader views and better represent the membership. But credit unions sometimes find attaining this diversity at the board level a challenge.

They're not alone. According to a 2017 survey by the Investor Responsibility Research Center Institute ([irrinstitute.org](http://irrinstitute.org)), 80 percent of S&P 500 boards have an average age in the 60s, with little difference by company size and industry, and the median average age for all boards is 62.4 years.

Can portals help attract diversity?

Absolutely, says credit union CEO and CUES member Amy Nelson of \$100 million Point West Credit Union, ([pointwestcu.com](http://pointwestcu.com)), Portland, Ore., especially age diversity. Younger directors join expecting to have convenient access to information to prepare for board meetings and that meetings will be run efficiently online. Point West CU uses the portal from CUES strategic provider Aprio ([aprio.net](http://aprio.net)), which is also used by CUES to manage its own board.

Ian Warner, CEO of Aprio, adds that achieving board diversity isn't just about attracting diverse members, it's about ensuring every director has an equal voice. Board portals are critical for providing a forum beyond meetings for online discussions and surveys, and ensuring same-time access to complete information for every director.

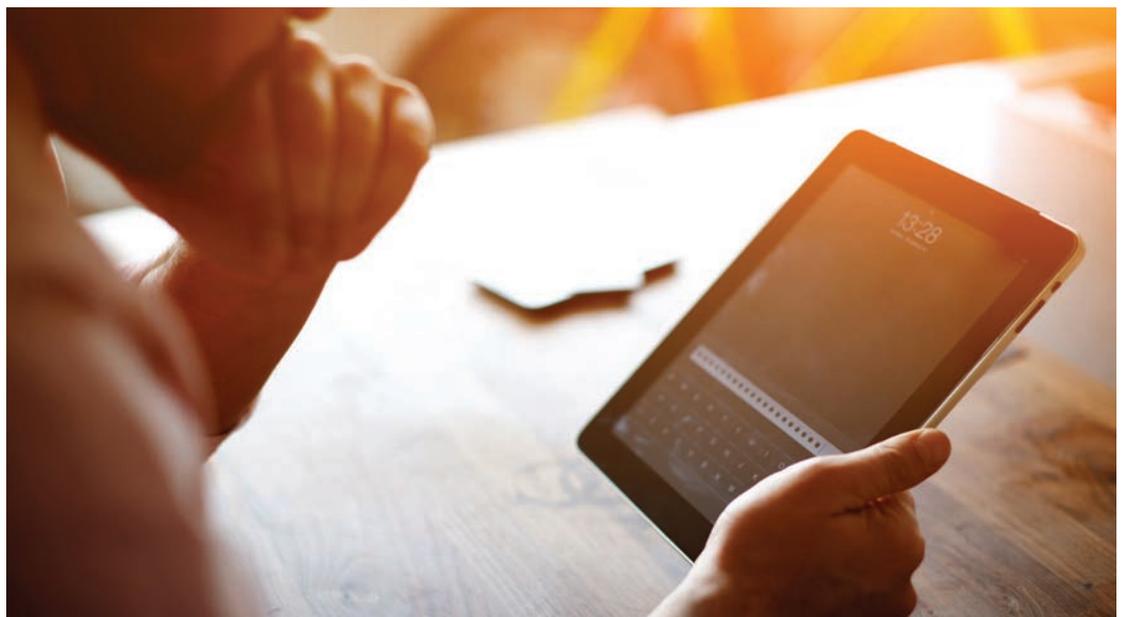
CUES member Amy Sink, CEO of \$1.2 billion

Interra Credit Union ([interracu.com](http://interracu.com)), Goshen, Ind., agrees that portals can help with board diversity if you implement your portal strategically, with features that appeal to the board members you wish to attract. Her credit union uses the portal from CUES Supplier member Passageways ([passageways.com](http://passageways.com)), LaFayette, Ind., to help its directors securely communicate and share documents.

