

Build your best board

Leave no stone unturned when recruiting new board members.

PATRICK TOTTY

The most common way credit unions recruit board members is the least effective: the annual call for nominations, says Jeff Rendel, CEO of Rising Above Enterprises.

This approach is too narrow, says Rendel, who advises working with credit union staff members to seek new board members.

“Work with your marketing team for suggestions about potential new members,” he says. “They are aware of people among your membership who can bring a fresh perspective to the board.”

“Also consult with branch managers, executives, and others who are involved in day-to-day operations,” Rendel continues. “And reach out to your most loyal members who may represent a select employee group or a specific demographic group to give that group a voice on the board.”

The driving reason behind recruiting new board members is to foster good, fresh ideas that move the credit union forward, Rendel says. That’s why it’s important that new board members and their fresh perspectives make up a certain percentage of the full board.

“On a board that has seven or

eight members, a good rule of thumb is to have one or two of them new to the board,” he says. “Also, a board’s No. 1 goal is that it represents members. Make sure you have the voice of a regular member on your board.”

Rendel agrees in theory with having board term limits. “But they only work if a credit union has a solid pipeline of prospects.”

“While you need a clear process for recruiting new board members, there is no guarantee



that it will work as quickly as you hope,” he continues. “I’ve seen some boards recruit a qualified newcomer with just a single phone call. But I’ve also seen others take a year or more to find a suitable replacement.”

Rendel advises getting new board members up and running as quickly as possible with education and other efforts. “But don’t let new board members sit there watching for a year before actively participating in board sessions. They need to become savvy in the finer points of financial services.”

He cautions credit unions to understand the differing perspectives board members will bring. “There’s a difference between a board member who has become financially independent and has no debts to discharge versus a younger member who is in the borrower stage. Each brings a different insight to the boards.”

says. “It’s rare these days for a member to serve 10 or 15 years on the board.”

A subtler recruitment tool is when a board president asks whether a director would like to leave the board. “If there’s a yes to that question, the credit union is now free to recruit a replacement.”

Rendel also advises credit unions to keep in mind that many contemporary board members don’t have the flexibility in their schedules to meet on a regular weekday morning or afternoon. “In that case, you have to set up evening or weekend meetings to accommodate various schedules.”

CEO on the board

Greylock Federal Credit Union in Pittsfield, Mass., provides a good example of how a volunteer 12-person board of directors can recruit new members. The

experience dealing with board recruitment. His observations about the process apply to most credit unions.

“Board members who step down typically do so for three personal reasons: A change in a career path, health problems, or family concerns,” he says. “Because those motivations are normal occurrences with any board, we always try to be in a position where we’re ready to recruit.”

Greylock Federal’s basic requirement for board members, he says, “is enough financial savvy to read and understand complex financial statements.

“As we look for skills and commitment,” Bissell continues, “we also know to pay attention to our mission so board members see us as worthy of them.”

Greylock Federal also plays the long game. “We’re not afraid to take time to cultivate potential board members,” he says. “We may spend a year or two—or even longer—talking to a potential recruit. Sometimes it’s a multiyear dialogue.

“A potential recruit may be interested but cannot commit at the present time. A year or two later, and they may be ready. Also, when we add a person to our supervisory committee, we bring up the down-the-road possibility of joining the board.”

Bissell says Greylock Federal does look for specific skills. “For instance, when the board needed an information technology [IT] skill set, we recruited Pete Lopez, who came aboard in 2016 with a tremendous knowledge of IT. One of our more recent board recruits Krystle Gallo is a senior systems engineer at a large defense manufacturer.

“We also have a seasoned nonprofit business consultant, as well as a former CFO, a former bank president, a social media expert, an entrepreneur, and a high-level marketing manager,”



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Associate board members

Another recruitment tool is to create an associate board that offers training in board responsibilities and serves as a pool of qualified candidates. But keep in mind that associates may have a limit to how long they wait to become full members of the board.

“Also, don’t expect too many years of service from contemporary board members,” Rendel

seven-branch credit union was once a select employee group-based institution serving General Electric employees but has since obtained a community charter.

John Bissell, president/CEO of the \$1.2 billion asset credit union in Pittsfield, Mass., is an example of how management and the board can mix. In 2018, he joined the board retaining his executive position.

