

**Contemporary
Governance Practices:**
Increasing
Strategic Dialogue
in the Boardroom



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 **QUANTUM GOVERNANCE, L3C**
THE SCIENCE & ART OF GOVERNANCE & STRATEGY

**Our vision is
exceptional
leadership for
mission-driven
organizations.**

Governance Consulting,
Advice & Counsel

Strategic Planning, Retreats &
Facilitation

Assessments, Research &
Knowledge Building

Keynote Presentations,
Workshops & Seminars

The Core Responsibilities of a Credit Union Board





Let's talk about

Strategy

Strategy is *not* next
year's business plan.



**Strategy is ever-evolving,
bold and visionary.
It's developed in constructive
partnership between
the Board and Senior Management.**

*It's the choices, actions and
investments that will help you achieve
your credit union's vision and mission.*



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**Strategic
focus requires
strategic Board
members.**



“...talent must lead strategy.

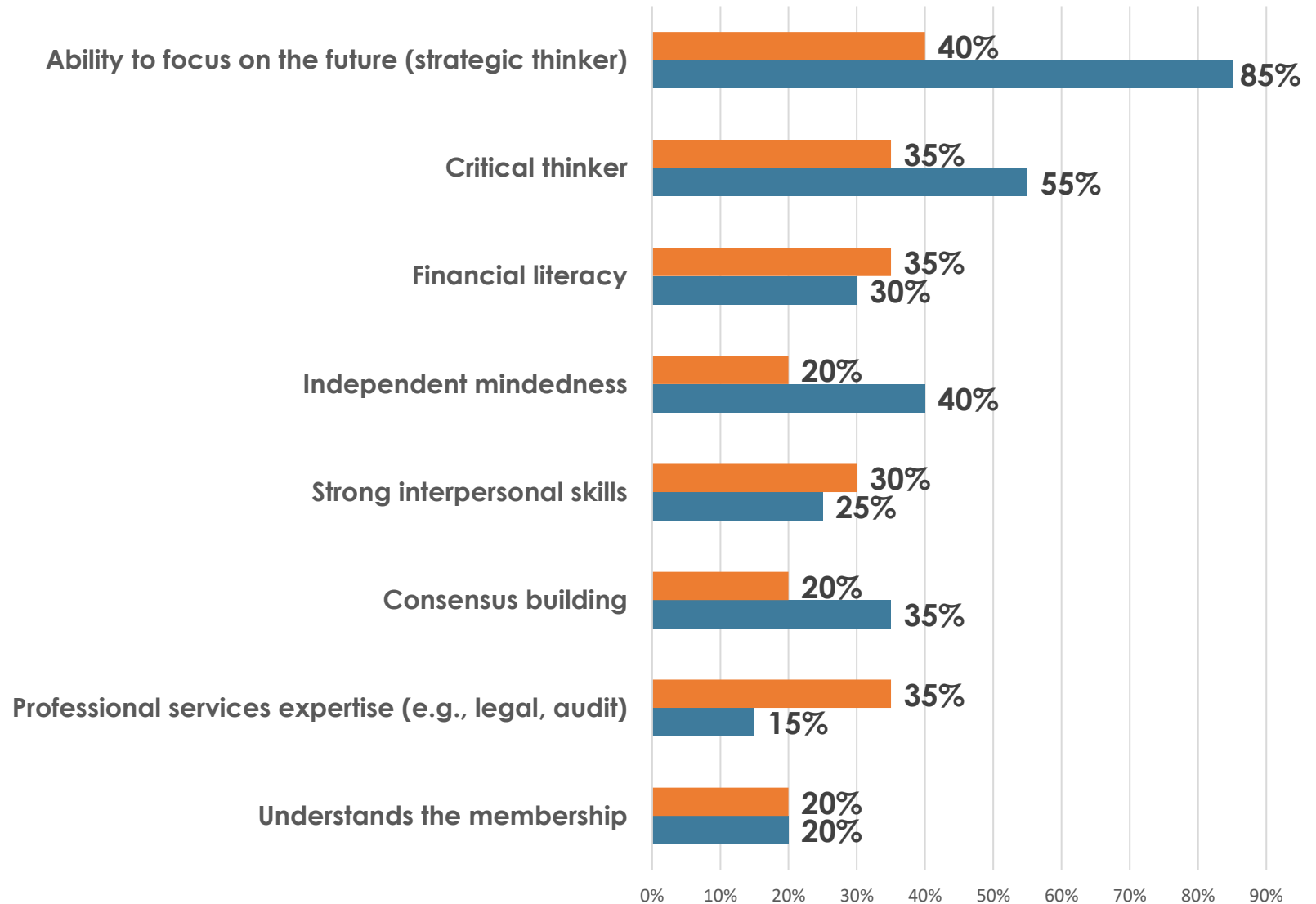
The central premise of a talent-driven...[Board] is that the talent drives strategy, as opposed to strategy dictating talent. The wrong talent inevitably produces the wrong strategy and fails to deliver.”

