



IMPACT 2022

CORNERSTONE ANNUAL MEETING & COUNCIL FORUM

The Importance of Distinguishing between Governance & Management

Scott Butterfield, Your Credit Union Partner
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Governance vs. Management 101

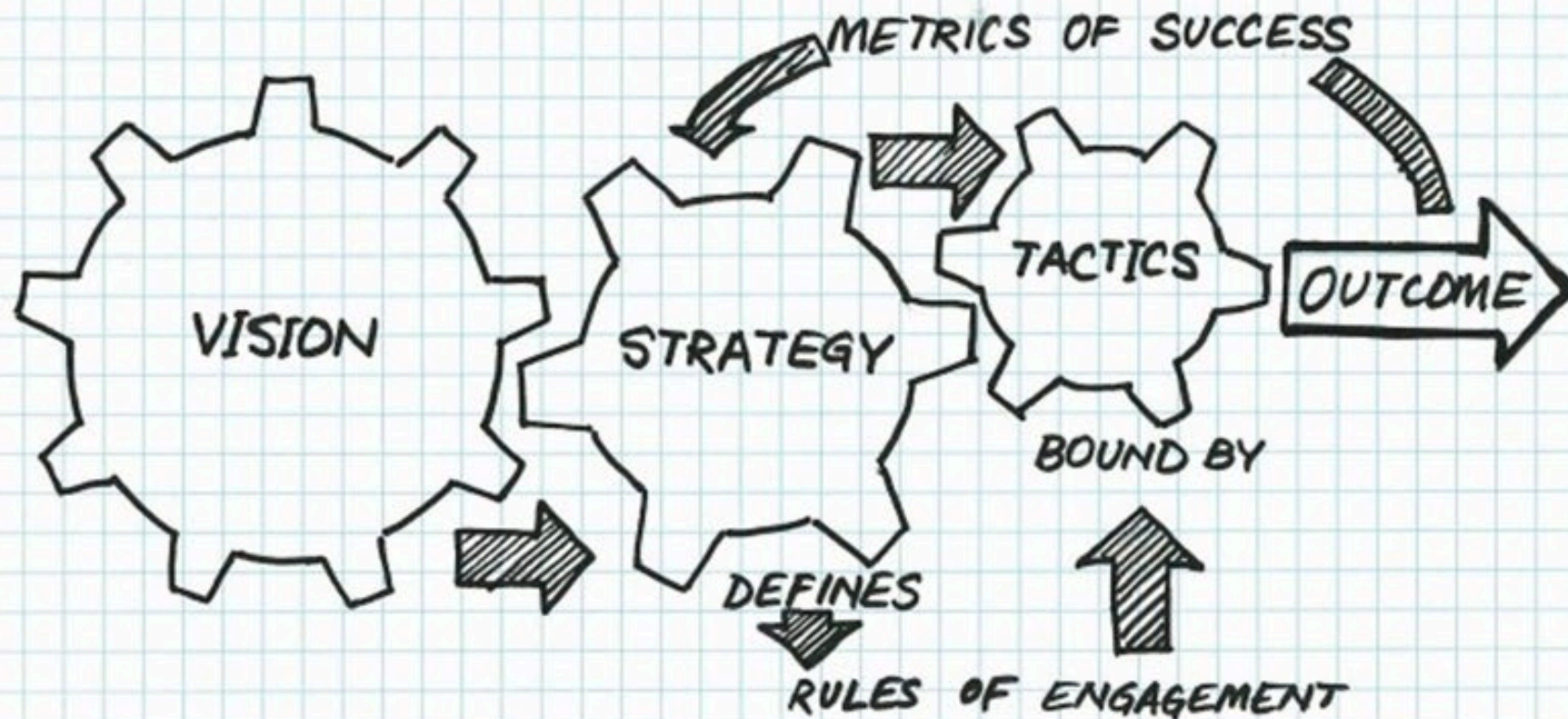
The Board (Governance):

- Sets the destination
- Sets the desired arrival time
- Hires the Captain

CEO (Management):

- Charts the course
- Navigates the ship
- Manages the crew

Strategic vs. Tactical 101





Examples of Board Governance Best Practices





Characteristics of High Performing Boards

Mission Driven

- Treat mission and values as statements of critical importance to be included in their **deliberations**.
- To survive, organizations must be **focused and flexible**. Boards have the courage to refocus the mission when needed.

Characteristics of High Performing Boards

Comfortable with Tough Decisions:

- They don't kick the can down the road.
- The board reviews the data, reviews alternative scenarios, ask plenty of questions, and **makes tough decisions based on the data.**
- Desired outcomes are clearly known, and the board knows that **indecision can be very expensive.**

Characteristics of High Performing Boards

- The **board hold themselves accountable** for past decisions and regularly self-assess their contributions and impact.
- Board holds management accountable for vision, mission, culture, and financial performance.
- There is **no micromanagement** and there are no “blind-eyes” to poor performance.
- They adhere to a **high-level of professional conduct.**

Characteristics of High Performing Boards

Understand the Business Model:

- They know specifically whom they serve, which products to offer to meet **member's unique needs.**
- They **understand risk management.**
- They have **well thought out** strategic plans.



Characteristics of High Performing Boards

Adaptable to Change:

- Very few “sacred cows” in these shops.
- Management isn’t governed by *“this is the way we have always done it.”*
- The board’s ability to **adapt and embrace change sets the tone for management and all staff**, which leads to a culture of innovation and growth.



Characteristics of High Performing Boards

Think Strategically:

- **Big picture people.**
- **Concerned with impact** and not with the color of the credit union's website.
- Strong boards **hire strong leaders** who are entrusted with tactical success.
- Strategic thinking does not occur once a year – **its part of their regular ongoing work.**



Characteristics of High Performing Boards

Constructive Partnerships:

- Recognize a **board cannot govern without CEO collaboration** and CEO can't lead without the boards unflagging support.
- Maintain **proper relationships** with management and staff.
- **Deter** those who attempt to advance their own interest.
- Works well as a team and **maintains good rapport.**



Characteristics of High Performing Boards

Culture of Inquiry:

- Create an **environment of respect and candor.**
- **Raise questions**, challenge conclusions, listen respectfully and solicit different points of view.
- **Value personal relationships in a team setting** and create opportunities for interactions.
- **Cultivate and distribute leadership.**



Characteristics of High Performing Boards

Continuous Learning:

- Ensure all members participate in **continuous learning**.
- Collectively **reflect on critical incidents** and identify learning opportunities.
- Undertake periodic **board assessments** to evaluate performance.
- Invest time and resources in **board development**.





Scott Butterfield

Founder/Principal

Phone 253-507-2443

Email scott@yourcupartner.org

Your
Credit Union
partner

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