

## Spotlight on Co-operative Governance Award Winners

November 2009

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### Letter from the Editor

In this issue of Governance Matters, we are bringing you précis of award-winning entries in the CCA Leadership in Co-operative Governance Awards. The organizations profiled in this edition have either won or received honourable mention in the two years that the awards have been given.

Past winners and those profiled in this newsletter are:

2009 winner: Assiniboine Credit Union

2008 winners: Coast Capital Savings (Large Co-op Category)

Mountain Equipment Co-op (Honourable mention in the Large Co-op Category)

Gay Lea Foods Co-operative (Medium-Sized Co-op Category)

Nova Scotia Co-operative Council (Small Co-op Category)

The Leadership in Co-operative Governance Award recognizes governance innovation and excellence in co-operatives and credit unions across Canada. The awards seek to showcase the movement's strengths in the area of governance and provide the opportunity for co-op and credit union boards to learn from each other.

I know you will join me in celebrating with these winning organizations and I trust that you will learn from their stories.

[Debra L. Brown](#)

Editor

### We want to hear from you!

Please take a couple of minutes to complete a [short survey](#) on Governance Matters. Your input will ensure this publication remains relevant to your needs. Also check out previous issues in our Governance Matters [archives](#).

### About the Awards

The 2010 Leadership in Co-operative Governance Award and the inaugural Brown Governance Co-operative Award for Boardroom Culture recognize that the effectiveness of co-operatives and credit unions is closely linked to the ability of the members of the governing board. These awards showcase the strength of the co-operative system, advance understanding about performing as a co-operative, and stimulate dialogue and reflection on co-operative governance and co-operative performance indicators.

Leadership in co-operative governance is demonstrated by boards of co-ops and credit unions that strive for excellence by adopting new practices to improve the way they work, fulfilling the co-operative principles, and offering opportunities for their peers to learn from and replicate best practices. Leadership excellence is evident by practices that produce specific and demonstrable benefits or results, and that can be transferred to other co-operatives and credit unions.

### ***Leadership in Co-operative Governance Award***

The Leadership Award is based on:

- Overall governance excellence: having superior practices and processes to guide your co-op or credit union to success;
- Excellence in co-operative governance practices: demonstrating the co-operative principles and respecting the values and vision of your members; and
- Governance leadership: seeking out and applying new ways of working together.

### ***Brown Governance Award for Boardroom Culture***

The Brown Governance Co-operative Award for Boardroom Culture is a new addition for 2010 to the CCA Co-operative Governance Awards.

Boardroom dynamics can be viewed as the interplay among three aspects of governance: structure, culture and behaviours. The competence of the individuals on the board, and how directors and management behave in the boardroom are just as important as good structure in ensuring organizational success. This award recognizes that a healthy boardroom culture is critical to governance success.

The Brown Governance award is based on

- Optimizing culture: demonstrating the ability to adapt your board culture and avoid power extremes to maximize success;
- Effectiveness of culture: understanding and using governance norms effectively in an otherwise challenging situation; and
- Transferability of culture: having enough clarity on the culture in your boardroom that you are able to share your story in such a way that others will be able to learn from and apply your experience.

### ***Eligibility criteria***

Both awards are open to co-operatives that are full members of CCA, or primary credit unions and co-operatives that are members of regional co-operatives, provincial co-operative associations, credit union centrals, and sector federations that are members of CCA.

Applicants are welcome to apply for both Awards. Past applicants to the Leadership in Co-operative Governance Award are encouraged to apply for both or either Award.

The deadline for applying is February 26, 2010.

For more information on how to enter [click here](#).

## Assiniboine Credit Union: Winner 2009 Award

### *What was the focus of Assiniboine Credit Union's submission?*

Assiniboine Credit Union's board used an iterative process to establish an "excellence in management and governance" process for the credit union. Their approach included governance research, a revised governance framework, a continuous learning process, strategic planning, and an evaluation/measurement process.

### *Why were they chosen for the award?*

The Assiniboine board had embarked upon on a learning journey. The board proactively benefitted from a range of expertise and knowledge to assist them in their path to excellence in governance. The leadership shown by the Assiniboine board in committing the Credit Union to becoming a learning organization, as well as their commitment to transparency in terms of policies and practices with a fairly robust approach to disclosure within its annual reporting framework, were exemplary.

