

Building a Productive Board

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The University of Wisconsin Center for Cooperatives has been working with and providing education for cooperatives of all kinds for over 35 years. Following are some "lessons learned" about board development.

The steering committee is the first formal group to work toward the formation of a co-op. At the time of incorporation, an interim board of directors is chosen to take over the decision-making that determines the direction of the co-op. At the first general membership meeting, an official board of directors is elected. Tasks for all of these groups unfold at a rapid rate. There is always too much to do, and not enough easy information. Each of these groups builds on the work of the group before it, and benefits from the same group process skills. Some key elements of board process can make the job of an active board easier.

Electing a Good Board

A co-op is a business, not a social club. It can take some effort to find people who will take their roles seriously, have needed skills, and are willing to meet regularly (all with no pay).

Many cooperatives find it effective to set up a nomination committee to look for good board members. A committee can look through the membership list and find individuals with particular skills to bring to the board. Business owners, those knowledgeable in the industry, people with experience in financial or legal matters, community organizing, or group process are generally good candidates. The person with "the most time" is not necessarily the best board candidate.

A written set of expectations should be given to each candidate. Each candidate should write an "application" including their interest in, and vision for, the co-op, which can be distributed to all of the members before they vote. A board that has already demonstrated that it can have efficient meetings and good board process is better able to attract skilled candidates, even if those candidates already have busy schedules.

Elements of an Effective Board

- Meeting process:

Right from the beginning, good meeting process skills are critical for effective board meetings. Important tools for any meeting participants include good listening skills, the ability to speak efficiently and to the point, and respect for others' opinions. A clear agenda and strong facilitator are essential for keeping the meetings on time and to the point. Adopting formal procedures for running the meeting will be helpful. Clear minutes should be taken and distributed in a timely manner to all board members. These should be kept in board notebooks that are organized into categories and supplemented with copies of bylaws and committee reports. A short training

session or discussion covering the "rules" of good meeting process early on will save much time and frustration. Basic information on effective meeting process, such as Robert's Rules of Order, can be found at most public libraries. Local non-profits or education centers may have someone that would be willing to share their thoughts on running an effective meeting.

- **Board training or orientation:**

Any new business undergoes change at a rapid rate. When new people are brought in to help direct a business, they need to be brought up to speed. Some boards like to assign a 'buddy' to a new member, to go over history and help answer questions. A formal training is always helpful, and can be done either in-house by more experienced members or through a training institution. Training should cover specific issues such as the co-op's history, meeting process details, and other policies. More general co-op training helps a new member get the bigger picture: the role of a board member, what makes co-ops unique, an orientation to understanding financial statements, etc. Passing on to a new board member a comprehensive board notebook—with minutes, bylaws, and policies—is also very important.

- **Building trust and creating a vision:**

The board—a group of people who may meet each other for the first time a half-hour before the election—should spend time getting to know each other so that they can understand and respect each other's opinions. Going through a formal vision and value-setting process during an annual retreat can be an invaluable unifying experience for the group. Taking time outside of scheduled meetings is also a good way to develop a common bond: having a dinner, participating in work projects, doing a mailing as a group, enjoying casual conversation.

- **Officers:**

Co-op bylaws dictate the designation of officers. Officer positions are elected by the members of the board from among their ranks. A president, vice president, treasurer, and secretary are standard. The treasurer and secretary can be merged into one position if desired. All officers play an important role. They should be comfortable with responsibility and should possess good meeting process and communication skills.

A responsible and representative *president* can do much to move the co-op forward in its development. It is the responsibility of the president, and all of the officers, to represent the issues of the board and the membership. Personal agendas have no place in a cooperative board, and are especially dangerous when exhibited by officers. The president generally facilitates meetings and sets agendas, but perhaps more importantly acts as the liaison between the board, the members, and the community at large. The president will often be the "point person" as the co-op develops. The *vice president* takes over for the president when he or she cannot be present, and takes on any duties that the president would like to pass on.

The *treasurer* in a young co-op will often be the signer for the checking account, and keep track of incoming and outgoing funds. As the co-op matures, hired staff will take on many of the duties of the treasurer. The *secretary* takes minutes at the meetings and makes them available to board members and the general membership. He or she may also take on the role of coordinating a newsletter and brochure design.

All officers have a responsibility to regularly communicate with other board members about what they have been doing and what board decisions need to be made.

- **Planning:**

One of the board's most important duties is planning for the future of the co-op. Early on in the co-op's development, work should have been done to define a mission and a vision. As the co-op grows and develops, it is important that actions work to make the vision reality. There are many different techniques to facilitate

long-range or strategic planning, but most are based on isolating the board for a carefully prepared planning meeting or retreat, which can be scheduled (ahead of time!) to last anywhere from several hours to two or three days. At this meeting the board members share information, ideas, and opinions about the general membership's needs and interests, and develop action plans for fulfilling those needs. Background information on competition, market changes, product potential, and anything else crucial to the future success of the business should be brought to the table. Many businesses hire an outside facilitator to assist in this process. This can be helpful for keeping the group on task, and for ensuring follow-through. Most businesses make one-year and three-year plans to guide them into the future.

Moving From a Working Board to a Governance Board

As a co-op matures, the board will take on fewer active tasks, and will instead be making decisions to guide and monitor the activities of the staff. Management takes care of the day to day issues of the co-op, and the board provides oversight and planning. Making a transition from a "working board" to a "governance board" takes some thought and a change of function. As competent management is hired, board members need to set clear expectations, and then step back and let management perform their jobs. Management personnel regularly report back to the board on how well they have met goals, and are evaluated based on their performance. It is important to hire management that the board and members can trust, someone skilled enough to make daily decisions that meet the board guidelines and protect and grow the cooperative. The co-op may have to spend more than they think they have to attract this person, but money spent on a qualified manager will be repaid many times over.

Whether the governing body is called the steering committee, the interim board, or the elected board, it is always the very heart of the cooperative. It is this group's mission to listen to the expressed needs of the membership and create a functioning business that responds to those needs. It is a big responsibility, without a doubt, but a well-structured board, working as a team, can be one of the co-op's greatest assets.



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