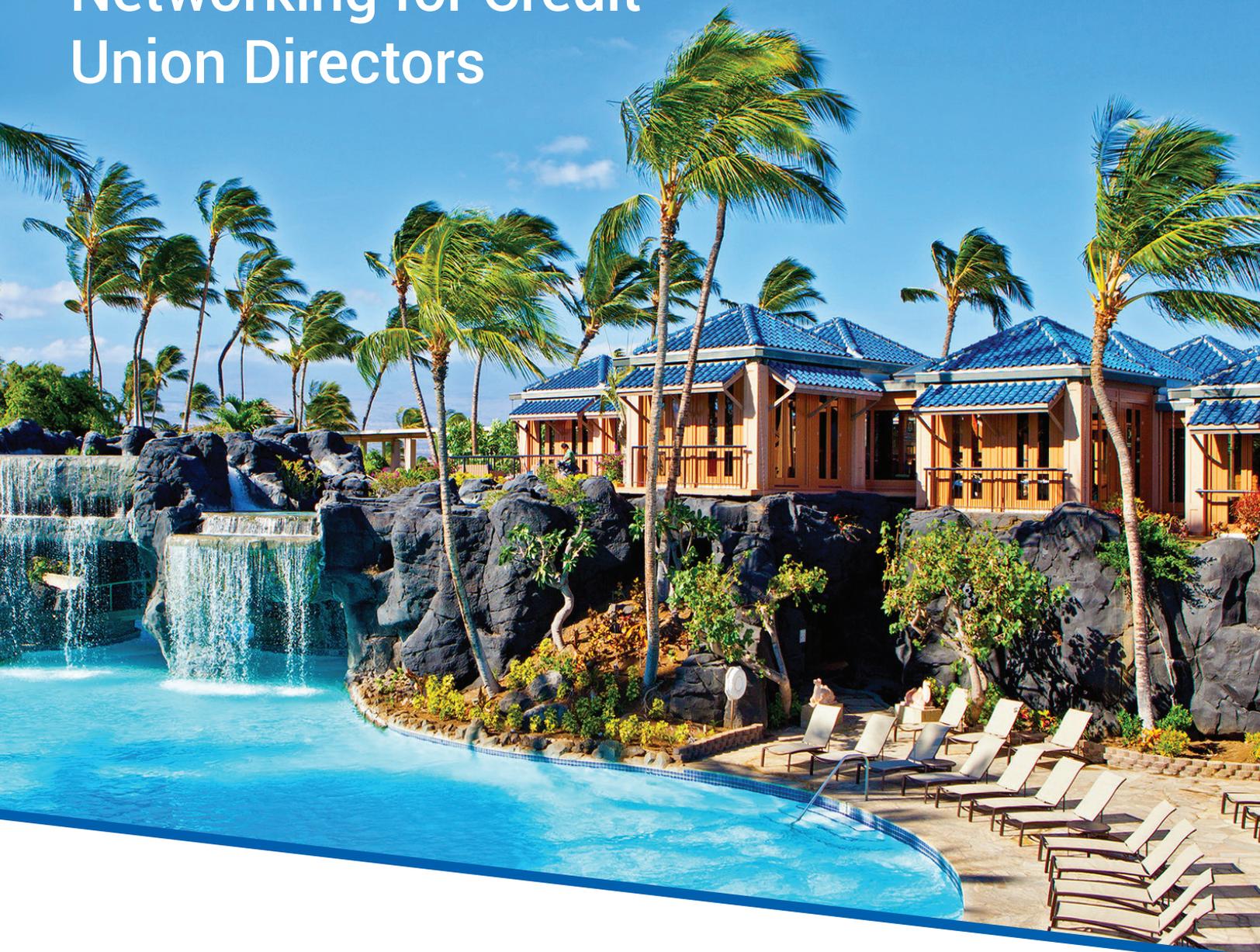
"Credit unions that create a formal strategy around their portal with features that align with corporate goals will see a positive impact," she says.

A board that wants to attract younger directors might find that offering an electronic board portal supports that vision, suggests Randy Schilling, president of BoardPaq LLC ([boardpaq.com](http://boardpaq.com)), St. Charles, Mo. "Younger individuals want to access your information from their mobile phones and tablets. If they use the device that they're most comfortable with, there's no learning curve."