- Ram Charan, Dominic Barton and Dennis Carey, *Talent Wins*

National Data:

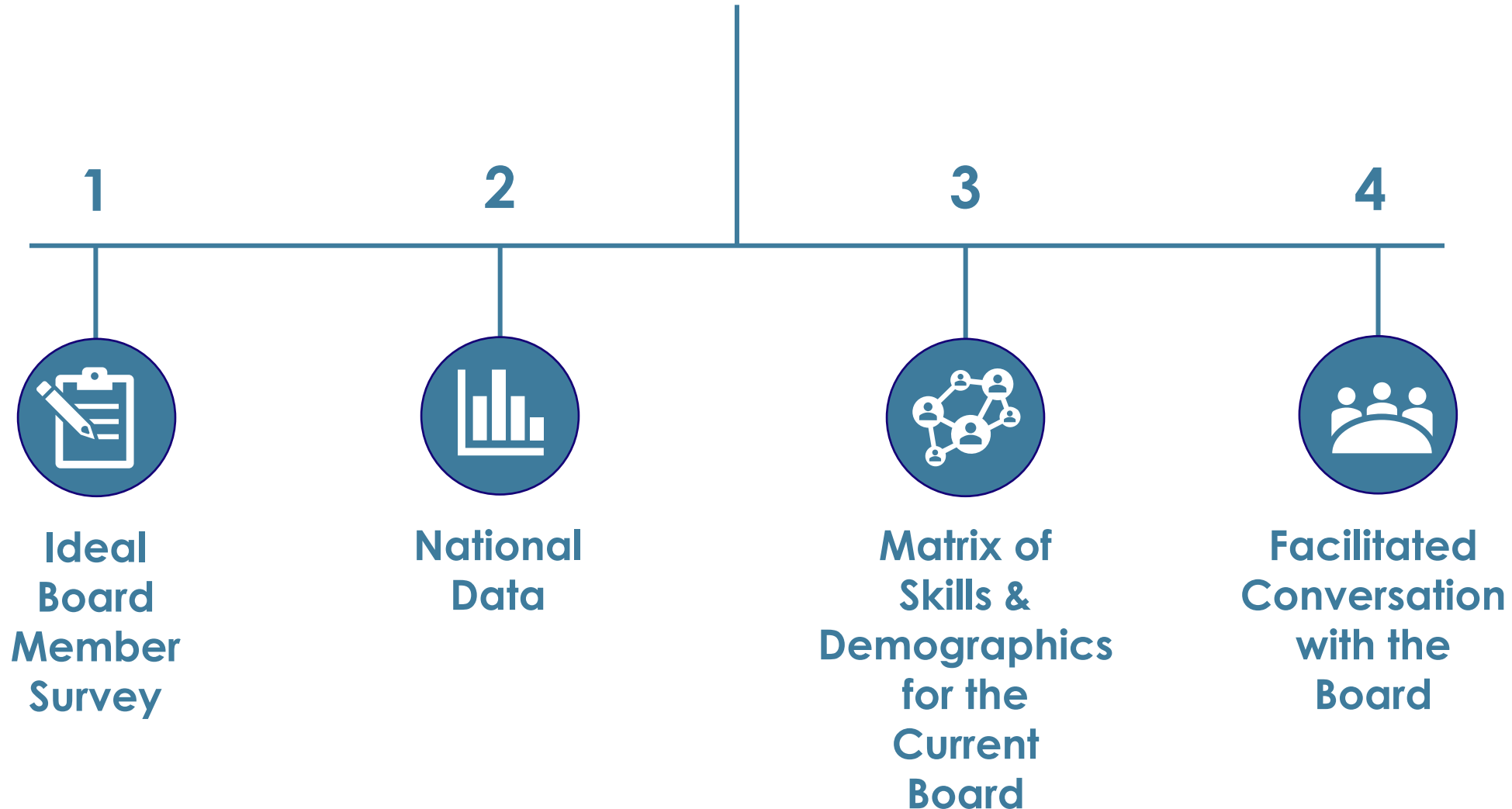
*New Board
Members,
Prioritization vs.
Value in the
Boardroom*

