

TRANSFORMATIVE CHANGE MODEL

for the Boardroom

The award winning TCM is ideal for boards in unending complexity and change. TCM was designed to support boards that want to refine, refresh, or transform how to operate at a high level of performance.

- + Be prepared for 35 - 45% of board members retiring in 3-5 years
- + Move away from a highly entrenched board industry mindset
- + Understand their board mission, a Higher Purpose
- + Ease in effectiveness of complex decisions
- + Enhanced board composition
- + Supporting Structures
- + Recruitment and board development strategy
- + Accountability framework
- + Committee purpose

2017 NAFCU INNOVATION AWARD WINNER

The DDJ Myers TCM is a recipient of the 2017 NAFCU Innovation Award. The Innovation Awards platform provides credit unions with a set of vetted and tested solutions that can improve bottom line, enhance member engagement, and establish a competitive advantage. An Innovation Award is the highest distinction offered through the NAFCU Services Preferred Partner program.

Highlights

TCM is designed to support a board in defining their future vision and in deciding the best place to start relevant, sustainable, and strategic change.

TCM innovates and rejuvenates the board of directors with a renewed board development approach, governance tune up, board recruitment, and by inspiring the board to become high-performing in co-creating their vision of the future strategic alignment between the board and the CEO.

TCM has a different starting point in change for each board supported. Some boards need TCM for an overall restructure, others need it for the recruitment component, and still others want a refreshed outlook on governance, committees and the flow of board meetings.

Process

The TCM process uses a facilitation approach grounded in co-construction theory with all stakeholders involved in designing the board of the future.

One of the key components includes the board self-defining how it wants to be seen, operate, and serve the credit union using leadership as a governance perspective. The TCM

process for board development starts with a thoughtfully co-constructed identity statement, which is used as an operating principle in all board interactions.

One of the key components of high performance includes the board self-defining how it wants to be seen, operate, and serve the credit union using leadership as a governance perspective.

The TCM process for board development starts with a thoughtfully co-constructed identity statement, which is used as an operating principle in all board interactions.

Outcomes for Boards Using TCM

- Committees add greater value with a clear purpose
- Attractive to younger generations as board members
- Positive impact through streamlined decision-making
- Board quickly shifts from tactical to strategic
- Increased engagement and participation
- Clarity between board and CEO on decision-making
- Understanding the compensation value of the CEO
- Strategic planning is ongoing rather than episodic

TRANSFORMATIVE CHANGE MODEL

for the Boardroom

CASE STUDY

Launch Federal Credit Union (Launch)

\$827 million | Merritt Island, FL with 13 branches

Background: Launch, formerly chartered in 1963 as the NASA-MILA (Merritt Island Launch Area Credit Union), changed to Kennedy Space Center Federal Credit Union (KSCFCU) to serve the financial needs of employees at the Kennedy Space Center.

In 1993, Halifax Teachers Credit Union merged with KSCFCU and expanded its services to residents of Brevard and Volusia counties. Joe Mirachi joined as CEO four years ago and evaluated a rebrand of the credit union to better position the organization. The current credit union's name was very long – 13 syllables. The new name, Launch FCU, was adopted in 2014 and symbolizes the historical past with a “go beyond” tagline into the future.

Mirachi continued the rebranding effort within the credit union by modernizing the organization's structure, products, and services to align with the Launch rebrand. Once the internal rebrand was complete, the board decided to assess what changes were needed at their level to be in sync with the new external brand and the executive team. Launch FCU completed a competitive process that resulted in hiring DDJ Myers, Ltd., as its board development partner.

Objective:

DDJ Myers was contracted to facilitate board's education and re-branding in the following areas.

The project had three areas of focus:

1. **Discovery: Benchmark Current State**
Research and analysis were conducted to assess the current state of the board to provide a realistic picture from all perspectives.
2. **Dialogic Presentation of Findings**
DDJ Myers presented on-site findings from the research and analysis with the intention of helping the board understand what the governance outcome process truly needs to look like, and how to take those steps.
- 3 **Designing Best Governance Practices**
At this point in the project, the research, analysis, and presentation of findings were completed, and designing of best board practices for leadership was the next step.

Challenges, and Opportunities:

The outcome of the Launch FCU project was a total re-brand of the board of directors that resulted in a board aligned with the organization and executive team, and a positive shift in financials. A complete governance restructure shifted the board from 75% tactical to 85% strategic. Over several months, the board worked hard to design and implement several changes; understanding how to distinguish between strategy and tactics was challenging. We had several practice sessions to help embody the distinction, which were supported by the CEO.

Outcome:

Mirachi shared (Board Transformation) that the credit union was in its 4th year of re-branding, and the board, C suite, and staff were aligned. Everything came together late last year with a clear strategy and a transformed culture. He acknowledged that the numbers followed the culture change and the credit union is now experiencing the growth and income expected from a high-performing leadership culture.

This is a highly successful Board Transformative Change Model by DDJ Myers!

