Building Your Management Team

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“The most successful managers are developed from within the cooperative system.” (USDA 21 Century Taskforce Report)

Well Equipped Managers Contributes to Cooperative Performance

- A sound financial basis
- Good leadership
- A sound source of information about the cooperative, its employees, and its customers

The manager defines whether the cooperative will move forward and carry out the long range goals of the cooperative or if it will stand still and be passed by more aggressive cooperatives.

Managing Today’s Cooperative is More Challenging

- Multiple locations
- Shrinking Margins
- New Enterprises
- Joint Ventures
- Alliances
The Management Team

Board of Directors

General Manager

Mid-Level Management Team

Building a Winning Team

• The Board has one employee: The General Manager
• But the board helps build a winning management team
  - Policy
  - Compensation structure and benefits
  - Planning to meet future management needs

The Board’s Role in Building the Management Team

• Encouraging the manager to develop job descriptions and performance standards for all employees
• Promote and fund education for mid-level managers
• Planning for Smooth Management Transitions
• Recruit and Select a New Manager
Developing Mid-level Manager

• Successful cooperatives constantly plan for succession
• Developing mid-level managers increases your chances of finding a qualified manager
• Cooperatives who plan for succession gain better employees in the process

Mid-Manager Development

• Industry meetings and educational programs
• Leadership retreats and seminars
• Specific technical training
• Books, manuals, videos and other resource material
• Coaching
• Managing special projects

Developing Succession Plans for Management Positions

• List the essential skills and experiences for each position
• Identify employees with some potential to fill each position
• Develop a plan to develop the skills and experiences:
  • Formal training
  • Job rotation
  • Mentoring
Succession Plan for the General Manager Position

- Establish a chain of command for anytime the manager is unable to serve.
- Establish and document systems and procedures so that others can find information in an emergency general manager absence.
- Actively prepare through training, coaching and develop one candidate for interim manager.
- Don’t tell anyone that they are in line for the General Manager job.

Selecting New Management

Selecting the General Manager

- It is one of the board’s primary responsibilities to select the CEO.
- The selection process should begin as soon as the former CEO announces his decision to leave for whatever reasons.
- The process will vary depending on the cooperative size and type.
Steps in Choosing a New CEO

• Choose a selection committee
• Possibly hire an outside firm to help in screening the candidates
• Use the Job Description and Standards of Performance to limit candidates
• Choose the top internal and external candidates to bring before the whole board
• Choose a final candidate that best fits your organization

New Manager Training

• Be sure the new manager understands what the job duties before accepting the job.
• In some cases there may be advantages for the incoming manager to work with the outgoing manager for a period of time.
• There are formal manager training programs.

Characteristics of Innovative Managers

When selecting and training a new manager look for people who are:
• Comfortable with Change
• Clear in their Direction
• Thorough
• Participative in their Management Style
• Persuasive
• Persistent
• Discrete
What the Manager Expects from the Board

• Set management goals
• Gives fair and honest evaluation
• Comes to meetings prepared
• Acts decisively
• Supports, trusts and respects manager
• Provides necessary resources
• Sets firm but clear policies
• Reviews periodically
• Holds planning sessions
• Is available

Board Expectations of Management

• Committed to co-op ideals
• Respectful of the board
• Communicator
• Results-oriented
• Innovative
• Decisive
• Leader
• Listener
• Open-minded and progressive
• Team player
• Educator

What a Well Equipped Manager Contributes to Cooperative Performance

• A sound financial basis
• Good leadership
• A sound source of information about the cooperative, its employees, and its customers

The manager defines whether the cooperative will move forward and carry out the long range goals of the cooperative or if it will stand still and be passed by more aggressive cooperatives.
Conclusion

The most successful managers are developed from within the cooperative system!

The board can help create a winning management team!

Questions