The State of Credit Union Governance 2020



■ Prioritized Skills/Characteristics of New Board Members
■ Most Valuable Skills/Characteristics in the Boardroom

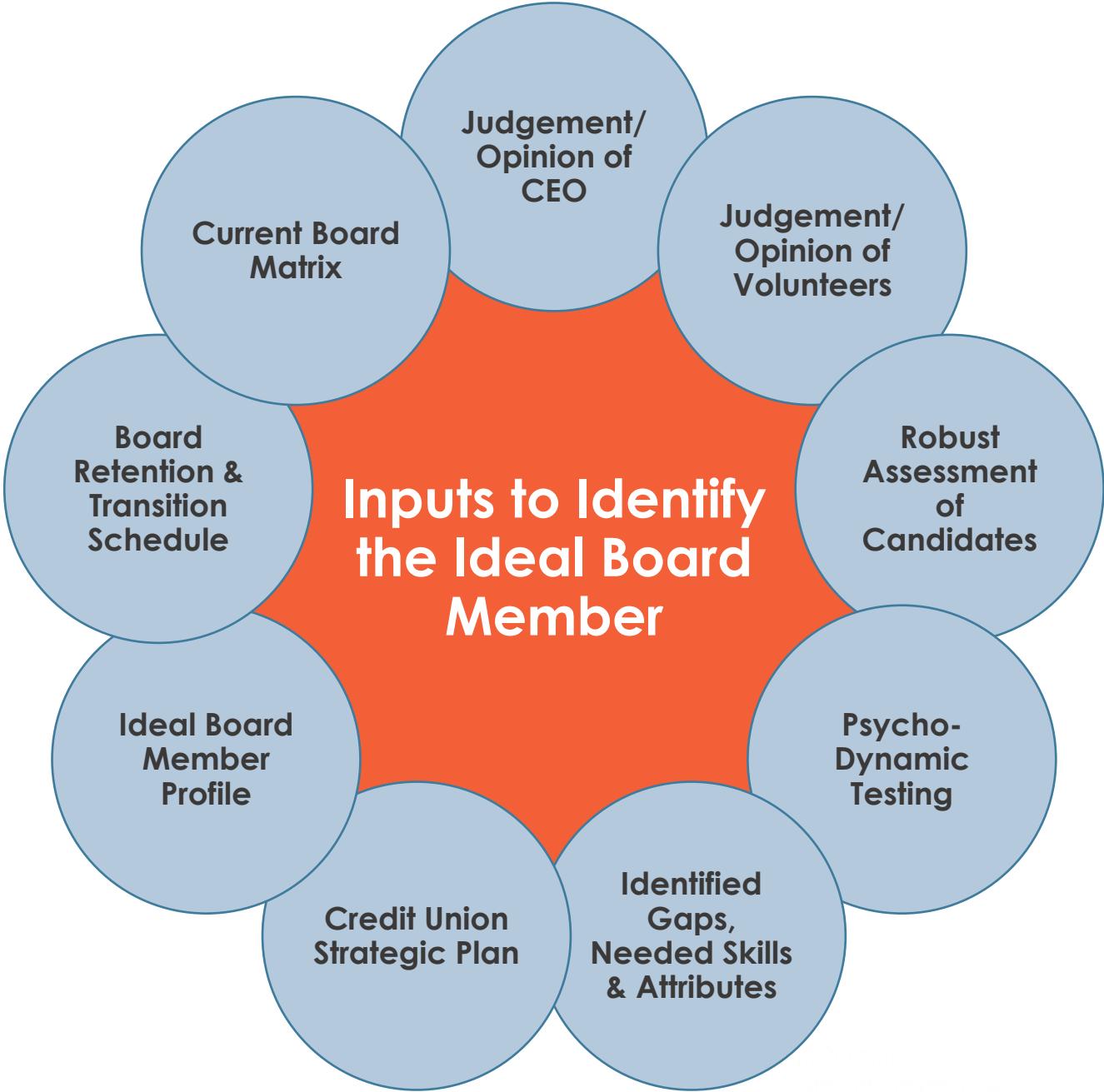
Build a Profile: *Defining the Ideal Board Member*



