

# APPLICATION PACKET

## Syracuse Real Food Cooperative BOARD OF DIRECTORS Member-Owner Election 2007

Thank you for your interest in candidacy for a position on the board of directors.

Choosing to become a candidate involves two steps.

- STEP 1-- Learn more about the store, the board and its system of governing, and the qualities and commitment necessary to be an effective board member. The material included in this packet is designed to provide you with basic information. You are also encouraged to attend board meetings and talk with current directors. Learning more will help you decide whether you are willing and able to serve the Co-op in this way, and whether this will be a productive experience for you.
- STEP 2--Complete and submit the enclosed nomination form, so that, in turn, the member-owner voters will know more about you--your interest in serving on the board and how your skills would enhance your ability to be an effective board member.

If you choose to seek a position on the board, you will have the opportunity to experience both personal and professional rewards in leading a unique, progressive cooperative by means of an innovative governing system.

Enclosed are the materials for each step:

- STEP 1
  - Background information on the store
  - List of current board members and board meeting schedule
  - Candidate application process and election timeline
- STEP 2
  - Application form

If you have any questions about anything included in this application packet, or if you need any further information, please contact Gloria Kraegel at 315 428 1941 or [bod@syracuserealfood.coop](mailto:bod@syracuserealfood.coop) (in the subject line please include "SRFC Board").

## **BOARD STRUCTURE AND RESPONSIBILITIES**

A board of directors who are elected by the member-owners governs the Co-op. The board is directly accountable to the owners for the activities and accomplishments of the store. Specifically, it is responsible for:

- Interacting with the member-owners - to understand their values and vision for the store.
- Developing, monitoring, and revising a body of policies that guide the store to achieving outcomes that are consistent with the member-owners' values and vision.
- Ensuring, through consistent monitoring mechanisms, that management achieves the goals set by the board and that the board operates according to its established processes.

The board fulfills its responsibilities through a system of governance modeled after Policy Governance, as developed by John Carver.

## **ELIGIBILITY**

Each year several positions on board of directors are open for election by the member-owners. Any member-owner in good standing is eligible to nominate him or herself for election.

## **BOARD MEMBER QUALITIES, COMMITMENT AND REWARDS**

The Co-op is seeking board candidates who are\*:

- Dedicated to the cooperative, its member-owners, and its mission
- Understand and are willing to contribute to the task of governance
- Have a propensity to think in terms of systems and context.
- Honest and have independent judgment, courage, and good faith
- Able and eager to deal with values, vision and the long term.
- Able and willing to participate assertively in discussions and abide by board decisions and the intent of established policies.
- Willing to operate in a group decision making environment, to share power in group process, and to delegate areas of decision making to others
- Committed to cooperative principles and issues.

\* derived in part from [Boards That Make a Difference](#) by John Carver

Without question, governing an organization effectively is a serious commitment. Board members are expected to prepare for and actively participate in monthly board meetings, an annual retreat, committee work between meetings, the co-op's annual fall

and spring meetings, membership events, and occasional board trainings. While this may seem daunting, the board is a team, sharing responsibilities in a way to make board work a manageable part of members' lives. The monthly time commitment averages about 12 hours. The current board term is three (3) years.

In return, board members:

- Receive training in Policy Governance and other specific areas as needed
- Build skills in group dynamics and group process
- Receive a 13% in-store discount (applied to board member purchases only)
- Have the opportunity to ensure the success of our community owned cooperative

### **PROSPECTIVE CANDIDATE PREPARATION:**

Aside from the material in this application packet, prospective candidates are strongly encouraged to review some of the board's documents (bylaws and the Board's approved policies), attend a board meeting, and/or speak with board members personally. For more information please contact Gloria Kraegel.

### **APPLICATION PROCESS AND BOARD ELECTION TIMELINE**

Application and Candidate Statement is due no later than 20 October 2006 (please return applications and statements to the co-op to the attention of "Board Development Committee).

The Fall General Meeting is held 12 November 2007

Voting begins after the General Meeting and 30 days later (December 2007)

New Board member terms begin 1 January 2008

**APPLICATION FOR NOMINATION**  
**The Syracuse Real Food Co-op**  
**BOARD OF DIRECTORS**

**Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**E-mail address:** \_\_\_\_\_

**Telephone:** \_\_\_\_\_ (Day) \_\_\_\_\_ (Evening/Weekend)  
**PLEASE SPECIFY PREFERENCE**

**Member Number:** \_\_\_\_\_

Please respond to the following on a separate page(s) and attach to this cover sheet. If possible, please submit the application on disk or by email.