Further, Assiniboine's process for electing directors (defining a desired board composition, doing a gap analysis, inviting and vetting nominations, board endorsement of nominees, in-branch voting) stood out as ambitious. This is a process that proactively attempts to balance members' rights to stand for election to the board and ensuring that the board is composed of competent people representative of a diverse membership.

### *How did Assiniboine Credit Union propel itself along the path to excellence in governance?*

**1. Exercising Leadership:** The Board of Directors takes the lead in ensuring the organization excels in its governance practices.

**2. Seizing an Opportunity:** A merger of three credit unions on January 1, 2007 presented the opportunity for a new board to establish the direction for excellence in governance which was affirmed eventually with the establishment of 'Excellence in Management and Governance' as one of its strategic goals.

**3. Seeking Advice:** An iterative process was followed to ensure that the organization continually improved its governance practices. This was achieved through a demonstrated commitment to: seeking counsel and learning from reputable, governance experts; deploying best practices; and planning for continual improvement based upon research and evaluations of current practices.

**4. Implementing Best Practices:** Some of which were:

- Contracting with third parties for the creation and evaluation of governing policies and Committee structures.
- Annually surveying of members and the credit union's employees.
- Contracting research projects identifying: emerging governance trends, how to increase the face of the board to its members, how to measure effective member communications, and effective profiling of director candidates.
- Reviewing Assiniboine's governance practices against the Standards of Sound Business Practice established by the Credit Union Deposit Guarantee Corporation (CUDGC), the organization's

regulator.

#### **5. Governing and Monitoring:** They did this by:

- Implementing a Governing Policy Framework.
- Providing management with a framework within which to manage.
- Delegating work to Committees to monitor adherence to specific governing policies.
- Establishing statements of responsibility for the Board Chair, Committee Chairs and directors.
- Developing terms of reference for the Board of Directors and all Board Committees.
- Reviewing and updating all governing policies, statements and terms of reference regularly to ensure they remain current and relevant.

#### **6. Committing to Continuous Learning:**

- Participating in 17 discovery sessions in late 2007 and early 2008 - the sessions were all about discovering ... the environment, the board and management. These sessions built the foundation upon which the future strategic direction was developed by the board.
- Following the discovery sessions with a three-day facilitated strategic planning session that resulted in the creation and approval of a long-term strategic plan.
- Instituting a Board Training & Development Program, for directors as well as Executive Management Team members, for the purpose of achieving a common understanding of what is meant by good governance.
- Developing for regular review and updating a risk management framework for the organization.

#### **7. Measuring and Evaluating:**

- Overseeing the annual Operational Plans and Balanced Scorecards that establish the measure of success and the program the credit union is making toward achieving its goals.
- Conducting board & committee assessments, including peer and director self assessments annually.

#### **8. Engaging and Representing Members:**

- Identifying ideal competencies, skills and experience, as well as the ideal representation of the members and communities the organization serves to create Assiniboine's desired board composition. These are regularly reviewed to ensure that board composition continues to be linked to Assiniboine's strategic vision and particular challenges.
- Approving a new director recruitment and endorsement process. Annually, the Nominating Committee conducts a gap analysis of the current board complement against criteria established to identify the desired board composition based upon skills and diversity measures. This gap analysis is then used to recruit strong candidates to fill vacancies on the board.
- Implementing an Advisory Committee during amalgamations.
- Seeking the opinions of its members, non-members, employees, co-operatives, and community members for the purpose of holding strategic discussions that would assist the board in setting the organization's strategic direction.

#### **8. Living the Co-operative Principles:**

- Cooperating with other co-operatives, Assiniboine takes the opportunity to network with other large credit unions across Canada. Annually, the Board Chair and the President & CEO attend the annual meeting of the 10 largest credit unions in Canada.
- Being cognizant of the impact of the credit union on the environment and the community. For example, consistent with its goal of waste reduction at Assiniboine, on-line application forms were developed for the 2009 director nominations. Application forms were posted on Assiniboine's website along with the 2009 Candidate's Guide, which was available for download.
- Striving for excellence in all it does through innovation, creative thinking and continuous improvement.

