



Educate Your Board On Post-Pandemic Strategies

🔗 strategic planning leadership pandemic management

Summary: Board leadership for financial institutions is vital. Now that the pandemic seems to be winding down, it may be a good time to address board education. Some areas to consider covering include: assessing the right post-pandemic strategy, tightening communication with management, talking about company culture, addressing new board member skills, and remembering compliance training.

There are about 5300 universities and colleges in the US, including eight Ivy Leagues. While we found it interesting that more presidential candidates have graduated from Yale University than any other university in the last 30Ys, there are certainly many other schools that have educated a variety of American leaders.

A financial institution's board leadership is an integral part of the institution's success. As the pandemic seems to be winding down, one area that may be worth addressing is board education. The focus for many board members has been on getting through the crisis, yet now is the time to provide them with an understanding of post-pandemic strategies. This does not necessarily mean going back to pre-pandemic measures either, as much has shifted, including technology, customer expectations, and business practices. For this reason, we wanted to shed some light on this topic.

1. **Assessing and setting the right strategy.** While you were busy with PPP and economic volatility last year, you may have chosen shorter planning cycles or to bypass a full strategic review. Since the economic environment is still changing, it may be worthwhile to take another look or carve out time in the fall for a deeper dive. Assess the ways in which your institution was affected by the pandemic and how it has responded to new strategies implemented during COVID. Then you need to determine what else may be needed. Changes such as increasing system efficiencies and growing third-party relationships are likely to continue while others may not, such as regular customer communications on what to expect. Now is the time to ensure that your goals and strategy are in close alignment as well.
2. **Tightening communication with management.** We learned the value of staying in touch during COVID. We realized that whether we are on-site or offsite, communication and connections are critical to meeting goals. Think about how communications have improved and what tools were added to facilitate communication between employees and management as well as the executive team and the board. What works, keep doing. What doesn't, adjust and test.
3. **Talking about culture and vision.** While this is not always a big area for the board to focus on, it is more important these days with the various work arrangements and for the continued success of the institution. How has your institution preserved its company culture? What elements need to be added back in? How can that be done with the new processes, tools, and work arrangements? Should the institution's purpose and vision change or has it organically changed? These elements should be incorporated into your strategies, as well and communicated throughout the organization.
4. **Addressing new board member skills.** With the virtual work environment hastened by the pandemic, board members needed to be more self-directed and proactive than ever before. Succession planning should capture this new skill set, as the pendulum will likely not move back to a less digital environment. The intensity of the crisis may have also brought out other board characteristics not seen before, such as

level of comfort with uncertainty and ability to make decisions quickly. Lessons learned on how to respond during complex and uncertain times will guide the board forward well post-pandemic. So, it is worthwhile to discuss and define that new skill set for incoming board members.

5. **Remembering compliance training.** With all of the changes this past year, don't forget about compliance training. As prior to the pandemic, make sure meeting minutes capture the attendees, the topics, and the questions asked. If new issues arose because of the pandemic, ensure that materials are revised to capture new or newly remediated risks. Finally, you may consider hiring an expert, if you have newer or less experienced board members or material changes in your risk profile, for example.

It has been a different year with many changes happening quickly. Making sure that the board is educated post-pandemic is critical. Now is the time to start doing it.

HOW DO INTEREST RATE SWAPS BENEFIT MY INSTITUTION?

Business clients are expecting long-term, fixed rates from their financial institutions. See how you can meet both your needs and your borrower's needs with an interest rate swap using [Borrower's Loan Protection \(BLP\)](#). See how today.

ECONOMY & RATES

Rates As Of: 05/11/2021 08:24AM (GMT-0700)

Treasury	Yields	MTD Chg	YTD Chg
3M	0.02	0.01	-0.07
6M	0.04	0.01	-0.05
1Y	0.05	0.00	-0.06
2Y	0.16	0.00	0.04
5Y	0.81	-0.04	0.44
10Y	1.64	0.00	0.72
30Y	2.35	0.06	0.71
FF Market	FF Disc		IORR
0.06	0.25		0.10
SOFR	Prime		ORER
0.01	3.25		0.05

Copyright 2021 PCBB. Information contained herein is based on sources we believe to be reliable, but its accuracy is not guaranteed. Customers should rely on their own outside counsel or accounting firm to address specific circumstances. This document cannot be reproduced or redistributed outside of your institution without the written consent of PCBB.