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- Item 14B. The Job of the Chairman
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- Item 14F. Form for Recording Board Decision
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HOW THE BOARDS OF DIRECTORS WILL OPERATE AT SEMINAR

In this article, PDQ and XYZ refer to the companies on whose Board of Directors you will be serving. PDQ is a corporation. XYZ is a cooperative.

By understanding this, you will be more effective when your "board" meets Wednesday afternoon and evening at the Seminar.

1. You are a member of a board of directors of either the XYZ Cooperative or the PDQ Corporation. It may make some difference in solutions to assigned board cases.

2. You have a CHAIRMAN and a secretary, whom you elect from among yourselves at each table. Guidelines for each are shown in the instructions which you have. All other youth scholars at your table are members of the board of directors of your company. At your table there also may be Adult and Junior Leaders. These are NOT members of your board, but will have other duties.

3. Your CHAIRMAN will conduct board meetings. He/she will schedule as needed to solve your assigned board cases. He/she is IN CHARGE of the board at all times when the Seminar is in session.

4. Your secretary performs duties as indicated in guidelines, and as directed by the Chairman.

5. Normally, the manager or president is elected by the board of directors and serves in the capacity of chief executive officer of the company. For purposes of the Kentucky Youth Seminar, you should assume that this position is not filled.

6. THE MOST IMPORTANT MEETINGS OF YOUR BOARD will take place Wednesday afternoon and evening. Your board will receive its two assigned board cases in the afternoon as well as a computer and a flash drive. Your board’s solution to each case is to be turned in to the designated Adult Counselor before 8:15 a.m., Thursday morning using the flash drive. You will turn in your computer at that time as well. A copy of the winning Board’s solution will be provided to them for use in “reporting” when called on Thursday. The PowerPoint presentations that accompany the winning board cases will be viewed Thursday afternoon.

It is important that all board members be present and alert at all sessions of the Seminar.
THE JOB OF CHAIRMAN

We are NOT concerned at the Seminar with the Rules of Parliamentary Procedure. Our concern is with the CONTENT of the Board Cases and with each board’s systematic approach to making good business decisions. We will be interested in the punctuality and participation of all board members throughout the Seminar. The Chairman is "in charge" of his board during all hours when we are in session at the Seminar.

THE CHAIRMAN

- arranges needed board meetings, and presides at them.
- keeps the board "on track" as it deals with assigned board cases.
- encourages each board member to contribute ideas and suggestions. However well-informed an individual Board member may be, this is of no help to the board unless he/she uses this to help out in the problem solving.
- does not permit any one person to dominate the discussion, just because he or she may be more inclined to talk than others. Uses tact and diplomacy in guiding the discussion. Calls on less vocal members by name for ideas, so that all may benefit.
- if he/she feels that the board needs additional information, asks for it by contacting a Junior Leader, an Adult Counselor, or an instructor. He/she does not expect any of these, however, to provide the board the answer to its board cases.
- sees that the Secretary records the official action taken by the board on each board case on the flash drive provided, and on each step in the problem-solving procedure, and turns in the flash drive and computer to the designated Adult Counselor before 8:15, Thursday. A copy of each may be retained for use in reporting.

GOOD LUCK!
THE JOB OF MANAGER

In a real life situation, this person is the chief executive officer of the company. As such,

- he/she is likely to be more familiar with many phases of the company, especially the day-to-day operations, than is the chairman or any director on the board.
- He/she frequently provides advice and counsel to the board.
- His/her primary job, however, is to operate the company within the rules established by law and by the policies set by the board.
- He/she is employed by the board of directors.
- Usually he/she selects, employs, supervises and makes pay adjustments for other employee personnel within the broad Wage and Salary Plan adopted by the board.
- All employee personnel are responsible to this chief executive officer through the "chain of management" set forth in the organization plan. The board, in turn, is responsible to the members or stockholders of the company.

The manager and the chairman usually work together in planning the agenda for each board meeting. Often the manager and his staff prepare and present reports as directed. Often he/she is asked to make recommendations to the board, based on his/her knowledge and study of particular matters. He/she operates the company under the overall supervision of the board of directors, and not under the supervision of any individual board member.

This manager is normally present at any meeting of the board of directors. An exception might be on occasion when there is discussion of some matter concerning him/her personally, as for example a contemplation of an adjustment in his/her salary. On such occasion, the board might go in to what is called "Executive Session" with no one other than the board members present.

FOR THE YOUTH SEMINAR - It is difficult to give the manager the type of assignment that is most realistic, for he/she and all other youth scholars on the board are starting from the same point in terms of knowledge about the company and its operation. **WE SUGGEST**, however, that the manager (1) become the expert on the company finances by studying the Balance Sheet and the Income Statement (or Statement of Operations) and (2) become the expert on **POLICIES** of the company as set forth in the Policy Manual. Some may have a bearing on the board cases to be solved.