- Seeking opinions and views of the membership and other stakeholders to develop strategic direction.
- Sharing information in an open and transparent manner, for example the organization's annual report reflects accountability to its members.

Assiniboine Credit Union believes that it has created a powerful blueprint that will guide it confidently into the future, and recommends that other organizations review and implement leading governance practices such as these to build on the co-operative and credit union sector's already strong governance foundation.

### **About Assiniboine Credit Union**

Assiniboine Credit Union has been further recognized for its leadership over the past two years, including: Top 100 Canadian Employers, Top 15 Manitoba Employers, Top 50 Fastest Growing Companies, Chamber of Commerce Diversity Award, and the Winnipeg Arts Council 'Arts Champion' Award. The credit union has experienced tremendous change since 2007. Mergers of four credit unions in two years and two banking-system conversions required the organization to balance a focus on members, employees and community while managing these major governance initiatives. By the end of 2008, the mergers and banking-system conversions were complete, Assiniboine saw strong financial growth, members and employees were still satisfied with their credit union and the organization managed to establish excellent, formal governance practices. Assiniboine is proud of all these accomplishments.

## **Coast Capital Savings: Winner 2008 Large Co-op Category**

### *What was the focus of Coast Capital Savings submission?*

Coast Capital Savings developed a process for determining the ideal skill set for their board. They did this by empowering a Board Nomination Committee to drive the search. The result has been a stronger board that has enhanced board accountability and increased its ability to lead the organization to a high level.

### *Why were they chosen for the award?*

Coast Capital Savings undertook the implementation of a competency based approach to director selection and recruitment. They ensured the approach was well understood through undertaking a widespread employee and member engagement process to achieve buy-in and support. It was recognised that this process challenged some long-standing credit union traditions, for example, the notion of entitlement amongst sitting directors. The processes undertaken by Coast Capital Savings are readily transferable and replicable to other credit unions and non-financial co-operatives.

Coast Capital Savings took a pro-active approach to address a longstanding issue amongst co-ops and credit unions - ensuring the right blend of skills and expertise on the board. Their commitment to increase the rigour of the director selection process and to follow that with significant effort and budget commitments to ongoing director development made their entry stand out.

### *How did Coast Capital Savings refresh their board renewal process?*

Coast Capital Savings faces the challenge of governing a \$9 billion corporation - a financial institution with national aspirations - that must compete with the banks. To succeed they must govern skillfully and effectively as well as democratically. And so, in 2006, the credit union's board resolved to strengthen its ability to govern using a process that was purpose-driven, professional, transparent and in harmony with credit union democratic values.

The board's strategy was to direct the Governance Committee to determine the 'ideal skill set' for the

Coast Capital Savings Board of Directors. The Nominations Committee was then mandated to assess the skills and business experience of both incumbent board members and new candidates with the goal of strengthening the board. The Nominations Committee now recruits and recommends specific board candidates who have the potential to raise the level of the board's governance. This new strategy was openly communicated to the credit union's 360,000 members to deepen their engagement with the affairs of the organization and the director election process in particular.

By fusing the search for excellence with a democratic process, Coast Capital Savings believes this board renewal strategy has contributed to their success by:

- Focusing the board on excellence and visionary leadership;
- Strengthening the bond between members and the credit union; and
- Increasing the involvement of employees by empowering them to play a more active role in providing information to members that would encourage their participation in governance.
- Coast Capital Savings believes that this board renewal process has successfully resulted in the election to the board of individuals who possess the identified skills and backgrounds required to strengthen the board: new directors with business experience at an executive level who are loyal to credit union values and supportive of Coast Capital Savings' visionary goal to become a national financial services company.