Using a portal also means using less paper, which younger directors tend to favor. "These directors often have an aversion to paper, much like their older counterparts may have once resisted computers or technology," says Kenny O'Reilly, president of CUES Supplier member MyBoardPacket.com ([myboardpacket.com](http://myboardpacket.com)), Arroyo Grande, Calif. "Portals replace the printing, collating, mailing and reading of large stacks of paper, and subsequently the need to transport and sort through piles of paper during your meeting. Fumbling through stacks of papers can be a real turn-off to younger board members.



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And your board members can prepare for a meeting anytime, knowing they have access to the portal.”

### APPEALING TO EVERYONE

Other board members don’t typically object to using an electronic board portal, either. “At H-E-B FCU, almost everyone has a mobile device and offering mobile access to our board fits perfectly,” says Jessica A. Ruiz, senior executive assistant of \$170 million H-E-B Federal Credit Union ([hebfcu.org](http://hebfcu.org)), San Antonio, which uses MyBoardPacket. “The mobile feature is interactive, easy-to-use, and the software is accessible anytime, anywhere.”

When you can customize and streamline board portal information, including tabs that make sense and a structure that follows your meeting format, you can make a portal simple and efficient for directors to use—no matter their technical expertise.

“If a portal is easy to navigate, it can appeal to even the least tech-savvy board member,” stresses Ruiz.

Warner says that at Aprio, “We train directors one-on-one. If there is an older or a more dissident, resisting director—no matter their age—we train them first. This one-on-one training has proved valuable by showing all participants the ease of use.”

And if older directors tell you they don’t want a portal because they don’t want to use a computer, hand them an iPad with the iPad app running via a test portal, says O’Reilly. “Credit unions report back to us that older users who normally would not use a computer have loved the iPad app.”

Schilling concurs that iPads can help. “Still, it’s important that implementation is well organized. To help with the transition, we recommend projecting the portal initially in the boardroom, so users can follow along as they learn.” Also, gradually incorporate the more advanced features, such as voting, strength/weaknesses/opportunities/threats analysis tools, and access to minutes of past meetings, he suggests.

### SECURING SOLID SECURITY

Besides encouraging director diversity, security is another important reason to use a portal.

Portals secure the information exchange and document sharing of sensitive content between the credit union and board, notes O’Reilly. “However, if you upload files to the cloud, it may mean the exact location of the files is unknown—if the files are stored and distributed on an inexpensive storage server that neither you nor your vendor owns,” he cautions. “Ask if your vendor owns and operates its servers and software. The answer should be yes.”

Robust security settings are a must, adds Ruiz, and users need to be confident that the information is safe and sound. “While a portal can meet a credit union’s communication needs, at H-E-B FCU, we’ve also implemented the portal as a disaster recovery

tool. This ensures the data is available to board and management in the event of an emergency.”

Schilling recommends that credit unions study a board portal’s settings to find the right balance between security and ease of use. “Default configuration settings are the most secure settings possible,” he submits, “but aren’t necessarily the most user-friendly. Based on your organization’s risk profile, ensure you have configurable options that can adapt to your needs.”

A secure portal should offer:

- configurable two-factor authentication;
- password complexity and expiration settings;
- biometric support including touch ID and face ID;
- secure password recovery;
- account lockout settings;
- session duration settings;
- multiple admin access levels;
- audit logs;
- 256-bit AES data encryption in-transit and at rest; and
- two annual audits.

### MAKING THE MOST OF MEETINGS

Sink also recommends that credit unions “select a portal that will match how you prefer to run your meetings.”

At H-E-B FCU, most board meetings are held virtually. “For us,” Ruiz says, “the board portal is not only a time-saving tool for busy board members, but also a cost-effective tool. Hosting meetings online has reduced both travel expenses and supply costs.”

For directors who choose to attend remotely, a portal can typically allow you to share the computer screen. “For example, some of our credit union customers allow remote attendance if driving conditions are unsafe or directors are out-of-town,” says O’Reilly. “Directors may choose to participate via a conference call or watch the same screen as attendees in the boardroom by using screen-sharing tools.”

Ultimately, a credit union’s portal should uphold your board’s overall mission and fiduciary responsibilities. “This is your board’s most vital role—providing direction and oversight—and why they’re serving your credit union,” Sink says.

Warner echoes this sentiment: “Innovative CUs are using portals to review and assess their board’s development, continuing education and skills; regulators can use it as an audit trail to see exactly how the board is complying with its responsibilities.”

