

Leadership and Boardroom Dynamics: Adding Value Where it Matters Most

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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.

Conversation Today

- Evolving Role and Impact of the Board
- Responsibilities Matrix for Direction/Oversight
- Five Levels of Consciousness in the Boardroom
- Consequential Governance
- Game Changing Competencies - Skills Matrix
- Board Leadership Dojo

Transformative Theory

Question how we are as a Board-CEO relationship

core beliefs

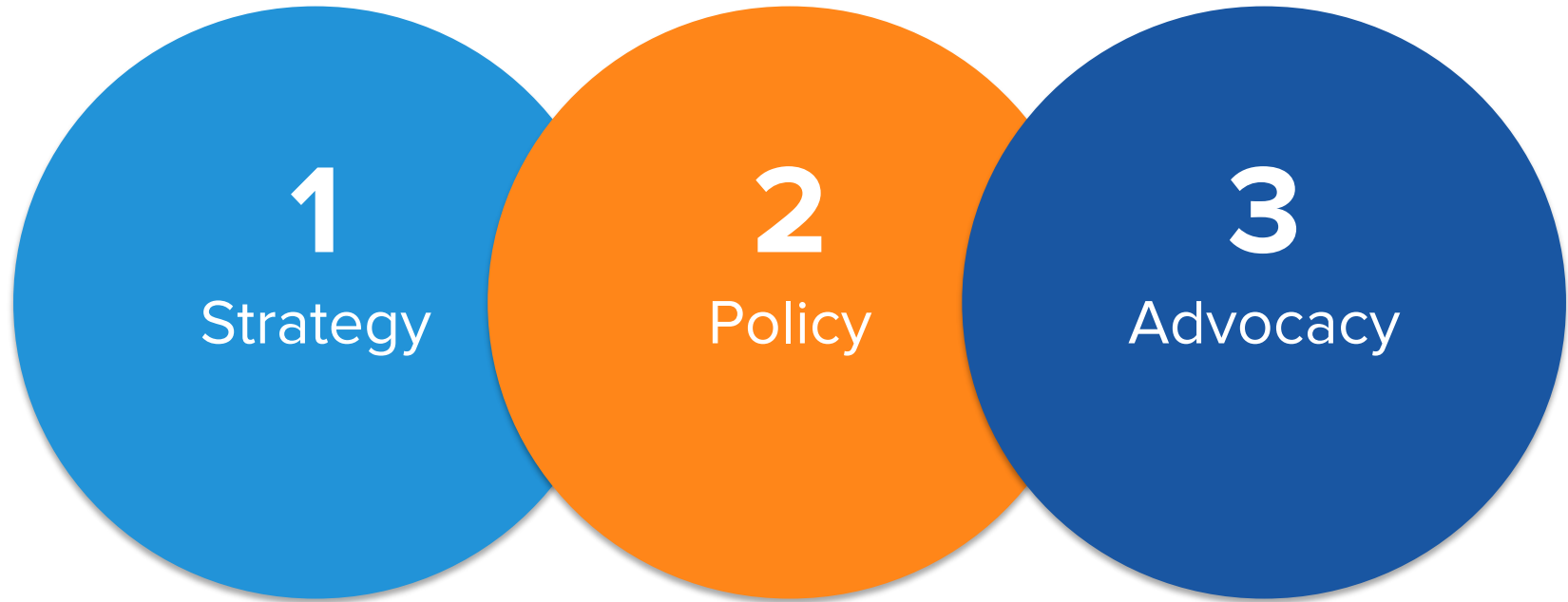
practices

relationships

perspectives



Role of the Board



Role of CEO

- Continues to evolve
- Increased pace and complexity
- Simultaneous strategic initiatives
- Specialization of the operation
- Conduit between Board and Organization
- Both teacher and leader

CEOs Want More and Want it Fast

A woman and a man in business attire are crouching in a starting position on a paved surface, likely a track or a race course. The woman is on the left, wearing a black suit, glasses, and a pearl necklace. The man is on the right, wearing a dark suit and a tie. They are both looking forward with determination. The background is a blurred outdoor setting with a fence and trees.

**On average,
two board members
add the value needed
by the CEO**

The Unspoken Assumptions

**Misunderstandings
about how the Board
is adding value**



What would be missed if, on Monday morning, the board and all committees no longer existed?