The board appointed a qualified Nominations Committee with a clearly articulated mandate and a policy around strengthening the board. At Coast Capital Savings, the Nominations Committee must be composed solely of directors whose terms are not expiring in that year and it reports directly to the membership, not to the board. The Nominations Committee, therefore, needed to work in concert with the Governance Committee. The Committee Chair also worked closely with board members leading a change management process and communicating openly and respectfully with credit union members. This process included the following:

- A "gap analysis" was initiated to identify needed improvements in the board's skill set as determined by the Governance Committee's "ideal board";
- Board education sessions with independent experts in the fields of governance and board recruitment were held to create a commitment to board excellence and renewal;
- The Governance Committee, to support the initiative of strengthening the board, recommended an individual director education allotment to be set at \$20,000 per three-year term resulting in a further three directors enrolling in national director certification programs;
- The board adopted a Director Candidate Recommendation Policy and proposed changes to the Credit Union Rules by which the Credit Union operates to support a successful and ongoing implementation of the policy;
- These amendments were presented to, voted on and approved by credit union members. This required a comprehensive communication and education plan;
- An independent consultant helped the Committee interview incumbent directors as well as new candidates in order to obtain expert, arm's length advice on each candidate's fit with an ideal candidate profile; and
- The Committee recommended to members which candidates running for election had the skills needed to strengthen the board.
- There were two difficulties in implementing this change. First, an unwritten tradition in credit unions that, once elected, incumbent directors are entitled to hold their positions through re-election notwithstanding the changing and evolving needs of the credit union's board. And second, the need to address the feelings and self-esteem of individuals whose skill set no longer fit with the board's identified criteria for new directors, and overall governance objectives.

The process had several benefits. It clearly established an ideal candidate profile, it led incumbent directors with expiring terms to assess their own qualifications and skill sets against the candidate profile, it encouraged high-quality candidates to come forward and stand for election, and it made member shareholders better informed about how the credit union is governed.

Unlike public companies, credit unions are not legally obliged to engage in governance disclosure; the fact that the Coast Capital Savings board initiated this process simply because it was "the right thing to do" and carried it out transparently and with the support of the credit union's membership, built member-shareholder trust in the credit union's leadership. Perhaps the largest benefit was that it ultimately put in place a board that has a commitment to board excellence and renewal to oversee the credit union's management, which expects to be and should be evaluated against Coast Capital Savings' vision of becoming a competitor on the national level.

Coast Capital Savings' board is stronger and more effective as a result of the successful and ongoing implementation of a board policy. Their success has required systematic education to ensure that employees understand and support changes such as the strengthening of the board. In a credit union, employees are also members and an important channel between management and the membership at large. They are the voice and first contact with the members and they must be able to provide an informed discussion with any member who needs information. Throughout the process efforts were made to ensure that employees understand the rationale for strengthening the board and are able to communicate effectively with members the candidate recommendation process and the member's right to vote for directors.

The keys to Coast Capital Savings' success have been to:

- Recognize that it takes a well-designed transparent process and a shared commitment to raise the level of board performance;
- Appreciate that if the board is to lead its own improvement, it must engage its own members in a way that is both objective and sensitive to affected individuals;
- Ensure the process requires high quality leadership within the board itself - in this case, from the Nominations and Governance Committees and a strong Board Chair; and
- Create a purpose-driven strategy: in this case the stated goal was "to strengthen the board", and this goal was kept uppermost in everyone's mind as the process moved forward.

Coast Capital Savings believes their approach to improving their governance empowered both directors and members, strengthened the board's accountability and increased its ability to lead the organization to a higher level.

## **Gay Lea Foods Co-operative: Winner 2008 Medium Co-op Category**

*What was the focus of Gay Lea Foods Co-operative's submission?*

Gay Lea Foods implemented a series of innovations in order to develop a governance model marked by transparency, involvement, development and structure. These included surveying and defining the concerns, desires and goals of delegates and members; establishing two new board committees (Governance and Audit); establishing a Delegates Governance Advisory Committee that reports to the Governance Committee; upgrading the by-laws; and establishing a Training & Development Committee.

*Why were they chosen for the award?*

Gay Lea has a unique set of governance circumstances (a co-operative with a functioning delegates system) in the context of a complex range of operations. The innovation shown by Gay Lea in addressing the issues of delegate involvement and engagement as well as attempting to resolve the tension between delegate bodies and the board was considered commendable.

*How did Gay Lea Foods Co-operative reach its goals for a new governance model?*

Gay Lea Foods Co-operative Limited celebrated its 50th anniversary on March 19, 2008. As a medium sized co-operative (some 4,300 members representing 1,200 dairy farms in Ontario) this co-operative began a governance exploration that began simply and silently, but grew quickly and dramatically and had a far reaching impact on this co-operative's governance model.