**Stephanie Schwenn Sebring** established and managed the marketing departments for three CUs before launching her business. As owner of Fab Prose & Professional Writing, she assists credit unions, industry suppliers and any company wanting great content and a clear brand voice. Follow her on Twitter@fabprose.

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# CU Board Gets Performance Upgrade



## A CASE STUDY OF HOW APRIO SUPPORTED YOUR NEIGHBOURHOOD CU BOARD'S EVOLUTION INTO A HIGH- PERFORMANCE TEAM

BY APRIO

After 20 years as the chair of \$1.5 billion Your Neighbourhood Credit Union, John Haines says board engagement, responsiveness and the ability to make rapid strategic decisions are critical to his organization's success.

While the Aprío board portal (*aprio.net*) is one of the Your Neighbourhood CU board's key assets, Haines was initially skeptical of its value, seeing it as an unnecessary cost. Simply incorporating new software wasn't enough to move the needle. Aprío had to deliver bottom-line value to earn its keep.

That started with security.

### A SOLUTION FOR DATA RISK AND BOARD AUTONOMY

Your Neighbourhood CU (*yncu.com*), Windsor, Ontario, had built an internal system to share board material, but information was unencrypted and unsafely distributed. They were at risk of a data breach. "It's a huge reputational risk," says Haines. "If people find out your information is being shared around, that's significant."

With Aprío, staff can provide board members secure access to information inside the board portal without compromising internal credit union systems. Board material shared via Aprío is encrypted and secure.

Aprío also supports board autonomy. As Haines explains, "One key thing a lot of boards are missing is you want to have different information available to the board versus management." Within Aprío, each document and discussion can be private to non-management or specific committee members, or open to the entire board.

### A HIGH PERFORMANCE BOARD EQUIPPED TO WIN DEALS

The board portal provides both a management and competitive advantage. Before, when a commercial opportunity arose, Haines would be on the phone for hours trying to reach people and obtain board consensus. Now, board members can vote in a poll in the portal via mobile phone or other device, from any location. A decision can be made in minutes.

"The ability to make a quick decision makes us a great partner," said Haines. "If you're performing at

a different level than your peers, that gets noticed. We've won deals because of fast decision-making, and it also gives us negotiating leverage to obtain better terms on deals."

### HIGHLY PREPARED DIRECTORS

Haines has high expectations for director contribution and holds everyone accountable for being informed and decision-ready. Aprío reports give visibility into directors' participation. "You see directors preparing weeks in advance, going to documents numerous times versus the director that only begins prep an hour before the meeting," Haines explains.

### STRESS-FREE SUCCESSION

The portal also helps with board training and succession. "New directors who haven't seen Aprío are immediately impressed with how quickly they can get up to speed," Haines says. "Aprío keeps them looped in all year round and offers helpful support that's flexible, no matter how tech-savvy a director is."

### RAPID REGULATORY REPORTING

Aprío's document storage also provides a full history and rapid search capabilities to efficiently compile compliance reports.

Haines says, "Aprío ensures that we have the detail we need and that we're able to compile reports quickly from data in hundreds of documents."