Responsibilities Matrix for Direction/Oversight vs. Execution

Determine Responsibilities and Authorities
of the Board and Management Team in

Vision
Mission
Strategy

Finance
and Budget

Initiatives
Operations

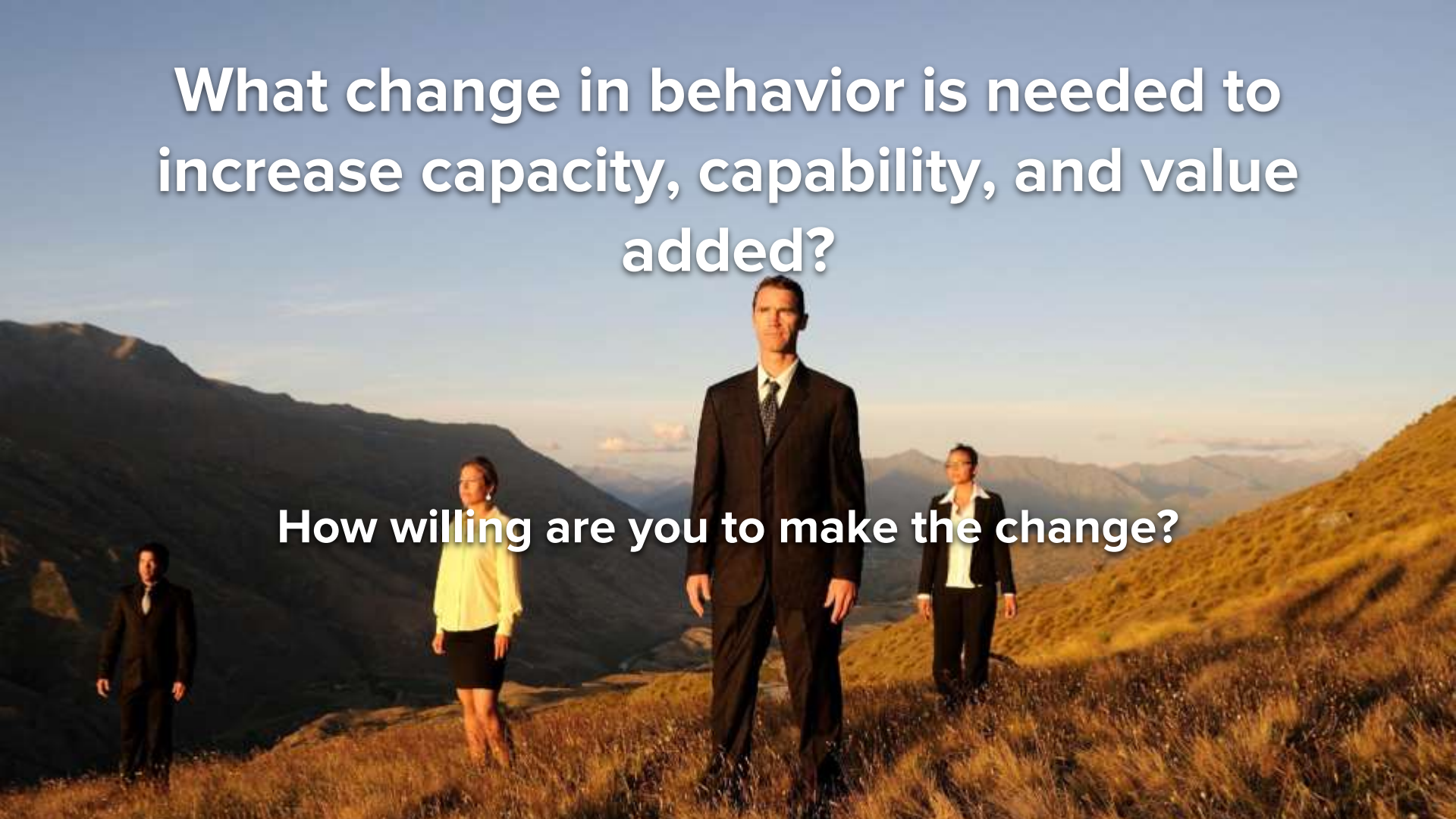
ERM

Policy

Advocacy

What change in behavior is needed to increase capacity, capability, and value added?

How willing are you to make the change?



