

Board and Peer Evaluations – Best Practices in Governance



To be fully effective, it's essential that boards of directors take time to look internally, as a group and as individuals, to ensure that they're doing the best job they can for their organization, and to identify areas for improvement that can contribute to better long-term success. In some sectors, including Farm Credit, annual self-evaluation is a regulatory requirement, a requirement now shared by companies listed on the New York Stock Exchange. In the cooperative sector, there is a growing trend for progressive boards to undertake board evaluation as well.

“Board self-evaluation, and to a growing extent director peer evaluation, have become best practices in corporate and cooperative governance because of their important role in building and maintaining board effectiveness,” says Leslie Hilton, Vice President of Governance/Board Development with FCC Services.

FCC Services offers a variety of services to support board evaluation and assessment that capitalize on our expertise in cooperative governance. We work through a collaborative and comprehensive approach to help boards target performance indicators across the diversity of board effectiveness categories, including structural practices, strategic and performance orientation, governance and organization focus, and board functioning and dynamics. Our services include:

- **Standard Board Self-Evaluation**, appropriate for boards with less complexity and fewer challenges in their business.
- **Premier Level Board Self-Evaluation**, appropriate for progressive boards, boards of larger institutions with more business complexity and challenges, or boards experiencing business or management transition or challenges in the boardroom.
- **Boardroom Pulse**, appropriate for boards wishing to evaluate board effectiveness real-time with a facilitated dialogue, supported with live polling technology, around a targeted set of board performance topics.
- **Board Gold**, appropriate for progressive boards of organizations with more complexity, boards facing significant change, or boards seeking to invest time and effort in deeper inquiry and reflection about their effectiveness and opportunities for improvement to meet the challenges of the future. This more extensive self-evaluation process could be undertaken at longer intervals, supplementing a more standard annual evaluation.
- **Director Peer Evaluation**, appropriate for progressive boards whose directors are open to hearing, anonymously, from their peers about their strengths and ways they can increase their contribution and value on the board. The director peer evaluation operates similarly to a management 360 assessment
- **Board Competency Analysis** complements board and director evaluation and assists the board in determining development and refreshment needs. It includes the development of a client-specific framework of skills, knowledge, experience and competencies needed for the board, and an analysis of the board's current strengths and gaps with regard to this framework.

To schedule an initial conversation about FCC Services' board self-evaluation, peer evaluation and board competency analysis, contact Leslie Hilton at leslie.hilton@fccservices.com.