

# Readying Your Board for the Future by Challenging the Governance Status Quo

**Presented by:**

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# DDJ Myers

## Board Services

- Board Development
- Executive Search/Succession
- Executive Development
- Strategic Planning
- Compensation Philosophy





BOARD DEVELOPMENT

Bring It.

**FACILITATE TRANSFORMATIONAL CHANGE**

Guide the organization strategically forward.





EXECUTIVE DEVELOPMENT

# Right Now.

## STRATEGIC BENCH STRENGTH

Cultivate strategic thinking, enhance coordination, elevate pragmatic communication, and eliminate silos.



STRATEGIC PLANNING

# Going Deep.

**STRATEGIC OPPORTUNISM**

Discovering, empowering, and taking action on your organization's true potential.



EXECUTIVE SEARCH

# Power Up.

## TOP TIER APPROACH

Attract the talent necessary to satisfy the strategic context of key positions.



DDJ Myers

T C M

for Boards

**The DDJ Myers Transformational Change Model**  
The catalyst to becoming a high performing board.



1

Status Quo  
Trajectory



2

Doing vs.  
Being Great  
Board  
Members



3

Choice  
Points to  
Strong  
Governance



**Irreversibility  
of long-term  
status-quo**

**Deflated and  
Disappointed**



# Status Quo Outcomes

50% leave the board room feeling tapped

67% passive

70% bored

1/3 listening to reports

11% education

20% discussion

13% collectively making sense



# Elephant in the Room



Invisible systems

Over reliance on policy

Cognitive biases

Filters

1. Accounting
2. Personal income
3. Human nature



# Confront Issues and Opportunities Skillfully

## Keegan's Five Levels of Consciousness

1. Facilitated by a SME (Subject Matter Expert)
2. Blind Spots
3. Real time course correction





**Stay  
switched on!**

# Higher Order Thinking Skills

1. Formulate the question
2. Gather information
3. Apply information (ask great questions)
4. Consider implications (unintended consequences)
5. Explore other points of view
6. Refrain from judging masked as recommendation/decision

**Status Quo**

**NEXT EXIT**







2

Doing vs.  
Being Great  
Board  
Members

# Doing



# Board Members zombie march to their meetings





# Insist on Small Commitments

- I serve on this board with no expected recognition, status, or reward.
- I am committed to be in a learning mode 24 hours a day to be adept in governance.
- I prepare for board meetings, show up ready to engage, and to ask strategically and future oriented questions.
- I understand how the balance sheet works.
- I leverage technology as a leadership information and coordination tool.

# Make BIG Commitments

- I represent the entire membership, its diversity in demographics, regardless of socioeconomic or gender status.
- I practice critical thinking.
- I have skills in digital services and marketing and promise to use my gifts and talents to support the vision and strategic direction of the organization.
- I promise to provoke when there is unspoken disagreement or an abundance of group think.

# Ask BIG Questions

- What are the best measures to track organizational performance that align with our new strategic plan?
- What does our board need to see on a monthly dashboard or in a President's report?
- How are we spending 75-80% of our time in strategic dialogue and future sensemaking?
- What would be the advantage of ten minutes or more of board development at each meeting or an hour once a quarter?

# Ask SPECULATIVE Questions

- What would be different in our board succession if we met once a quarter in the room and twice via video?
- What would be different if each board member was required to be adept at technology?



# Ask REALITY PROVOKING Questions

- How would we behave differently if we had to meet in front of at least 100 members?
- What would shift in relationship with our CEO if we asked more critical thinking questions?