- 1) Briefly summarize the following about yourself:
  - A Current professional work
  - B Previous professional work
  - C Current community involvement
  - D Previous community involvement
- 2) Why would you like to serve on the Board of Directors?
- 3) Briefly describe any experience you have had with worker or consumer cooperatives, or with a natural foods business or other small business?
- 4) Briefly describe any experiences you have had with the following:
  - A Value based policy development
  - B Planning
  - C Organizational evaluation
  - D Working collaboratively in groups
- 6) Please describe your vision of what the co-op should be in five (5) years.
- 7) Please disclose any current or potential conflicts of interest you have.
- 8) Include anything else about yourself that you may like others to know.

**By 20 October 2006, please return to the front service desk or e-mail to [bod@syracuserealfood.coop](mailto:bod@syracuserealfood.coop) or mail to Board Candidacy, Syracuse Real Food Cooperative, 618 Kensington Road, Syracuse NY 13210.**

***Thank you for your interest in serving our Co-op!***

## **2007 SRFC Cooperative Council**

Gloria Kraegel  
President

Wally Francis  
Treasurer

Jennifer Blusk  
Secretary

Jennifer Baskerville-Burrows

Larry Rutledge

Marcy Rothenberg

Mark Meisner

Stefanie Noble

## *The History of the Co-op*

Distinguishing itself from other markets with its exceptional customer service, the Co-op has been a source of sustenance and refuge to generations of Syracuse residents, our "University family" and visitors. Nestled in the historic University neighborhood, the co-op has been in continuous operation since 1972 when it began in the basement of its first management team.

Founded by an energetic group of 1970's activists who were part of the neighborhood dubbed the "Westcott Nation", the Co-op's originators wished to remove themselves from the "war-based economy" and envisioned a cooperatively owned community. They wanted inexpensive food that was locally produced and of high quality. They wanted to support local growers and producers. They wanted to contribute to a justice-based society. They wanted access to capital. They wanted to transform society and live well.

Thirty years later, the Co-op has surpassed their original vision and has become a valued and active part of the Syracuse community, as well as one of the best food stores in town.

In 1982, the Co-op activists also founded a credit union ([Syracuse Cooperative FCU](#), now located at 723 Westcott Street) in order to meet the capital needs of their food co-op, community organizations, and neighborhood residents. Today, with two offices and continual expansion, the credit union is another example of locally grown cooperative success.

From #110, January - February 2004

## **Cooperative Accountability - Instead of managerial skills and processes, accountability is the discipline the board of directors must master**

BY LINDA STIER

*A recent survey sponsored by the National Cooperative Business Association (NCBA) and a coalition of major national cooperative associations indicated that the public has strong expectations of accountability and ethics in cooperatives. Additionally, cooperatives generate more trust and accountability than investor-owned corporations. That is certainly great news. Cooperatives have a reputation of being closely connected to the interests of their members. Yet, given the continued public scrutiny of organizational accountability, it is useful for cooperatives to know what accountability means, how it is being accomplished elsewhere, and how to ensure it will actually be accomplished. Given high public regard, cooperatives are in a position to define the standard for accountability. This article revisits the basis of accountability, the board of directors as the agent of that accountability, and the framework in which accountability can be reliably accomplished.*

After a board meeting some months ago, I asked a visiting consumer co-op owner what he thought of the proceedings. He said he was fascinated by the process we used to accomplish the agenda and the clarity with which we related to each other. I was a bit surprised by his enthusiasm. I'd never before heard anyone describing a board meeting as 'fascinating,' particularly one dealing with developing, editing or monitoring policies! However, he went on to say that he wished his school board, town council, and meetings at work would focus on what is important and move forward with such discipline. I realized then that his enthusiasm wasn't about the subject matter per se, but from witnessing a group operate with the intent of being accountable.

What does accountability mean? How is it done? How can we ensure it is accomplished?

### **Back to basics**

To understand accountability, we need to start at the beginning, with the purpose of a cooperative. A cooperative creates some common value for its members. To assure that that happens, the board of directors, on behalf of the members, assumes the total accountability for the cooperative. That is, the board is answerable to the members that value is produced consistent with member interest. Members depend on the cooperative board effectively to exercise authority on their behalf to assure that their assets are protected and the value they want is produced.