As aptly described, "**governance is not a destination, but a journey[1]**", this journey began over five years ago with a simple but effective "awakening." An independent audit was completed on Gay Lea's governance practices, and the desired state and the reality were far apart. It had become clear that the governance model of the co-operative had remained static and unchanging. In a series of turbulent but dramatic meetings with the delegates, it also became evident that the governance model was not satisfactory to the membership and created great frustration and angst for the directors. The audit quickly formed the basis of Gay Lea's vision for their governance model.

Their vision was simple, yet effective. Its primary goals for the new governance model were:

1. Transparency
2. Involvement
3. Development
4. Structure

These targets were met through a series of innovations that has kept their co-operative pushing the limits of governance.. Led by the board's commitment and the Corporate Secretary's vision, the primary steps over the past three years were:

- Surveying and defining the concerns, desires and goals of the delegates and members.
- Establishing two board committees - Governance and Audit.
- Establishing an elected Delegates Governance Advisory Committee reporting to the Governance Committee that would act as a liaison with the Board of Directors.
- Rewriting the by-laws to ensure the inclusion of the definition of both director and delegate roles within the co-operative.
- Establishing a Training and Development Committee (with both board and delegate representation) to ensure that the governance targets represented the membership.

Gay Lea's successes as measured against its goals have been:

### **1. Transparency**

- There is no longer a divide between delegates and directors. Both the committee representation and the by-laws ensure that information is shared.
- Directors fully acknowledge their responsibility to the membership.
- The information, through technology, is shared liberally.
- The director election process was redeveloped using technology and tighter structure and attributes to ensure improved representation on the board.

### **2. Involvement**

- Gay Lea reports that the delegates have made a dramatic impact on the co-operative through their participation on committees, and through representation at public events (when requested). There is excitement about being involved and elections are now hotly contested.
- There has been a redefinition of the role between the board and management - by involvement in strategic planning, communication and decision making processes.

### **3. Development**

- Training is a requirement for the doard and delegates and is supported by a training budget for this purpose (individual and corporate).
- Board peer reviews are conducted and board members are given individual personal

development targets.

- Gay Lea has partnered with CCA to develop Director Preparation Training.
- Gay Lea completes board effectiveness surveys and utilizes them for training targets.

#### 4. Structure

- Gay Lea has returned the vote of their co-operative back to producer members in a "back to their roots" campaign.
- The structure is fluid and is adaptable to reflect the changing demands of their delegates and members.

Gay Lea recognized the need to change the governance structure of their co-operative to reflect the changes in their membership. They believe they have gone from a culture of "oh no...another governance discussion..." to "...do we have the right governance structure to meet our members' need and our strategy...?" This new cultural reality is illustrative of the dramatic change that has taken place.

Gay Lea recognizes that the journey is not complete. Change met with some resistance from the board over the issue of who leads, and skepticism from the delegates. The initiative was not unanimously accepted by both parties.

Over time and effort invested in multiple workshops and discussions, today there is a better understanding and passion with regard to living and reflecting their shared values and resulting governance model. Today Gay Lea's delegates would echo the sentiment that there has been much change in the organization and the past few years have seen dramatic changes in the governance structure that is positive, refreshing and inspiring.

#### *Some advice from Gay Lea*

There were considerable barriers, the greatest of them being trust. Reflecting on the lessons learned through the process, their advice to others is to:

- Live transparency
- Focus on the seven co-operative principles
- Involve experts and don't be afraid to use them
- Admit mistakes
- Train, train, train
- Communicate, communicate, communicate

Gay Lea believes that these are easy lessons for any other co-operative to utilize. Governance reflection does not have to be daunting, but can be undertaken in manageable steps. But to do nothing is to ensure that an organization is not dynamic to reflect the changing needs of its members and the organization.

[1]David A. H. Brown, Brown Governance Inc.

## **Mountain Equipment Co-op: Honourable Mention 2008 Medium Co-op Category**

### *What was the focus of Mountain Equipment Co-op's submission?*

In order to support Mountain Equipment Co-operative's commitment to sustainability a number of innovations were undertaken. This included the MEC Futures Project. This project was a board-led initiative that they sum up as a "national visioning project." They held 30 dialogue sessions across Canada which led to a renewed vision and goals for MEC, a new MEC Charter replacing their old

governance suite, and having their new goals embedded into the co-op's strategic planning process.