3

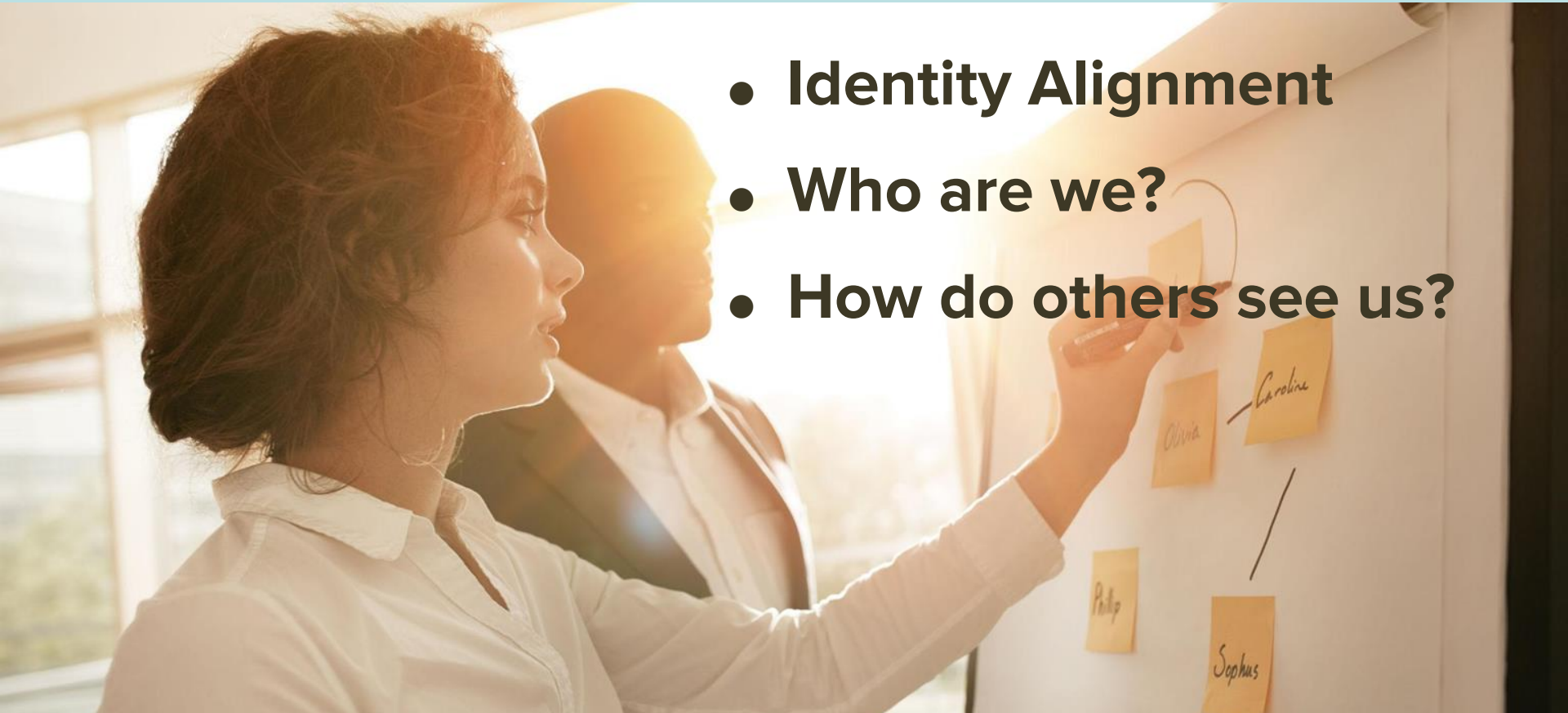
Choice  
Points to  
Strong  
Governance