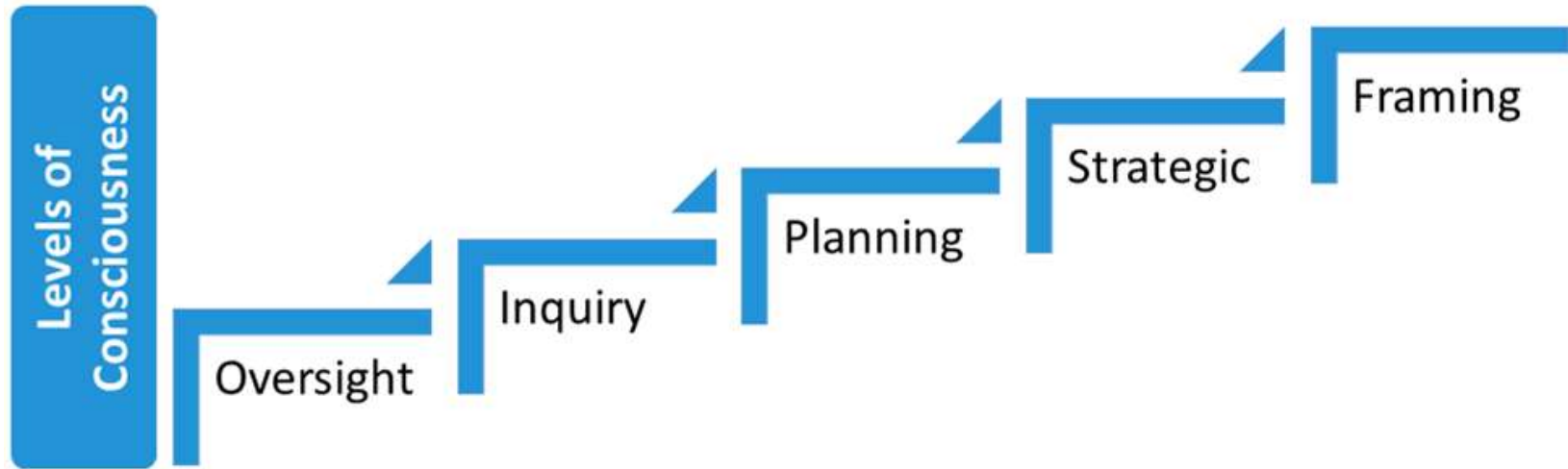
Five Levels of Consciousness



Five Levels of Consciousness

- Progressive in nature
- The higher the level, the more complex and dynamic conversation will be.
- The lower the level, the less complex and the more straightforward and black and white.
 - “Option A = good and option B = bad”
- The higher the level, the more adept at holding variables in new and constructive lights.
 - “Option B used to be bad for us, however, given 1, 2, 3, option B is a very viable path”

Five Levels of Consciousness



1. Oversight

- This level veers toward control and accountability to what is known, observed, measured so that something, if needed, can be changed.
- The conversations are informed by “momentary intentions” and discussions (distractions) that consume the board’s attention and energy.
 - “We understand this ratio very well, and therefore we can change it by 1, 2, 3.”
 - “The organization is a sequence of known and familiar variables.”
 - “We can control its destiny through these variables.”
 - “Because we know and control these variables, our direction is ‘right.’”

2. Inquiry

- The board couples oversight with curiosity to seek to understand relationships, how variables interplay and interrelate, and will produce specific desirable/undesirable outcomes.
- Variables and outcomes are tangible and can still be observed and measured.
- The scope of the conversation is limited to the known variables and relationships, whether or not they are understood.
 - “The organization is a sequence of known variables that have underlying cause and effects.”
 - “We have a high-level of awareness and insight and therefore can control the organization's destiny through these variables.”
 - “Because we understand the variables, our decision, based in this moment, is right.”

3. Planning

- The curiosity conversation moves into dialogue regarding tangible and measurable (future) actions.
- This actionable context provides clarity to relevant parties.
- Comfort is derived from outlining the plans, intended outcomes, and clarity of responsibility.
 - “Let’s take action on known variables to produce intended future-outcomes.”
 - “We believe in our decisions because we can see the sequential nature of the planning process.”

4. Strategic

- The concrete conversation moves into the abstract
- The Board seeks to uncover the known and unknown variables against the historical, present, and future contexts.
- This includes such items as communication, competencies (board, management, staff), economic/regulatory environment, and competition.
- Most importantly, this level of consciousness empowers the board to understand there are variables both within and out of control and that luck and chance play an active role in failure and success.

