



Onboarding Your Board Members

by [Steve Brown](#) Topics: [board of directors](#), [strategic planning](#), [leadership](#)

Summary: Bringing board members up to speed quickly is a key task, but not always an easy one. We provide important onboarding tips for your bank to do this.

Onboarding anyone can be a tricky thing if not done right. Consider research that finds 32% of global executives rate their onboarding experience as poor (Harvard Business Review), 54% of companies with onboarding programs have higher employee engagement (Society For Human Resources Management) and 50% of employees who have a poor onboarding experience think their company is doing poorly overall (bamboohr).

Clearly, good onboarding is important at community banks and this carries through as well when bringing on new directors.

Bringing board members up to speed quickly is a key task, but not always an easy one. While many board members have extensive business experience, knowledge and contacts in the community, they are not always experts in the myriad dimensions with which bank boards must now concern themselves, including potential regulatory slip-ups and cybersecurity breaches.

Also, worth considering, is how times have changed in regard to the appeal of a bank board position. When the market was more predictable, 15Ys or so ago, highly qualified people were apt to seek out becoming a board member. But, today, the obligations of bank board members could come to include potential blowback, legally or in the media, if the bank is involved in any sort of malfeasance or regulatory missteps.

To onboard new directors effectively and efficiently, we recommend that you consider:

The importance of orientation. Don't assume that just because a community leader may be a long-time business customer of the bank that they already know the ins and outs of banking. The best orientation strategies will begin with a board member's appointment and continue throughout their tenure. The program should be tailored to the size and complexity of the bank and the background and skill set of the individual director. Familiarizing the board members with the bank may include: meeting with the relevant business line leaders to garner an understanding of each one's challenges and opportunities; arranging meetings with other board members to share information and insights; offering access to bank exam and audit reports, or other internal information-sharing, so board members fully comprehend where the bank stands.

The culture of the bank. Board directors can play an influential role in terms of improving the bank's reputation and direction, as well as advising on internal processes. But board members will only be able to do this if allowed by the owners and managers of the bank. Top bank managers must be open and transparent about the bank's operations, communicate in a timely manner with the board about important decisions, and be receptive to board members' input on the future direction of the institution.

The board mix that will enhance the bank. With the rapid pace of change in banking, community bank leaders must consider carefully what types of expertise and backgrounds would add to the

overall success of the bank. Board members do not necessarily need to be experts in banking, but they each should bring to the table connections, skills and insights that will drive growth, enhance security and compliance, and potentially open the institution up to new markets and opportunities.

BANK NEWS

M&A

1) Citizens Community Federal (\$975mm, WI) will acquire Farmers & Merchants Bank (\$195mm, WI) for \$21.6mm in cash (85%) and stock (15%) or 1.06 tangible book.

On Hold

[St. Louis Fed President Bullard](#) said he is pretty happy with where rates are right now and that the Fed needs to tread carefully going forward.

Square Downloads

[Square recently announced](#) that its cash app had 2.0mm new downloads in January, up slightly from the 1.9mm average last year. The cash app now has 45.3mm downloads total vs. 41.2mm for Venmo, as of January. This is the biggest gap between the two according to Nomura Instinet data.

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