# Directors' Resolutions for 2012

*Hugh Blane*

01/13/2012

The late Steve Jobs of Apple once said, "Some people aren't used to an environment where excellence is expected." This from the man who after being diagnosed with cancer until his death eight years later was the creative force behind the Macbook, the iPod, Apple TV, the iPhone, the Macbook Pro and the iPad.

This article posits that a low expectation for excellence is attacking the vitality and performance of today's credit unions. Based on my work with CEOs and boards, I've concluded that many boards are threatened by ideas that are outside their comfort zones. And, in many cases, they are being hampered by a reluctance to start a new conversation about director competencies and the link to credit union performance. I propose boards adopt four essential competencies:

***1. Think bigger:*** The world of work is filled with big thinkers. Jeff Bezos of Amazon.com thought bigger when he envisioned a whole new way of selling books—and virtually every product and service. Jobs envisioned creating elegant computers as well as redefining how we use technology and how we communicate. Muhammed Yunus thought bigger when he envisioned eradicating poverty and enhancing personal dignity through the Grammen Bank in Bangladesh.
Why is it then that thinking smaller is the norm for many directors? Here are two reasons:

1. **Credit unions have taken calculated risks and gotten burned.** Some have gotten burned by their corporate credit union, some from business lending, and some by the rigors of complying with the Durbin Amendment. While there are pockets of credit unions that have succeeded in these three areas, there are others that have struggled and become conditioned to see success as elusive and have ratcheted down their hopes and aspirations. This diminishes creativity and risk-taking and leads to what Martin Seligman calls learned helplessness.
2. **Our personal comfort zones demand the middle.** All humans strive to maintain their current state of affairs. In our comfort zones, the known and predictable are preferred. We act like Goldilocks. We don't want our porridge to be too hot or too cold – we want it right in the middle. Unfortunately the middle ground is inhabited by average and mediocre performance.

***2. Interrogate reality:*** Leading a credit union today is a complex and multifaceted proposition that requires directors to be able to respectfully question their own assumptions, as well as those of senior managers. Having these difficult conversations, respectfully, allows directors to separate the important from the unimportant and the strategic from the operational. Interrogating reality in this context requires deep reserves of curiosity, courage and commitment.

I'm not suggesting boards get mired down in existential questions and waste time interrogating the reality of every aspect of their strategic plan. I am suggesting, however, that the currently prevailing "management" mindset found on boards be replaced with a "strategic leadership" mindset.

Some directors prefer a reality rooted in uncertain futures and the accompanying exploration and innovation. They embrace new possibilities and believe thriving is only possible by embracing an unchartered future.

Other directors have a reality grounded in predictable pasts and the corresponding tried and known. They embrace probabilities and believe thriving is possible when ideas proven from past experience are implemented.

Directors need to be able to interrogate the reality associated with both types of thinking and be adept at using the appropriate thinking at the appropriate time to get the appropriate results.

***3. Embrace change:*** A common bromide is "change is certain." What should follow this saying is that while change is certain, growth is optional and accelerated business results are a choice. Herein lies a paradox. Two out of 10 directors say they "like" change. The rest say they don't like change but recognize they have to deal with it. This perspective leads to trepidation about the new and unknown.

Markets expand, contract and mature. So must a board's competencies; otherwise a credit union will plateau and decay. My experience is that it isn't the incompetent director who destroys a credit union's performance. It is those directors who have achieved something noteworthy and want to rely on their past achievements to sustain them in the future who really undermine a credit union's future.

In turn, a crucial annual question for directors is "How have you grown as a director over the last year, and what new skills will you acquire over the next year to ensure the credit union achieves accelerated business results?

***4. Be distinct:*** Renowned business author Tom Peters said, "Be distinct or be extinct." His admonition proposed that if there is nothing distinctive about you, your work or your credit union, then you are in jeopardy of becoming irrelevant.

Directors need the ability to think strategically and act tactically. They must cultivate a "I'm here for as long as I add significant value to our credit union" mentality, while also role modeling each of the three other competencies above.

Are these competencies earth-shatteringly new? No. Are they in ample supply? The answer is also no. My most successful board clients welcome new perspectives and eschew the natural desire to dismiss unfamiliar information. They continuously seek out new ideas and use the four competencies to jump to higher performance. If you would like to achieve higher performance, use the five questions in the next section to help you do so.

**Hugh Blane** *is president of Claris Consulting. He is a nationally recognized business strategist hired to help executive teams and boards convert human potential into accelerated business results. He can be reached at www.clarisconsulting.net, or 206.829.9413.*

Apply it to your Board Room:

1. Do I agree with these competencies? If so, why? If not, why not?
2. Is there agreement among my board members as to the importance of these competencies? If there isn't agreement, what does that say about our performance?
3. On a scale of one through 10 (one is low and 10 is high), how would I rate my performance and the overall board's performance on each competency?
4. Which of the four competencies would provide the greatest value to our members?
5. What do we need to start, stop and keep doing for these competencies to be fully implemented on our board?