Cast a Wide Net: *Finding the Ideal Board Member*



Carefully Vet: Identifying the Ideal Board Member



**How is your Board
setting itself up to
focus strategically?**

Best Practices

Respondents believe they should **increase their focus on strategic** discussions in the Boardroom by **at least 10%**.

Respondents perceive themselves as **only Average** at achieving the right balance between strategic and operational discussions at Board meetings.

...and Senior Management questions the Board's effectiveness re: strategy

How effective is the Board at...	Board	Senior Management	Delta
Achieving the right balance between strategic and operational discussions	3.0	2.0	1.0
Thinking strategically	3.2	2.5	0.7

Board Meetings



Operational

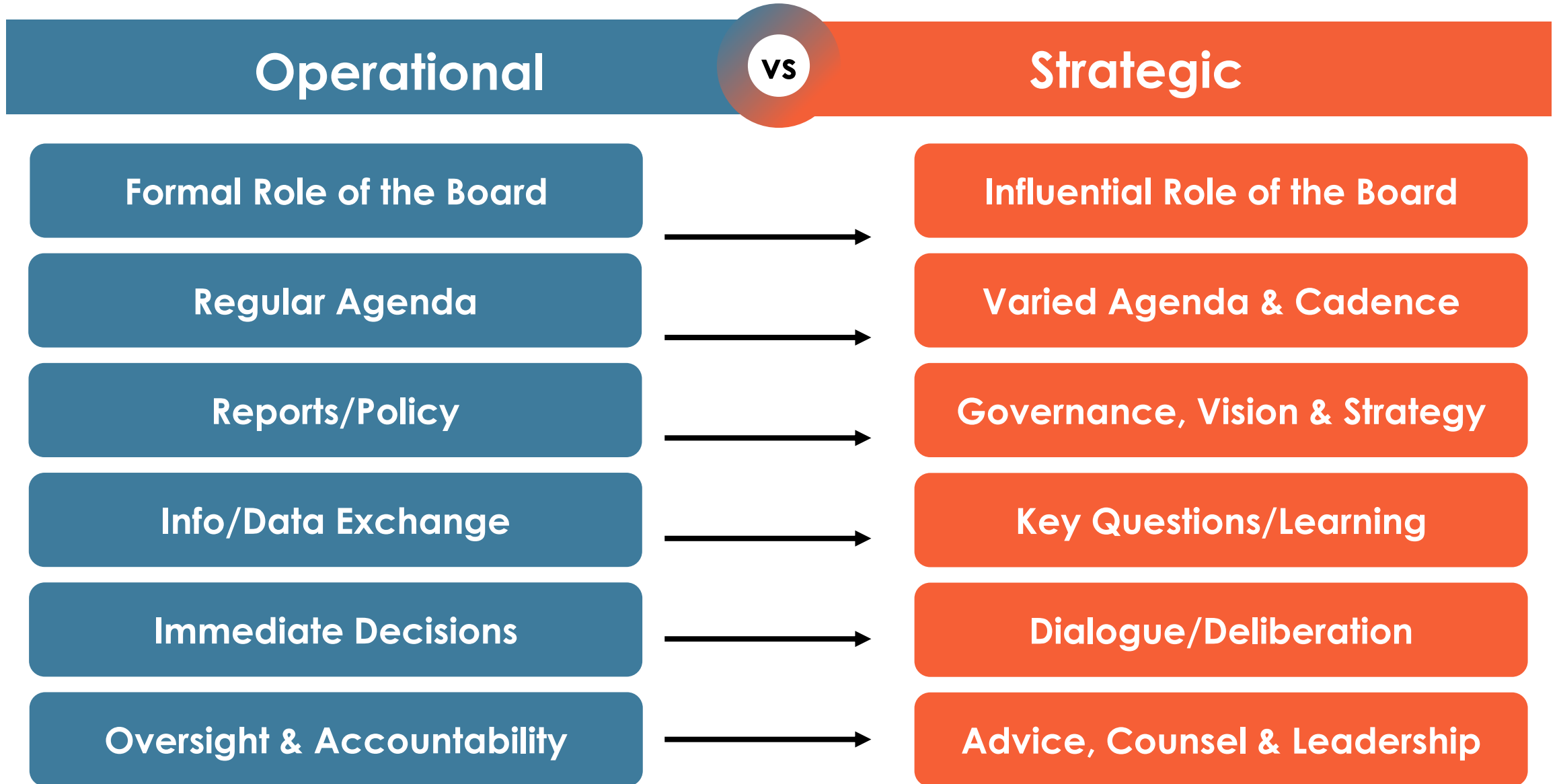
to

Strategic

- Chair calls the meeting to order
- Chair's remarks/report
- CEO's report
- Financial Report
- Committee Reports
- Adjourn

- Chair notes elements for meeting success
- Consent Agenda & Dashboard items
- Key Questions
- Strategic/Educational Discussion
- Executive Session (if needed) & Adjourn

What is Emphasized?



Are You Asking the Right Questions?



Operational

Is it about the past and/or the present?

Is it about the credit union's day-to-day business?

Is it a tactical or detail-oriented issue or question?

Is it typically a Staff-led responsibility or question?

Is it about how we should get there or where we've been?



Strategic

Is it future-oriented?