**YOUR  
CULTURE  
IS YOUR  
BRAND**



# Many Boards are in a Reflective State

- **Identity Alignment**
- **Who are we?**
- **How do others see us?**

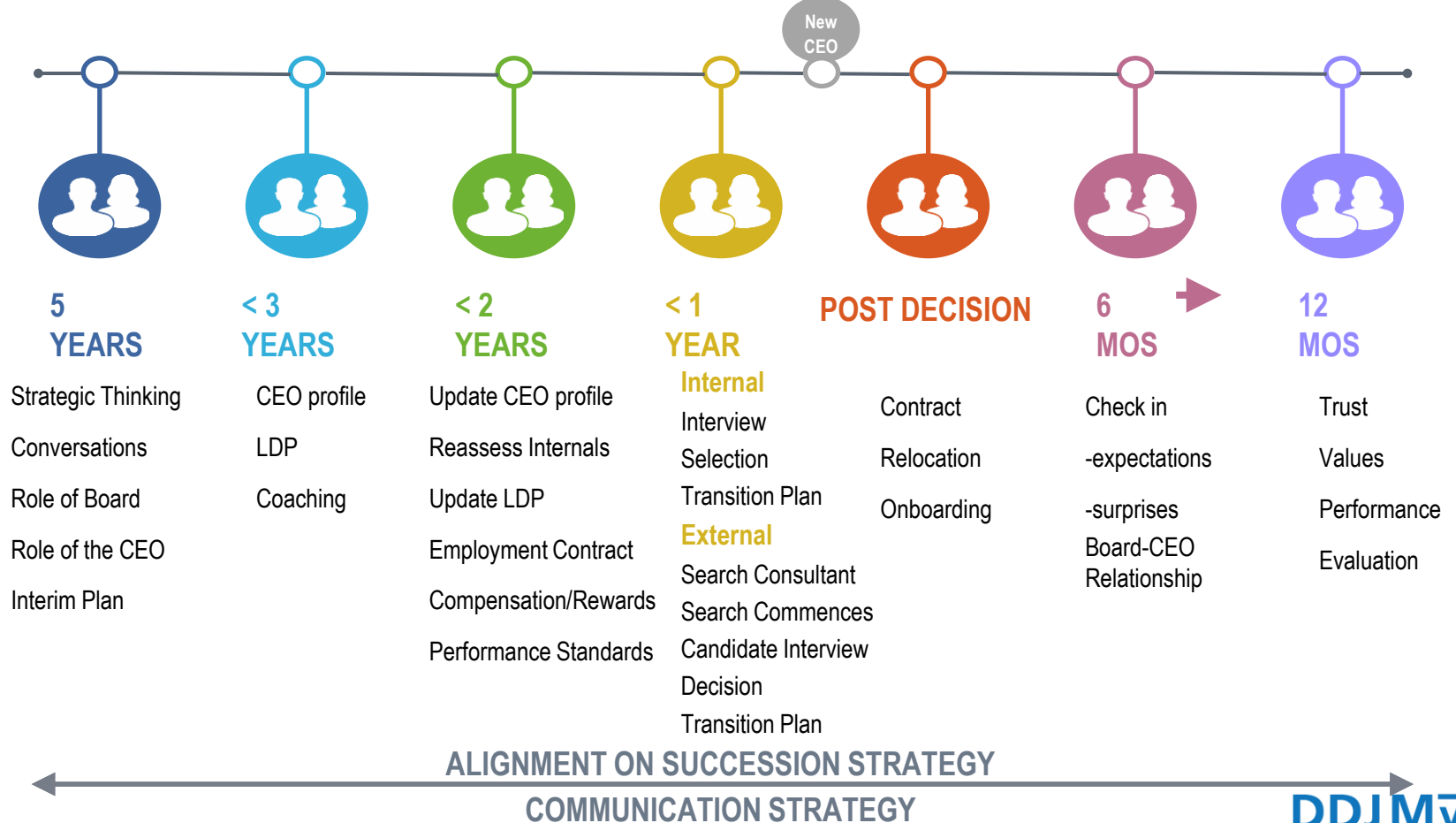






# Culture of Inquiry Change is Not a Surprise

# CEO Strategic Succession Planning



# Board Strategic Succession Planning

## Strategy

Strategic  
Plan

Strategic  
Thinking

Conversations

Philosophy

## Discovery

Membership

Board  
Alignment  
Assessment

Management  
Feedback

## Design

Responsibilities

Position Description

Performance  
Expectations  
On-boarding

Communication  
Strategy

Interview Protocol

Management  
Support

Advertisement

## Delivery

Resumes

Interviews

Elections

On-board

Annual Update

## Guide

Chair

Board Buddy

Learning Plan



# Board Agenda and Meetings

- Executive committee, in consultation with the CEO, sets the agenda 7–10 days in advance.
- Board drives the agenda.
- Begins with approval of the previous minutes.
- Every agenda item connected to operational excellence or strategic action.

# Board Agenda and Meetings

- Conversations around strategic thinking and organizational transformation.
- The 75/25 rule.
- Start with the most important topics.
- Topics arranged in descending order of importance.

# Consent Agenda Reviewed in Advance

- Reports
- Updates
- Routine Actions
- Committee reports that do not require board dialogue or action.

# Committee Reports

- Committee recommendations to the board are formal agenda items.
- All board members should be ready for dialogue and decision (not drawn out).
- Move to motions.
- Dashboards are helpful.
- No presentations without prior background information.



# Prior Background Information/Knowledge Sharing

- Requires an executive summary (one page distillation).
- Each board member is fully prepared.
- Time is best used on dialogue and decision.

# Minutes

- Document governance attention.
- Governance record of due diligence.
- Record topics and issues of discussion.
- Actions need to be documented.
- Demonstrate director debate (high profile).
- Confirm accuracy.



## The New Commitee

# Committees

- Support a policy or strategy.
- Follow a written charter: purpose, makeup, boundaries, processes.
- Divide board work into manageable boxes.
- Standing versus non standing (or task forces).
- Task forces have an end date.

# Consequential Committees: Engaging and Rewarding

- Agenda set by the board and its committee chairs.
- Agenda not set by the senior leadership team.
- Agendas need to address the major goals and responsibilities assigned to it by the full board.
- Agendas focus on major issues and opportunities of fiduciary significance.
- Consequential agendas are designed around questions, discussions, and decisions in the boardroom.





Leadership

# Measuring Board Performance



# Consequential Governance

## Add Value Where it Matters Most

- Board plays a critical role in improving decision-making.
- Boards are at the forefront of change; not being lead by management yet being informed on relevant issues/opportunities.
- Fiduciary governance is seen as a requirement to focus on strategic long-term issues .
- **Insists on meaningful contributions to the intersection of member needs and internal resources through higher level thinking and conversations.**

# Consequential Governance

## Adding Value Where it Matters Most

- Ensures the long-term sustainability of the organization.
- Improves shared governance through attention to the board-CEO relationship.
- **Increases attention to the qualifications and recruitment of board members, board orientation, and committee composition.**
- **Board focuses on cross-cutting and strategic issues not addressed elsewhere.**

# Consequential Governance

## Adding Value Where it Matters Most

- Board focuses its time and attention on issues of greatest consequence with reduced time reviewing routine reports.
  - Not inserting attention and energy on operational duties that belong to the CEO (human capital and resource allocation).

# Role of the Chair: The Big 9

1. Drives high performance governance.
2. Ensures robust strategic planning.
3. Publishing and executing the annual calendar.
4. Agenda set with Exec Comm and CEO.
5. Thriving committees.
6. Two way CEO communication/compensation/evaluation.
7. Managing a high performance board meeting.
8. Board member development.
9. Ambassador of advocacy & public relations.





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**What are you?  
A Tiger or Teacup?**









# 2018 NAFCU Leadership Study

**Who:** Chairs, CEOs, and Senior Management

**How:** [www.clarkra.com/BODleadership](http://www.clarkra.com/BODleadership)

*Online survey ends May 10, 2018*



**DDJ Myers**  
Advancing Leadership Success



A DIVISION OF  
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# Thank You!

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