### *Why were they chosen for an honourable mention?*

MEC's application described a comprehensive and thorough process that moved from board to staff to members. The core values of the organization were proactively embedded in the governance approach. The entry described a board-led initiative that did not cross operational lines. The benefits were measurable and the process was transparent with a focus on outreach to the grassroots and cohesion in the values that the co-op represents.

### *How did Mountain Equipment Co-operative conduct their Futures Project?*

MEC had had several governance innovations taking place simultaneously that all support their commitment to sustainability. For example the Board of Directors was developing an Ethical Sourcing Policy at the same time as it was initiating the MEC Long Term Futures Project. As the Futures Project unfolded the Board of Directors undertook a major Board Leadership Development Project to build a stronger foundation of leadership capacity in the board for the future.

Beyond this, they realized that in order to be sustainable they must have a vision for their future. As a co-operative, they know it is important that they engage with members and represent their interests. Out of this thinking was born the MEC Futures Project, a board-led initiative that is summed up as a national visioning project.

The objective of the project was to look well beyond their strategic plan to ensure that MEC remains readily adaptable to face future changes in the global environment. As part of that project, they held 30 dialogue sessions in MEC stores across Canada, involving almost 800 staff and members. They explored future trends that might affect MEC, sought guidance on the essence of MEC, and invited participants to design the future of MEC to the year 2016.

These sessions provided excellent information to guide the board and management through the next phase of the project (development of long-term goals for the organization). They were interested to discover that 1,500 staff from across Canada all chose the same three goals. This gave the board confidence to push forward.

### *What were the outcomes of the Futures Project?*

1. Built consensus on three long term aspirational goals to guide the organization in the next ten years. These goals have in essence become the new vision for MEC.
2. Developed a new "MEC Charter" to guide the organization. This charter replaced their "old" governance suite.
3. Embedded the long term goals into the MEC Charter and the annual planning process of the co-op.
4. Strengthened relationships between the board and management as they planned and implemented the Futures Project.
5. Finalized long term goals, the new charter and the new board-management strategic plan.
6. Rolled out a strong communications plan.
7. Learned that what started as a visioning process could develop into much more. What began as a process to address potential change evolved into a process that allowed them to create their own path and not fall victim to change.

### *What role did the board play in the project?*

The MEC Futures Project was a board-led initiative. By establishing policies, committing to a solid long term vision, and then working with management to implement and drive forward supporting business practices, the board ensured that the organization continues to be truly sustainable and will succeed

over the long term. A key success factor that the MEC board has focused on is establishing 'sustainability' as a hallmark for which the organization is recognized.

### *What led MEC to undertake the project?*

1. Sustainability: The goal at MEC is that every business decision supports their commitment to "sustainability."
2. Current realities: Under the current business model, MEC believed it would reach its saturation point in Canada within 10 years. They wanted to be sure that in thinking ahead they were aligned with their members in terms of what they see as important for their co-op.
3. Board leadership: The Board of Directors feels it must continue to govern at a high level in order for the business to function at a high level.
4. Succession planning: The CEO notified the board early that he planned to leave by April 2008.

### *What were the benefits of the Futures Project?*

MEC believes the benefits include ensuring:

- The health and viability of the co-op;
- A values-driven business;
- That the board is aligned with the owner-members;
- Strong leadership and a commitment to values and ideals;
- Increased morale among employees, and
- Strengthened commitment to sustainability.

### *Some advice from MEC*

- Begin with ethics: MEC strongly feels that sustainability begins with ethics. They suggest organizations adopt a framework of values for everyday decision-making.
- Learn from others: MEC invites you to learn from them. Because they are a co-operative they believe in sharing their knowledge. For example, their website has been developed not only to be an on-line shopping store but to communicate why they do what they do. They post their Accountability Report on-line and urge you to read it and learn not only what they do well but also those areas where they need to improve. Additionally, they have created a CD about the Futures Project so that the project can be replicated and others can learn from it.
- Invest in Leadership Development: MEC recommends that board leadership development be considered as an annual priority for any Board of Directors.