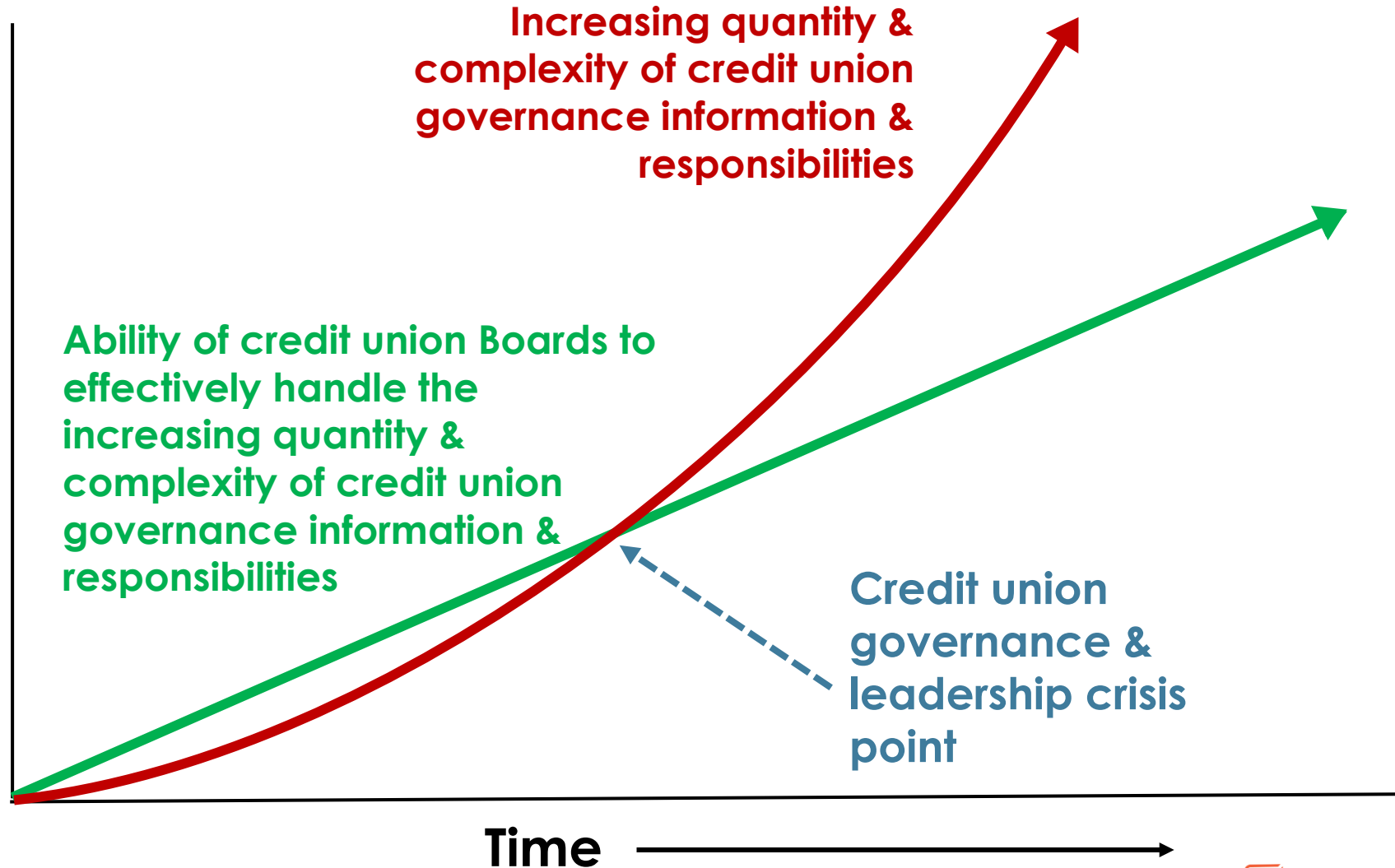
Is it central to your Vision, Mission or Strategic Goals?

Is it a big-picture issue or question?

Is it typically a Board-led responsibility or question?

Is it about where we should go?