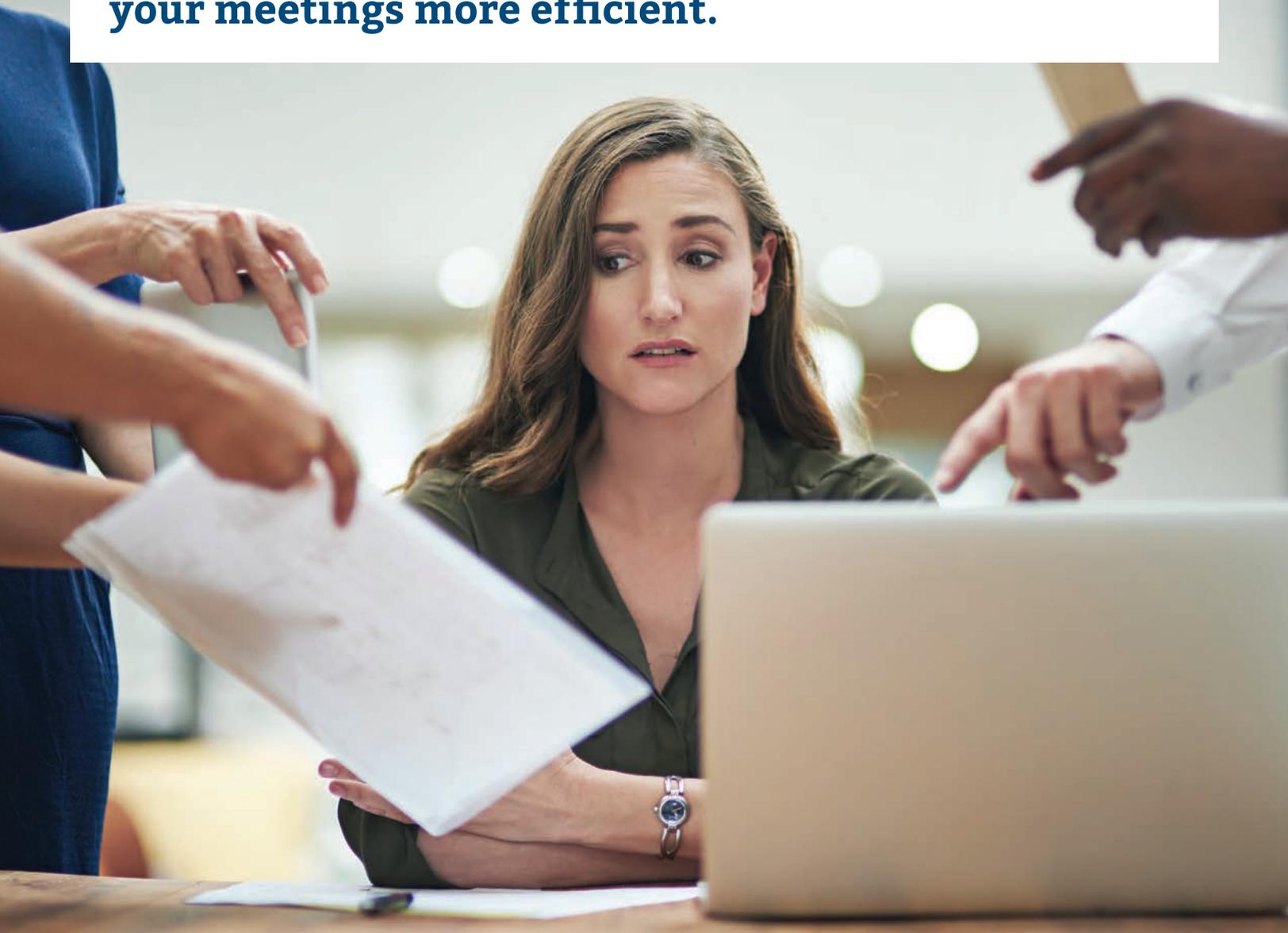
### THE BOTTOM LINE

When asked what advice he would give other credit unions, Haines simply says, "Use Aprío. You'll never regret your decision." He adds, "It's clear that Aprío spent the time and effort to develop the technology and deliver the service that boards need."

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# The Challenge: Securing Board Information



## A CASE STUDY OF VISIONS FCU BY PASSAGEWAYS

**V**isions Federal Credit Union (*visionsfcu.org*), Endicott, N.Y., began as a service for IBM employees in 1966. Today the CU boasts 187,000 members across New York, New Jersey and Pennsylvania, 46 branches and \$4.1 billion in assets. Being an industry leader means having governance commensurate with the responsibility members entrust in the organization. Unsurprisingly, the CU's nine-member board was an early adopter of a digital board meeting solution. In early 2010, it issued directors iPads for reviewing their board books. Seven years later, as the importance of security grew, the CU's leadership knew it was time a new solution.

Cynthia Schroeder, Visions FCU's chief information and innovation officer, described the moment it became clear they needed a new board portal: "The importance of two-factor authentication and the significance of security in a board portal became a priority as we continued to advance our maturity levels in all domains."

The CU reached out to its partners at Forrester Research (*forrester.com*), who provided a list of top board portal providers. In addition to robust security, Visions FCU needed its portal to be easy for administrators and directors to use; and the CU wanted a period of trial use before signing a contract.