To sum it up, MEC sees success as healthy financial performance, a good working relationship between the board and management, a high morale among staff, outstanding service to members, a respectful culture in the organization, and a values-driven business that is moving progressively forward towards its vision and becoming a force for change.

## **Nova Scotia Co-operative Council: Winner 2008 Small Co-op Category**

### *What was the focus of Nova Scotia Co-operative Council's submission?*

Nova Scotia Co-operative Council (NSCC) undertook a board-led, comprehensive governance review built on significant research and best practices. The result was a comprehensive and sound governance framework and manual that is considered their guide for all of their actions and decisions.

### *Why were they chosen for the award?*

For an organization of its size the overall level and organized approach to governance at NSCC are excellent. It was recognized that the leadership shown by the board, the strong evidence of excellence in its governance practices, and the commitment to co-op principles were exemplary and made NSCC a worthy recipient of the Award. The governance processes at NSCC can be readily transferred to other co-ops of a similar size.

### *How did the Nova Scotia Co-operative Council build and document a comprehensive and sound governance framework?*

The board of NSCC made a decision to undertake a comprehensive governance renewal process. This entailed research on best practices both in the co-operative and the private sector, hiring specialists to conduct board workshops on governance, holding ongoing discussions at board meetings about policies and procedures, and agreeing to have "governance" as a standing agenda item at every board meeting.

The Nova Scotia Co-operative Council prides itself on being the very best in all aspects of the organization. In the spirit of continuous growth a solid governance plan and framework was seen by the board as a critically important piece for both present governance and management, and for the future.

They have built a comprehensive board governance framework and manual that is considered their guide in all of their actions and decisions. Their drivers include:

1. **Board Leadership:** The innovation in "good governance" was an initiative of the board of directors, and was fully led by the board. While the process itself was led by the board, outside advisors and facilitators were brought in as needed.
2. **Growth:** The desire to implement a solid governance plan was prompted by their growth and increasing complexity.
3. **Good Governance:** The desire of the board was to practice "good governance" in order to be the best that they could be as a co-op organization. This initiative followed a long history of promoting good governance practices, including conducting governance training, for member co-operatives and credit unions. If they were going to promote good governance for others they needed to embrace good governance themselves.
4. **Commitment:** The board recognized that it would not all happen overnight - a long term view and commitment were needed. Some of the work and discussions were tedious and dry, and it was at those times that the commitment to push through was really evident.
5. **Co-operative Values:** Throughout the development process, the board was mindful of NSCC's members and their co-op values and principles. The governance manual and practices now in place are based on those values and the recognition that the board owes it to the members to be accountable, transparent, results oriented, and to have a solid system in place.

### *What were some of the benefits of their work?*

The board of NSCC reported these benefits:

- **Accountability:** The governance work has resulted in positive changes and benefits for their members and partners. For example:
  - policies on director recruitment and qualifications have ensured that the NSCC has a board with the skills to govern and oversee the functioning of the organization;
  - policy on geographic representation ensures that all regions of Nova Scotia, and all co-operatives and credit unions, are fairly represented;
  - finance and audit policies ensure that members' money is spent wisely and is accounted for;
  - donations and contributions policy ensures that NSCC contributes to the larger good through organizations like the Co-operative Development Foundation; and

- over 30 components of the governance plan give members, partners and funders added confidence that the organization is being managed and governed well, within clear, transparent and accountable guidelines, policies and procedures.

- Teamwork and Confidence: NSCC reports that an added benefit of having gone through this process (in addition to having a well managed and governed organization) is that they have seen a real spirit of "team" and "confidence" develop within the board.

### *What were some of the barriers to their work?*

The biggest barrier faced by the board in taking on this governance task was timing. It takes a tremendous amount of time to go through this process and do it well. It was well understood by the board that this would be a long term process and hence "governance" became a standing agenda item.

Additionally, there are also some costs associated with the process that the organization had to bear.

### *Some advice from NSCC*

The task was daunting. The board of NSCC advises others to decide what they want to accomplish, why they are doing it, and then do it in bite size pieces. There is a lot of information, research and models already in place, so there is no need to reinvent the wheel.