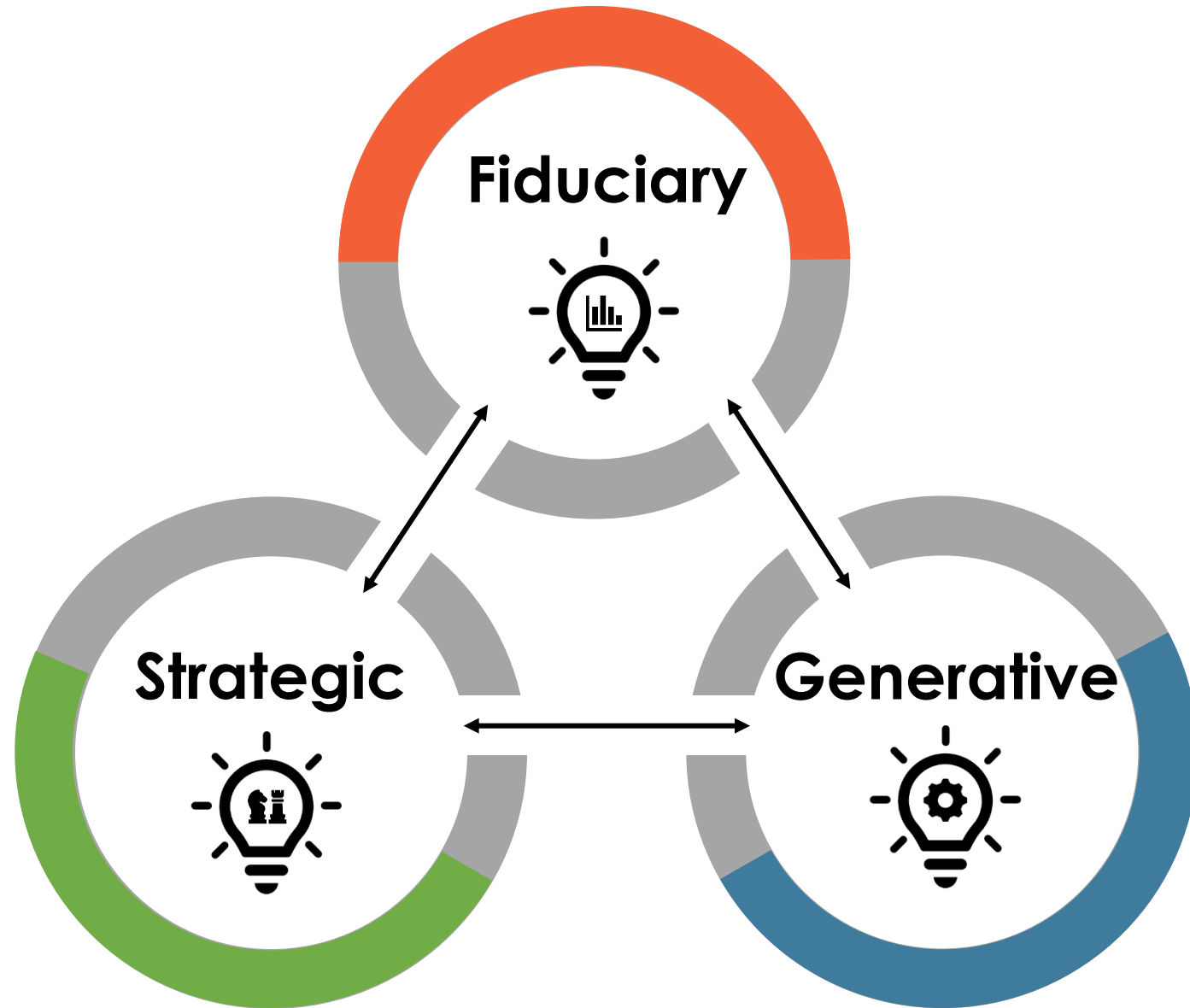
The Information Overload





Leveling Up Boardroom Dialogue: **The Three Modes of Thought**

Three Modes of Thought





The Fiduciary Mode

Questions are informational and often pertain to oversight and accountability.

Ensures legal and regulatory compliance

Guarantees financial controls and accountability

Safeguards the credit union's assets

Sets success criteria and then regularly evaluates the CEO against them

Provides oversight for operational success and critical risk areas

Monitors performance and evaluates results

Are usually fact-based, yes/no questions



The Strategic Mode

Questions are future looking and often pertain to the Vision, Mission or Strategic Goals

Scans internal and external environments

Crafts the organization's core values

Sets, reviews and/or modifies Vision, Mission, Goals, Objectives and Metrics

Assesses strategic performance

If necessary, calls for new visionary/strategic leadership



The Generative Mode

Questions are fundamental in nature and pertain to core organizational values, underlying assumptions or emotions (conscious and unconscious)

Sees current challenges in a new light; frames solutions in a new way

Asks fundamental questions; not always logical or linear

Discovers new strategies, priorities and realities

Suspends logic; taps into intuition, creativity, emotions & intellectual playfulness

Encourages robust discourse, not quick consensus

Planning for Strategic Success



Directors

Recruit **Board members** with **strategic skills**.



Agenda

Develop agendas that **include strategic questions** and **allot time for strategic discussions**.



Information

Keep the information to a **low volume**, but **high quality**.



Education

Educate Board members on **fiduciary**, **strategic** and **generative dialogue**.



ANY
QUESTIONS?

**THANK
YOU!**



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