4. Strategic

- “The organization is the sum of known and unknown variables, tangibles and intangibles that could be related or unrelated creating a complex machine that is somewhat controllable.”
- “This complex machine exists inside of historical, present, and future contexts, where the landscape also is complex and full of known and unknowns.”
- “There are more variables out of our control than within.”
- “Clarity of our north star is what we hope will sustain us, long after we retire from the board.”
- “We have to choose a path and clarity of that path is essential.”
- “Therefore, our decision is based on what we know, believe, and have vetted will be the time-tested direction for the organization.”
- “We will not assume that we will get there.”

5. Sensemaking/Framing

- The board is equipped to continually regard the interrelatedness of relationships and the tangible and intangible variables.
- Contextualizing the issue, challenge, or opportunity for creative dialogue is where innovation is sparked and new possibilities emerge.
- Directors realize that other's perspectives and beliefs are equal and neither morally wrong or right.
- They understand how their individual (and intensely personal) beliefs inform, enable, and inhibit their perspective.
- They inquire to reconcile and situate their perspectives against others to find the connection and separation, without morality or an emotional charge.

5. Sensemaking/Framing

- “Our level of control and influence will change as the organization and market mature. More some days. Less others.”
- “We may like today’s outcomes and regret them tomorrow.”
- “We may not like specific variables today and depend upon them tomorrow.”
- “Given what we know about today’s market and our resources how do we prepare for the change we need to be in the future?”
- “We have multiple strategic initiatives needing common resources.”
- “What difficult questions do we need to be asking, as a Board and CEO to ensure we remain competitive in the future?”
- “What hard questions need to be considered today in deciding the future path?”

Five Levels of Consciousness

- Progressing levels can be painful.
 - A tolerance for uncertainty is required.
- “Let’s stay with what has worked before (and can control).”
 - This will lead keep a board stuck on a level...
and eventually regress.

Practice Sensemaking/Framing Dialogue

Openness

Candor

Informality

Closure



Examples

- Board packet
- CEO evaluation
- Board development
- Strategic planning
- Board agenda
- CEO succession
- Committees & charters
- CEO report

Game Changing Competencies



**Network of
Influence**

Mergers/
Acquisitions

Strategic Growth
Concepts

Big data

Entrepreneurialism



Multiple Recruitment Strategies

Relationship Oriented Community and Regional/National Leaders	Cross-Functional Expertise with a Track Record of Success.	Emerging/Emerged Professionals
<p>Nominees with board experience, may or may not be professionally retired, politically connected, organizational leadership, and highly regarded in community</p>	<p>Engage in local/regional networks, organizations, and professions.</p>	<p>Recruit candidates from your field of membership and who have demonstrated leadership potential.</p>
<p>Competencies/Skills: Governance Open Mindset Learner Uses Technology/Digital Services Volunteerism is Important Time Available</p>	<p>Competencies/Skills: Entrepreneurialism Cyber Security Big Data Marketing Merger and Acquisition Organization Development Balance Sheet/Finance Investments Political Connections</p>	<p>Competencies/Skills: Energetic Positive Personality Engaged Learner Committed Well Regarded Volunteerism is Important</p>

Time | Feeling | Focus
CULTURE

A modern, minimalist conference room with a long, sleek white table and white chairs. The room is surrounded by large windows that offer a panoramic view of a city skyline, including a prominent skyscraper. The lighting is bright and even, creating a clean and professional atmosphere.

Anxiety about Change

- Anxiety # 1: Defensive and resistant to potential pain unlearning what worked in the past
- Requires a greater Anxiety than Anxiety #1
Anxiety #2: Disconfirming data that show the current method is no longer working.
- Anxiety #3: Guilt and fear after calculating Cost of Status Quo: What is the greatest risk to the organization if the Board-CEO continues their current way of doing business?

*Schein, 1993



Leadership & Boardroom Dynamics

- An opportunity for organizational fitness
- Continuous calculation of status quo
- Not a response to an illness
- Embodies core values
- Reflection of high performing practices
- Not an overnight phenomena

BOARD LEADERSHIP DOJO

Awakening Your True Potential in the Boardroom

Place of learning:

- Concepts
- Skills
- “Be High-Performing”
- Inquiry
- Curiosity
- Relationships

Requires:

- FULL Participation
- Practice
- Interpersonal Risk
- Rigorous Feedback
- Unbiased Teacher
- Students/Learners



2018 NAFCU Leadership Study

Who: Chairs, CEOs, and Senior Management

How: www.clarkra.com/BODleadership

Online survey ends May 10, 2018



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Advancing Leadership Success



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