Bissell has several years of

10 WAYS TO BRING IN NEW BOARD MEMBERS



- 1 Be patient when courting board prospects.** While potential board members may be highly qualified, they might also be busy. Continue expressing your interest while reassuring the prospect that your offer always stands.
Greylock Federal Credit Union's recruitment of Krystle Gallo as a board member, for example, took about eight months—fairly fast as far as recruitment goes. In contrast a previous new board member, Pete Lopez, took three years to bring on board, says John L. Bissell, president/CEO of the \$1.2 billion asset credit union in Pittsfield, Mass.
- 2 Don't expect a new board member** to know every in and out of serving on a board.
- 3 Have other board members** and credit union executives organize descriptions of their expertise to explain to the new director.
- 4 Be open** in both business and social interactions to encountering a board prospect. Sometimes a casual chat can introduce you to a potential candidate.
- 5 Seek diversity** in terms of gender and ethnicity, and also in skills and experiences.
- 6 Embrace** the idea of "freshness." Even top-performing boards need new blood to stimulate and reinvigorate its pursuit of the credit union's goals.
- 7 Qualified board members** may be located just out of view. Sometimes the best new board recruit is a C-level officer from your own credit union's management team.
- 8 Ask current board members** every so often if one of them would like to leave the board. If the answer is yes, you have a clear path to recruit and bring on a new director.
- 9 Give new board members** time to adjust. In almost any walk of life it takes awhile for newcomers to fit in and feel at home.
- 10 Ask everybody** for leads. That includes your C-Suite team, branch managers, front-line staff, marketing and sales staff, and your members.

he adds. "We're always looking for synergy. Our current board has so many sources of experience and expertise that I really feel blessed. It's a strong board that challenges our management in a positive way and is well tuned in to our market."

Bissell has heard enough horror stories from other CEOs about botched or failed board recruitment efforts. "That's why we're careful and always mindful of the chemistry between board members and the level of recruits' desire to commit and put their expertise to work in the

community."

He offers a final caution: "Make sure your board restricts its focus to strategy and policy only. Keep its functions and concerns separate from the management team."

'An opportunity I couldn't pass up'

Gallo, who joined the Greylock Federal board in 2018, provides a good example of how a credit union can recruit a new volunteer board of directors member.

Gallo is a mechanical engineer at General Dynamics Mission

Systems in Pittsfield, Mass. A first look at her resume, which documents a long journey through STEM (science, technology, engineering, and mathematics), including a master of science in mechanical engineering from Purdue University, may not overtly show skills a board would seek.

But in Bissell's first encounter with Gallo, he saw qualities in her that he thought would add nicely to the board's span of skills.

One of those skills was Gallo's aptitude for understanding com-

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plex problems.

Another was her intense involvement in volunteer activities, including the Berkshire Leadership Program, where she serves as the steering committee chair.

She also volunteers for the Berkshire United Way and serves on the board of the Pittsfield Economic Development Authority. In 2016, Gallo was a Berkshire County “40 Under 40” award winner.

Bissell realized Gallo’s volunteer spirit could well extend to a board position.

Perhaps the final event that pushed Bissell to recruit Gallo was the fact that both were enrolled in the same master of business administration (MBA) course. He sensed she wanted to extend her knack for understanding complex issues into the realm of business and finance.

Gallo’s decision to pursue an MBA in business development derives from a desire to understand the business side of engineering.

“These days I’m as fascinated by business as I am with science,” Gallo says. “There’s a lot of strategic, higher-level thinking involved in business development. I see connections everywhere between what I’m doing at work and what I’m learning pursuing an MBA.”

Bissell first approached Gallo in September 2017—eight months before she joined the board—during a leadership development program Gallo had planned. As they chatted and realized they were both in the same MBA program, it sparked a discussion that led Bissell to tell her, “We may have an opening coming up.”

That set the stage for a formal invitation to Gallo to join the

board.

When she attended her first board meeting, members of Greylock Federal’s senior management team spent about 10 minutes briefing Gallo on their specific roles and tasks.

“Each of them invited me to sit down for a longer discussion about each of their fields of management and expertise,” she says.

Gallo’s advice to board recruits: Don’t pressure yourself to know everything at once. “You can’t be an instant expert.”

She says the way she was recruited and initiated motivates her to remain on the board for years. “I’m still early in my career, so joining the Greylock Federal board to exercise strategic thinking was an opportunity I couldn’t pass up.”



CUNA's board resources:
cuna.org/board