For the board to be able to 'answer to' or 'be accountable' to the members, it must know what is expected, define what is expected, and then have some way of knowing that what was expected was done. Accountability is a simple concept. However, to account for a complex retail operation on behalf of a large number of members is more easily said than done.

### **The challenge**

The fundamental challenge is, "How can it be done?" Seven to nine board members meet for a couple of hours once a month, with an annual or semi-annual retreat. They need to know what a diversely opinioned membership expects. They need to synthesize those diverse opinions in a way that represents all and that will guide cooperative direction and decisions. They then need to have some way of ensuring expectations are met and some way of accounting to the members. Factor in the likelihood that none of these seven to nine board members may have any retail business experience and that they each have their own opinions, and the challenge is even more daunting.

This challenge is not unique to cooperatives. Any governing board, from elected officials to major corporate boards, faces the same challenge. However, cooperatives do have the advantage of guiding principles that put cooperative values into practice. The cooperative commitment to accountability is evident throughout these principles. Given the level of public trust that cooperatives enjoy, much has gone right. Yet, assuring cooperative accountability is still a challenge, one with growing stakes. To be effective over time, a cooperative needs to be effectively managed and responsive to changing market conditions. The marketplace is increasingly competitive, and cooperative membership is increasingly diverse, including more and more people who don't know what a cooperative is beyond the product and service they are receiving. Both managing and accountability require effective tools--process, structure, and practices--and handling one without the other jeopardizes cooperative values and assets.

Traditionally, boards across all sectors have borrowed from the best practices of management to do their job. They oversee managerial decisions or take on certain operations-related work and decisions in such areas as strategic planning, relocation, or personnel. Boards usually involve themselves in areas that, among others, will have a significant impact on how people are treated, where the cooperative is going, or anything aligned with member interest. Many cooperatives are also set up to involve the members themselves in 'major' decisions. In these cases, members have reserved certain decisions about the cooperative for themselves in the by-laws. A cooperative's focus on members' interests, whether by involving members directly or through a board operating on their behalf, is a key contributor to the public's high regard for cooperative ethics and accountability. Cooperatives are responsive to members to a greater degree than other businesses. Cooperatives are intended to ensure member interest is met, the fundamental intent of accountability.

Approaching accountability in this traditional manner is challenging. As a board member, I remember serving on a committee researching various models of management as part of a process to ensure a certain quality of work environment and treatment of personnel. This is not my area of expertise, and I had the feeling that we were, with all good intention, reinventing the wheel, not quite sure whether we would make the difference we wanted. We eventually resolved the matter, but only after countless hours of meetings. The issue we dealt with was personnel. But whether the issue is relocation or taking advantage of a market opportunity, a lengthy process to engage members and/or cause board members to become 'experts' in a new area can be costly, both in human capital and in market opportunity. How can cooperatives retain their strength in accountability while at the same time be responsive in the marketplace?

Many boards within the cooperative sector have adopted Policy Governance, a system designed specifically to fulfill the board's need to be responsibly accountable to a broad and diverse group of members while at the same time delegating operational planning and decisions to management. It makes sense that board members would be the experts at member interests and accountability, while leaving the running of a business to the expertise of a manager. Yet for many boards Policy Governance is itself challenging. However, rather than trying to master managerial skills and processes, accountability is the discipline the board must master. As in mastering anything, the board's focus is to know its job and then do that job with integrity. Policy Governance altered my experience as a board member. Rather than "helping," "supporting," "endorsing," "advising," my experience became "creating," "leading," "assessing," "accounting for." This is the contribution most suited for boards. Before Policy Governance, a board's unique contribution was not clearly distinguished.

### **Ensuring accountability with Policy Governance**

In working with Policy Governance, as in taking on and mastering any discipline, the first steps are to understand the whole system, its intention, and how it works. Then, a board needs to know whether or not it is 'on track' and be disciplined enough to stay on track. Once these are in place, it's simply a matter of practice in thinking inside the system.

I'm not going to explain Policy Governance in this article. I encourage those who don't know the model and even those who know it to reference the resources listed at the end of the article. Returning to the basics is always a great way to know whether a board is on track. However, I'll address some critical aspects of Policy Governance that enable a board to fulfill its accountability.