### The Solution

One solution became an easy front-runner—Passageways OnBoard. "What stood out for me was the layout. OnBoard's ability to use a trial—that was the best," recalls CUES member Tracy Thomas, Visions FCU's executive assistant to the CEO. "I loaded actual board books into OnBoard, and it was by far the easiest to use. It required the least number of steps, the least number of clicks, so that was huge for me. I thought from a user standpoint it was very easy to use. I thought it would be really easy for the board to grasp."

### The Results

OnBoard had the fortified security and two-factor authentication that the credit union needed, the

ease of use they wanted, and the ability to leverage a full-featured trial before making a commitment. This led to an easy decision for Visions FCU. "We came back together and did pros and cons and narrowed it down to Passageways OnBoard," Thomas says.

"Passageways met everything we were looking for, right up front," adds Schroeder.

The positive experience from the trial continued through implementation. "I have had a fantastic experience with Passageways right from day one," Thomas says. "Passageways was very attentive. Anything I asked, I had the answer that day. It let me hit the ground running. I just wanted to get going with the whole project, and everything was seamless. For one thing, right after we signed the contract, there were already enhancements to OnBoard. That just shows us that Passageways is dedicated to providing regular enhancements, which is great!"

As Visions FCU looks ahead, Thomas and Schroeder are confident that OnBoard is the right solution for their credit union. "I have uploaded a vast amount of material to OnBoard, and I had a few suggestions. I contacted John, our Passageways customer success manager, and he turned in a ticket for each of them," Thomas explains. "I just had a phone call with David Alder, OnBoard's product manager. I think that's awesome. It's just so nice to know that Passageways actually cares! They care what their users think. I just find it incredible."

Paroon Chadha, Passageways co-founder and CEO, appreciates the importance of trust between vendors and credit unions, "Passageways got its start with an investment from a credit union service organization. And when it comes to a credit union's governance platform, you have to ensure that your vendor will keep you secure while providing the best in class product. It's an immense joy to see a startup born in the credit union space now powering some of the most powerful boards, including public and private enterprises, across the world."

*For more information from CUES Supplier member Passageways about the OnBoard Next Gen Board Portal, call 765.535.1882, email [more@passageways.com](mailto:more@passageways.com) or visit [passageways.com](http://passageways.com).*

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**Matt Kaubris, Chairman/CEO  
Oxford FCU**



# The Challenge: *Simplify Board Meetings*



**BoardPaq**  
board management solutions

## A CASE STUDY OF 1ST FINANCIAL FCU

BY DUSTIN MCKISSEN,  
FOR BOARDPAQ

Carol Minges, CEO of \$260 million 1st Financial Federal Credit Union (*1stfinancialfcu.org*), Wentzville, Mo., wanted to help her board be more efficient in conducting meetings and managing materials, so she looked for a paperless solution. The previous process of paper packets was no longer giving them the needed functionality.

“This process didn’t give our board members opportunities to save their notes,” she says. “They would take notes at the board meeting, and then we would shred them. They didn’t have any type of historical reference. We wanted BoardPaq so they could keep track of what had been said in previous meetings and then have access to those minutes in the meetings if they needed to go back to them, so it’s helped in that respect.”

### THE SOLUTION

After comparing several products, Minges decided on BoardPaq, which offered key items, including security; voting; an iPad app, Windows App, Android App and web access; affordable pricing; archiving; and a document library. The deciding factor for Minges was usability. “[The] product made the most sense to us when we really thought about how our board members would use it.”

Before using BoardPaq, meeting information was sent through secure email. A hard copy was handed out at the meeting. After the meeting, packets and any notes directors had written were shredded.

For 1st Financial FCU to transition its board, the CU decided to roll out the product in several steps.

Minges first purchased iPads for the group and set up Wi-Fi in the boardroom. iPads were given to the directors but still property of the CU. The CU also created an acceptable use policy for the iPads. The tablets were configured by the CU to enforce security policies and ensure remote wipe capabilities were available.

Minges and the board chair set up the portal. Using BoardPaq’s web-based administration center, they added user profiles, uploaded meeting documents and created an agenda. Then they were ready to test it.

At the next board meeting (back in 2014), Minges and the chair showed the six other directors how the portal looked and functioned. At the next meeting, they handed everyone an iPad, login credentials, training materials and a paper packet.

