

# THE COOPERATIVE DIRECTOR

USDA, RBS, CIR 11 Chapter 3 - The  
Cooperative Director

# *Directors*

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- Hold a key position between members and hired management
- Set cooperative objectives and chart its course
- Make cooperative policy
- Must be well versed in many areas
- Have time and energy
- Listen, inform, advise
- Represent the cooperative

# Selecting Directors

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*A good director should be able to*

- Show leadership
- Think independently
- Place cooperative's interests first
- Make good business decisions
- Communicate well
- Express views
- Make the most of available resources
- Promote the cooperative

# Furthermore, a Director

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- Gets along with others
- Uses the cooperative fully
- Is interested in its performance
- Participates in decision-making
- Understands that he/she is representing owners in their business
- Understands his/her role in relation to management

# Potential Directors

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- Helpful to identify by nominating committee
- Should be studied by the membership - biographical sketch - prior to the election
- Considered for election at annual meeting

# Elect Directors

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## *Equitable representation*

- At-large system
- Geography
- Business Volume
- Commodity
- Personal Expertise

# Elected Directors

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## *Have primary control*

- Use strategic perspective to better serve members' needs
- Delegate daily operational control to the manager

# Directors Recognize Division of Responsibility

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## Directors

Have primary control

Strategic perspective

Develop operational and organizational policies

Take counsel from manager

Big-view decisions

Provides direction

Hire/fire manager

## Manager

Has operational control

Tactical perspective

Follows operational and organizational policies

Advises board

Day-to-day decisions

Acts in line with direction

Hires/fires staff



# Director Responsibilities

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- Preserve cooperative character
- Safeguard assets
- Hire the manager
- Set policies
- Distribute benefits
- Plan for the future
- Evaluate
- Elect board officers
- Appoint committees

# *Directors Preserve Character*

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*Serve according to laws and regulations!*

- Laws
- Bylaws
- Articles

*And carry on the cooperative's spirit!*

# *Directors Safeguard Assets*

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- Protect members' investment
- Make sound financial decisions
- Hire auditors

# *Directors Hire Manager*

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- Appraise applicant qualifications
  - Delegate day-to-day control
    - Appraise performance

# *Directors Set Policies*

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- Originate and approve
- Function and business related
- Reviewed and updated
- Policy manual

# *Directors Distribute Benefits*

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- Amount of patronage refund
- Proportion in cash
- Allocated equity
- Unallocated equity
- Equity revolvment and retirement

# *Directors Plan*

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- Assess business climate
- Evaluate challenges--internal and external growth, business volume, membership, territory, assets
- Develop objectives and strategies
- Monitor progress

# *Directors Self-Evaluate*

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## *Internal assessments*

- Self - ability, performance
- Whole board performance
- Board meeting productivity



# *Directors Choose Leaders*

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## *Elect Board Officers*

- President
- Vice president
- Secretary
- Treasurer

# *Directors Appoint Committees*

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- Temporary or permanent
- Field of study (finance, feasibility, marketing, purchasing, etc.)
- Recommendations to the board
- Power to decide