- Trusteeship--governing on behalf of others, and that trust in the leadership is identified and held with regard, as is the board obligating itself to link with the members to identify what is expected and to report accountability.
- The board explicitly defines what is to be expected regarding organizational performance in policy: Ends are the policies that define success: what is to be produced, for whom, at what cost. Executive Limitations are the policies that control for success: the prudence and ethics, not the 'how,' that guides how Ends are accomplished.
- To be accountable, the board needs to account for all cooperative activity. Policy Governance defines the delegation to the general manager and the way in which pre-established criteria are monitored.
- The board organizes itself to be accountable, speaking as one via policy, defining how it will get its work done, and how it will report its accountability.

When a board attends to each part of this system, it can ensure its entire accountability to the members.

### **Raising the bar on accountability**

One of the benefits of mastering of a job is that once you reach a level of proficiency, you're able to improve and expand on the job. Using Policy Governance allowed our board to separate roles and relationships among our owners, the board, and the general manager. In understanding those roles, the board has been able to clearly identify what we are accountable for, and we can definitively account for what is accomplished and not accomplished.

From there we've been able to take the next step and cultivate the final accountability link--reporting back to our owners. Our annual report has evolved to reporting on progress towards Ends. We will develop this further as we continue to create what accountability to the owners would include.

Accountability is an integral part of the cooperative principles that cooperatives know and practice. This accountability has also become a real market advantage. The opportunity for cooperative boards is to clearly define, understand, and master accountability as a discipline, setting a standard that can be measured, maintained,...and expanded. Policy Governance defines the discipline of accountability for a board. In mastering this discipline, boards will ensure cooperative accountability, thus assuring that those principles are lived.

### **References**

Boards That Make a Difference (2nd ed.), John Carver, Jossey-Bass, 1997. Reinventing Your Board, John Carver, Miriam Carver, Jossey-Bass, 1997 CarverGuide #1: Basic Principles of Policy Governance, John Carver, Miriam Carver, Jossey-Bass, 1996.

The Policy Governance Fieldbook, Caroline Oliver (ed.), Jossey-Bass, 1999.  
[www.policygovernance.com](http://www.policygovernance.com)

See also the following from recent issues of Cooperative Grocer: "Demystifying Policy Governance," by Linda Stier CG #109, Sept.-Oct. 2003.

"Practicing Policy Governance," by Ann Waterhouse, CG #106, May-June 2003.

# Co-op Principles and Values

Cooperatives worldwide generally operate using the same principles as adopted in 1995 by the International Cooperative Alliance (ICA). The principles are part of a cooperative statement of identity which also includes the definition of a cooperative and a list of cooperative values.

**Definition:** A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.

**Values:** Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

## Principles

### 1. Voluntary and Open Membership -

Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

### 2. Democratic Member Control -

Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote) and cooperatives at other levels are organized in a democratic manner.

**3. Member Economic Participation –**Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. They usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing the cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

**4. Autonomy and Independence –** Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

### 5. Education, Training and Information -

Cooperatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of cooperation.

### 6. Cooperation among Cooperatives -

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

**7. Concern for Community -** While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.

From #108, September - October 2003

## Demystifying Policy Governance

BY LINDA STIER

Policy Type: Governance Process

Policy Title: Linkage with Owners

The board governs [the cooperative] in the interests of its ownership-[the cooperative] members. The board is committed to actively linking with its ownership to provide for accountability and to inform its policies.

Within reasonable cost constraints, the board's linkage will include, but is not limited to:

Seeking owners' values on what [the cooperative] should achieve and the limitations within which achievement should be accomplished.

Informing owners' about the board's governance work and educating owners on their role as owners.

Accounting to the owners about [the cooperative's] accomplishment of Ends within acceptable means.

**In recent years, Policy Governance has gained quite a bit of recognition among retail food cooperatives across the United States. In June in Lexington, Kentucky I was thrilled to see so many cooperative board members attending the annual CCMA conference. Their commitment to govern their cooperatives effectively and to associate with and be inspired by others is an exciting accomplishment for the cooperative sector. In addition, it was good to see so many board members who not only knew about Policy Governance but also were eager to learn, share, and expand on their ability to work with it.**

Within the sector, Policy Governance has become the thing for boards. If you know anything about it, you likely also have some opinion about it! Policy Governance has its advocates, critics, and skeptics. I've often wondered why Policy Governance has some people passionate, others struggling or wanting to fix it, and still others just not wanting to bother with it. Is it just difficult and obscure-or is it a

brilliantly conceived governing system that's misunderstood? (See also "[Practicing Policy Governance](#)," in CG #106, May-June 2003 -ed.)