At a third meeting, board members were expected to use BoardPaq, and no paper packet was provided. The directors had varied skill levels with technology. Overall, the group was excited about the transition.

“I asked everyone earlier in the year if they wanted to do something like this to help reduce printing costs, and we made sure that everyone was in agreement to move forward.”

### THE RESULTS

Minges can already see the benefits of the transition.

“We’ve reduced the paper costs and increased the security of information because we don’t have that paper floating around,” she says.

Board meetings are more productive, too, because directors can bring their notes with them, plus they receive the materials a week in advance of the meeting. Staff costs in putting together packets have decreased, and the ability to use the minutes builder feature to create minutes has simplified the process.

One of the board’s favorite features with BoardPaq is the library where Minges loads reference materials, like by-laws and policies. The CU also uses BoardPaq for asset liability committee meetings. The CU plans to add the use of the portal to supervisory committee meetings.

Make the switch to BoardPaq and go paperless to help improve your board’s security, productivity and costs, like the boards and committees at 1st Financial FCU. Hear more about their story or start a free trial by scheduling a free demo today at [boardpaq.com](http://boardpaq.com)!

**Dustin McKissen, CAE**, is founder of *McKissen + Company* ([mckissen.co](http://mckissen.co)), an association management and marketing firm. He has served as an executive or consultant to a wide variety of trade associations, professional societies and nonprofits.



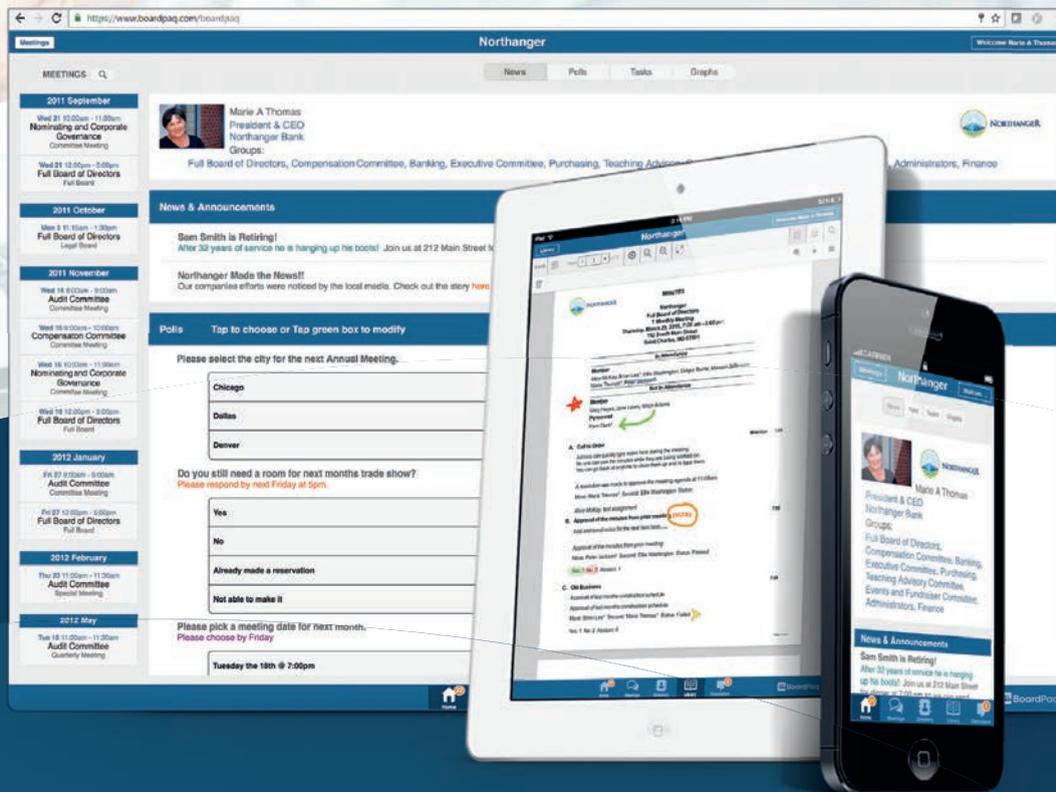
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