



Bringing Management and Boards Together for Leadership

Boards of directors and senior management teams play different roles in leading an organization, with the common objective of supporting the organization's successful achievement of its purpose. Cooperative boards provide diverse perspectives and input, challenge management constructively, and work collaboratively with management to guide overall organization strategy. Senior management works collaboratively with the board in developing, planning and executing the organization's strategy, and is accountable for achieving strategic objectives. Because these roles are interrelated and rely on the ability to have honest and constructive interaction, both groups benefit from opportunities to interact directly with each other, whether in the board room, at a conference or through a strategic planning session.

When management and boards of directors come together, the organization has an important opportunity to create more complete alignment, and forges more effective working relationships between directors and management. Each group gains additional perspective on the challenges and opportunities the organization faces, and more innovative and creative thinking is applied to strategic planning. Working in collaboration with each other, boards and management teams are able to focus on more substantive issues, future planning and new ways to meet business objectives. Gaining insight into the board's thought processes helps senior managers better implement strategies, and understanding management processes and challenges helps boards become more effective in governing.

"In any relationship, mutual respect and understanding build more effective communication and stronger outcomes," says Jay Lux, FCC Services' Vice President of Organizational Effectiveness Consulting. "Dedicating time to getting to know each other and how each best functions helps both the board and the management team fulfill their role in the organization."

Some organizations bring their senior leaders into the board room at every meeting to deliver concise presentations on their particular functional areas or broader strategic initiatives. "This gives the board the opportunity to ask questions to deepen their understanding of the organization, and maybe even challenge the current strategies," says Bill Wilson, Director of Agribusiness Consulting. "It also helps



establish respect, trust and confidence that the organization has a strong and effective leadership team.”

At other organizations, strategic planning sessions bringing directors and managers together are annual events that set the stage for the organization’s efforts for the coming year. It’s important when planning such a session to define the goals and the measurable outcomes. The meeting environment should support positive participant interaction, including proactively supporting interaction between board members and management, as well as networking, reflection and most importantly, a refreshed strategic mindset.

Farm Credit of the Virginias includes directors, C-level executives and a broader group of senior and mid-level managers in its annual strategic planning session, which FCC Services’ Jean Cantey Segal facilitated in August. “Our planning sessions help the management team understand the directors’ perspectives and hear their thoughts and ideas, and provides directors more intimate details on the ongoing operation and processes of our organization,” says CEO Peery Heldreth. “It’s also a tremendous development tool for the mid-level team, preparing them for more advanced positions.”

Doug Hoffman, CEO of Wilco Cooperative, also recognizes the benefits of bringing their board and management team together at an annual planning session, which this year was facilitated by FCC Services’ Jay Lux and Bill Wilson. “My philosophy has always been to manage with a team so the cooperative would continue to thrive, and that when we set the high-level, longer term strategy, it’s critical that we as a management team fully understand the board’s position and input,” he says. “Our annual planning sessions get us all united and moving in the same direction.”

Cooperative Resources International uses its planning sessions to set the organization’s three-year strategies, with participants brainstorming on each idea, then prioritizing and developing the logical three or four key performance areas for each strategy. “This gives everyone more confidence in the strategy and the direction the organization is taking,” says Doug Wilson, CEO of Cooperative Resources International. “When you put the board and management together, you get the long-term vision the board desires as well as the insight on day-to-day operational issues and short-term trends from the management team, so we’re all better equipped to discuss and set an effective strategy.”

Many organizations have recognized the benefit of having an outside facilitator for strategic discussions, in part because of their broader perspective and ability to ask new and challenging questions to stimulate out-of-the-box thinking, but also so that all board members and senior managers are able to fully participate in the discussions. FCC Services has facilitated many strategic planning sessions and strategic planning summits, working with clients in advance to establish the meeting format, goals and desired outcomes, and then during the meeting to ensure that everyone has the opportunity to contribute and that discussions remain on topic.



“FCC Services did a good job working with us to understand what our issues are, think through our goals and develop a program that met those needs,” says David Janish, CEO of FCS Financial which recently held a Strategic Planning Summit with Farm Credit Illinois. “Bringing our two boards and management teams together was an excellent opportunity to establish relationships with others in Farm Credit, which provides a different perspective and a network of people we can reach out to in the future.”

The FCS Financial/Farm Credit Illinois Strategic Planning Summit included a full day of presentations from Farm Credit leaders, including FCA board chair and CEO Dallas Tonsager, Farm Credit Council CEO Todd Van Hoose, Funding Corporation CEO Tracy McCabe, and a panel of association and bank CEOs.

“FCC Services created an environment that was attractive to these System leaders, and gave our boards and management teams access to insights about national issues and what we can expect longer term,” says Tom Tracy, Farm Credit Illinois CEO. “We really appreciated their insights and their willingness to spend the day with us.”

Tom and Dave see additional benefits to bringing their boards and management teams together as well: “It’s an opportunity to compare notes and validate your assumptions against another organization,” says Tom. “I know I appreciated hearing how the FCS Financial team reacted to the risks and issues the national speakers expressed, and then meeting with our board and leadership team to discuss the different perspectives we heard and whether we’re responding appropriately to the challenges and opportunities in the market.”

Outside of planning their own session or program, organizations can capitalize on other opportunities to bring their boards and management teams together. One such opportunity is the FCC Services Director Leadership Conference (*see related Services Spotlight article*), which both directors and senior leaders of many Farm Credit organizations attend, strengthening their relationships and sharing exposure to the new perspectives and insights from expert speakers.

In addition, experiential learning programs such as the Gettysburg Leadership Experience and the Lewis & Clark Experience take attendees away from their environment and expose them to historic lessons that are still applicable to leaders and the challenges they face today. “The programs encourage more creative thinking and provide the opportunity to engage differently because participants aren’t being pulled away by their own environment,” says John Regentin. “When boards and managers come to one of the programs together, they build an alignment through the shared experience, and learn a common language that can facilitate dialog back in the board room.”

For organizations that are not already reaping the benefits of bringing their boards and management teams together, the first step is simply to raise the idea.



“Most boards will recognize the value of this type of interaction with their management teams and the benefits of building closer relationships and expanding understanding, and are very willing to find ways to make it happen,” says Leslie Hilton, Vice President of Governance/Board Development with FCC Services. “It’s important to realize that building closer relationships with senior leaders doesn’t mean that the board should or will get involved with the daily management of the organization or in execution of the strategies discussed in collaboration with the management team. The objective is to build constructive dialogue that helps boards and senior management find better solutions and opportunities for growth in the face of competitive challenges and change.”

Once there is agreement about moving forward, the board and CEO should discuss the right format for the organization, from senior leaders presenting at board meetings, to joint attendance at industry events, to creating a custom program. For those interested in opportunities to bring boards and management together, including those interested in designing a custom program, FCC Services is available to support the planning and execution. Contact Jean Cantey Segal at jean.canteysegal@fccservices.com for more information.