This article is about beginning to demystify Policy Governance-separating perception from reality and uncovering real pitfalls. This article is not intended to cover every aspect of Policy Governance. However, it is intended to provide an overall perspective and shine a light on some aspects that cause confusion. My intent is that even the most passionate advocate of this governing system will gain added insight and perspective and that even the most passionate skeptic will find a place to be with it!

### **A tool for owner accountability**

To begin, Policy Governance is fundamentally a tool, designed to satisfy a specific purpose. When you view a tool with regard to the work it was designed to facilitate, the tool makes sense. With regard to screwing or unscrewing a cross-slotted screw, a Phillips head screwdriver makes perfect sense-in fact, nothing other than this kind of screwdriver will work! And although occasionally tools are used for other than their designed purpose (I'll use a screwdriver, even a Phillips head screwdriver, to wedge open a partially stuck drawer), a screwdriver's best use is screwing and unscrewing screws! Said another way, a tool makes best sense if you are clear about the work it does.

Returning to the tool of Policy Governance, what is the purpose that it was designed to facilitate? Policy Governance was specifically designed to ensure that an organization (in our case, a cooperative) produces value for its owners, consistent with owner interest. It was

designed to satisfy an organization's accountability to its owners. The board of directors is the owners' agent, entrusted with seeing that the organization has produced specified value within ethical and prudent guidelines. Thus the board's focus is to think and operate in a manner consistent with what it is to own the organization-distinct from thinking and operating in ways that are consistent with what it takes to effectively run the organization. This is a subtle distinction in thinking yet one that produces a significant shift in the board's ability to be accountable to the owners. Owner accountability is a critical factor in cooperative success. Being accountable to owners is solely the board's responsibility. Policy Governance is fundamentally a tool designed to focus the board on its accountability to owners, distinguishing that work from other work it could be doing for the cooperative.

Thus, when Policy Governance is seen from the perspective of satisfying owner accountability, understanding and using its precepts makes sense. When a board thinks and operates from the standpoint of owning the cooperative, points of confusion can easily be clarified. Boards gain insights and an ability to create ways of working with Policy Governance. The context is decisive! Currently, Policy Governance is known for empowering management and for ensuring performance. It allows the board to focus on and define the future while being assured current operations are going well. It clarifies board and management responsibilities, allowing the cooperative to meet board-stated priorities. Policy Governance has shown itself to be the tool for strengthening the board/general manager relationship. Enhancing the working relationship between the board and general manager has reaped positive benefits for cooperatives, especially those that have dealt with internal conflict or confusion about the roles of board and management.

However, when viewed primarily from this purpose, other important aspects such as owner linkage and defining parameters of executive activity (Executive Limitation policies) can be overlooked. Let's explore these areas of possible confusion through the lens of owner accountability.

### **Owner linkage**

As a whole, communicating with a large constituency is a daunting task, and it often is put off or not adequately addressed. It's an area that boards say they need to work on but lack clarity around how to accomplish. How do boards link with owners?

Certainly, finding out what others have done is useful. However, if a board begins by being clear about what it is out to accomplish in its role as the owners' agent, it can resolve a lot of questions on its own. This first requires distinguishing "linkage."

"Owner linkage" is a specific concept in Policy Governance identifying the connection between the board and the group to whom the board is accountable, the owners. From the view of communicating with someone you are accountable to, what would you need from them and what would they need from you? You'd likely need to know what they expected. They would want to know that their expectations were met.

Now factor in that the group you are communicating with, the cooperative owners, may not know or agree on what you are reporting. You'd then want to educate them on 1) your role, 2) what you need from them, and 3) what and when they can expect to hear back from you. This then encompasses owner linkage, the board's relationship with owners, and satisfies the board's owner accountability. (See attached sample policy.) From there, the board can create how to satisfy its link with its owners. The primary focus of owner linkage is the communication between the owners and the board as the owners' agent. This linkage is distinct from other relations the cooperative may have with owners, such as their benefits, educating them on the cooperative and cooperative values, increasing sales to owners, membership drives, etc. Now,

the board may be interested in getting owner input via owner linkage activities about the underlying values that will shape these other relations. This owner input would then inform board discussion in crafting policy to empower those other relations to owners.

