

“How a Board Can Help Its CEO During a Time of Crisis” by Jeff Rendel, Certified Speaking Professional

The crisis management team is in place. Communications and media plans are in motion. State and local government recommendations and orders are being monitored and implemented. The Business Continuity Plan is providing structure and guidance. The Board has convened and met with the CEO several times and, most likely, via video conference. Logistics are in order for running the credit union and adapting to what changes the next day may bring. The Board can be confident that a system is in place to serve members in a safe, sound, and secure manner.

Now, a Board can turn its attention to helping its CEO be the executive it needs to lead the credit union through this crisis and emerge ready to serve members in different phases of life and business. Below are questions a Board should regularly ask its CEO to determine how it can make sure the CEO is prepared, well-informed, and confident in making the best decisions for the credit union.

How is your health and state of mind? Odds are good that the CEO and executive team have not had a day off in weeks. While a normal working schedule is rarely part of a CEO's day, crises can be wearing. One CEO, working from home (and often from the motor home) asks this same question of every colleague. This CEO needs his colleagues at their best; and, your Board needs its CEO at her or his best. Remind your CEO of the importance of mental and physical well-being.

How is staff morale? Empty branches, skeleton crews, remote working arrangements, uneasy members, and concerns about employment are just a handful of the drastic changes staff members face each day. Frequent updates are necessary in this environment. Managers should be checking in with staff throughout the day. Staff should be comfortable asking questions about the future, even if the answers aren't known yet. Communication is vital to morale; morale is essential to service.

How are members reacting? News of layoffs, furloughs, business closings, and economic contraction will affect members and their finances. What shifts are occurring in deposit flows? What slowdowns are taking place with loan payments? What assistance programs can we offer or develop? What changes might we see in delinquencies and charge-offs? How does marketing and business development fit in this environment? Can we still add to the business as we manage in a recession?

How is the credit union financially? Your capital position gives you a picture of how the credit union can weather limited growth and earnings. Scenario planning allows your Board to view “What If?” projections and better understand decisions that may be necessary. Run multiple situations with significant changes in growth, interest margins, delinquencies, and losses. Observe the effect on earnings and capital. Preparation and awareness are key for, potentially, significant decisions.

How can the Board help? Here is where your Board can offer the CEO the greatest assistance. Your CEO may look to the Board for specific expertise, stakeholder communications, or support with priorities and focus. Your CEO will present a revised budget and will need your patience and backing. Your overall strategy may not change, but its execution will be placed on pause. Be open to what your CEO needs to ensure the viability and continuance of the credit union.

This is a demanding time for credit unions and their leadership. Business results, forecasts, and models have shifted overnight. Your credit union's CEO is just as determined to lead the enterprise through this test as your Board is to see that members are served, and the credit union endures. As a Board, with one voice, complement your CEO's leadership through your dependable attention, confidence, and commitment.

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