**GOOD LUCK!**
THE JOB OF SECRETARY

1. The job of the secretary is to listen and make the correct record of the actions taken by the board. This would be "normal" in a real-life situation.

2. In our Seminar situation, the Secretary also contributes ideas and suggestions to the discussion, and votes when a vote is taken on an issue. The position is that of both a director and a secretary of the board. Often there may be a person present in a board meeting who acts only as the secretary and who is not a board member.

3. The Secretary's primary task in the board meetings at the Seminar is to make a record of the actions taken by the board. If there is a question as to whether the recommended procedure is being followed, or if instructions are not clearly understood, the Secretary interrupts and asks for clarification. The secretary checks the record by reading it back to the board, to make sure that actions are recorded correctly. (The Secretary need not record "motions" and "seconds" and the like for Seminar purposes.)

4. For each of the board cases assigned to the board of directors, the Secretary:
   — uses the flash drives provided to record actions taken by the board - each step of the 5-step procedure.
   — turns in the flash drive with a document of the Board’s finding and a PowerPoint presentation of the 5-step procedure for each case assigned the board to the designated Adult Counselor before 8:15 a.m., on Thursday.
   — Keeps a copy of each for the board’s record, and for use by one member of the board in reporting its action on a particular case. (Regardless of which board member makes the presentation, if a question or challenge arises - as from some other board, this is directed at the BOARD and not necessarily to the individual who is reporting. The chairman may respond, or may ask some other board member to respond.)

GOOD LUCK!
THE FIVE STEPS IN MAKING A BUSINESS DECISION

Step 1: Develop a clear picture of the SITUATION.
This is not merely restating facts. Use realistic imagination. Interpret the facts. You can never get all the facts for any given situation. You are trying to get a mental picture of the situation being studied.

Step 2: Diagnose the problem properly.
This consists of three phases:

A. Sharpen the objective or goal. "What result is desired?" "What are we trying to do?"
B. Identify the obstacles. "What things stand in the way of our getting the desired results accomplishing the goals?"
C. What limits exist within which we must operate?

Step 3: List the PROMISING ALTERNATIVES.
In some situations there may be several good alternatives. Your final decision, however, can be no better than the best of the alternatives you consider. This is the stage to encourage creative thinking. Keep in mind WHAT you are trying to accomplish.

Step 4: PROJECT the CONSEQUENCES of each ALTERNATIVE.
This is the analytical phase. What is each expected to contribute to our objective or goal identified in our diagnosis? What key factors do we use? What will happen if we select this alternative? What is the likelihood of its happening? What is its relative desirability?

Step 5: DECIDE on the course of action to take.
No board decision is "automatic." There is always the element of judgment; else the problem is a technical one and not a management problem. Often you are balancing one alternative against another or one factor against another. You have to consider uncertainty, timing, difficulty, expense and many other factors in any realistic situation.

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FORM FOR RECORDING BOARD DECISION

STEP 1. The SITUATION is:

STEP 2. The PROBLEM is: (3 phases of)

STEP 3. The ALTERNATIVE SOLUTIONS are

STEP 4. The CONSEQUENCES of each ALTERNATIVE are:

STEP 5. The decision of this board is:

(Show any Additional comments on reverse side.)
ILLUSTRATIVE BOARD CASE

In this article, PDQ and XYZ refer to the companies on whose Board of Directors you will be serving. PDQ is a corporation. XYZ is a cooperative.

Your board is in session. The external auditor is presenting his complete audit report, after the end of the business year, to your board of directors.

In checking out the various accounts which he found in the records of the company, the auditor has one exhibit which shows the Outstanding Accounts Receivable. This is money owed to the company. He has these accounts shown by names, amounts, and also how long each account has been owed the company. There are several names on the list.

While the account of Paulus Procrastinator is the largest, amounting to $4,000, which has been owed for 11 months, two of the board members have accounts of more than $2,000 each and their accounts also are 11 months old.

WHAT ACTION DOES YOUR BOARD TAKE?

INSTRUCTIONS: Please work with others of your local group who are to attend the Youth Seminar in solving this Illustrative Board Case. Your Adult Counselor and your Junior Leader (if you have one) should be of help in this. So also may some of the local resource people who have conducted discussions during your local program. Use information and ideas from the various materials sent you, along with the suggestions in Item 14E. Record your "board decision" on the form Item 14F and bring it with you to the Seminar. This kind of practice before coming to the Seminar will help you in dealing with other board cases to be assigned at the Seminar.

GOOD LUCK!