The important point here is that by viewing its relationship to the owners from the perspective of owner accountability, the board clearly knows what relationship will satisfy its accountability to owners, distinct from any other relationship with them.

### **Executive limitations**

Another potentially confusing area in Policy Governance is developing Executive Limitation policies. Executive Limitation policies define those conditions that are not acceptable amidst all that could be done in the course of cooperative business to produce value (Ends). These policies are generally seen as the constraints or boundaries on operations in the pursuit of Ends. (In Policy Governance, constraints are stated negatively in policy. Basically, telling someone what to avoid is more empowering than telling them what to do. By stating the conditions to avoid, what should not occur, all other conditions are pre-approved as acceptable.) However, in crafting Executive Limitations policy, boards will often unwittingly craft policies that stray from conditions to be avoided and instead state something that needs to be met. For example: "The general manager shall not fail to gain staff input on personnel policies."

A pitfall occurs when a board focuses on making the general manager's actions effective: "Here's what you shall not fail to do in this situation." Look closely and you will see in such a statement a particular directive disguised in negative language. The message sent is, "You are empowered to make all further decisions, but in this case here's what you should do." It's always tempting to tell someone what to do—we love to instruct!

The pitfall in crafting Executive Limitation policies in this way is that it blurs the line of accountability between the board and the general manager. The board risks limiting management's choices unnecessarily and perhaps limits them in a way that could jeopardize the results to be achieved. Another pitfall in this situation is that by stating points of view rather than stating the conditions to avoid, the board is essentially saying that the point of view will be successful and contribute to the result. The board becomes responsible for that part of the outcome, drawing the board into operational choices, rather than staying focused on its role of assuring that value is produced within ethical and prudent guidelines.

As the owners' agent, the board is concerned with ensuring that the Ends are accomplished within acceptable guidelines. Since the owners, thus the board, are at arm's length from operational decisions, they would want to allow management the freedom to have every opportunity to find successful ways to achieve the Ends. From an owner's perspective, the only reason to interfere with the choices that management makes is to set lines of acceptability. If the Ends are produced, whatever was done must have worked as long as all actions stayed within these lines of acceptability. The board does not need to control for effectiveness.

However, the board would want to control any activity, decision, situation, circumstance, method, technology, or practice that the board deems not ethical or prudent, even if any of these would produce a successful result. That is, the ends cannot be justified by any means. Executive Limitations are solely the conditions to be avoided to satisfy prudence and ethics. (An ethic is a principle of right or good conduct. Prudence is careful management, exercising good judgment. It implies caution and wisdom with the capacity for judging the probable results of one's actions in advance.)

Approaching Executive Limitation policies from the owners' perspective can challenge a board's strong desire to support and work with the general manager, to help the cooperative be successful. Board members, as committed on-site members with direct connection with the broader ownership, can always be used by the general manager as a resource to talk, partner, and provide support on any aspect of cooperative business. However, the appropriate place for that is separate and apart from the board's job in satisfying owner accountability.

Executive Limitation policies are not the way to get the general manager to do something in a particular way. Rather, the question becomes: What is not acceptable, even if it works?

If the board finds it cannot state what it does not want to happen, then leave the matter alone. This signals that the issue is a point of view rather than a legitimate ethic or statement of prudence. However, usually underlying a point of view is an ethic or unacceptable condition. When a point of view arises, explore what's underlying the board wanting that preference. What condition is it looking to avoid? Then consider that in policy.

### **Afterword**

Again, this article just scratches the surface on aspects of Policy Governance. Yet as board members view their job and Policy Governance from the perspective of owning versus doing, they can begin to clarify areas that in the past may have resulted in confusion. In closing, I offer some additional thoughts on owner accountability and effective boards in the cooperative sector.

We may not know what would be possible if cooperative boards were truly owner accountable. Generally in our experience, other organizations, businesses, and institutions are not as keenly attuned to that. If owner accountability is to be distinguished and put into effective practice anywhere, the cooperative sector is a fertile arena.

With Policy Governance, owners have the opportunity to have a say on fundamental values common to the whole. They can be confident that their agent, the board, is fully serving them—synthesizing their diverse views, defining the common elements, allowing the broadest opportunity for success, and then ensuring that success happens. People in our communities are left with a new experience of democracy.

If cooperative boards mastered the tool for owner accountability, Policy Governance, such a future could be realized. What else could be possible? Imagine the impact across sectors and in all aspects of our lives.