Cooperative Business Study  Board Chair Survey Instrument

Pre-Interview

Interviewer

Are you listening to or conducting the survey?

Pre-interview comments:

INTRO STATEMENT if you are conducting the interview: "Before we begin I want to assure you that everything you say will be confidential. You do not have to answer any question you do not want to answer. Neither your name nor your firm’s name will be released in any results published after the completion of this study."

"May I also have your permission to record this interview?"  □ Check if yes.
SECTION DATE and TIME:

[0101] "Please tell me briefly about your professional history and how you arrived at your position."

[0102A] "What is the highest level of education you completed?"

[0107B]a "Do you have memberships in any other member-owned businesses?"
[0107Bb] If, YES, list memberships.

[0108Aa] "What was your first exposure to member-owned businesses [cooperatives/mutuals/credit unions]?"

[0108Ab] If OTHER, explain.

[0109A] "What is your present age?"

SECTION COMMENTS:
### Cooperative Business Study Board Chair Survey Instrument

**SECTION DATE and TIME:**

[0201F] "Please give me a 2-minute background on the history of your firm." (Strange startup story, mergers, conversion from other firm type, structural change, etc.)

[0202F] "How many years has your current firm been in business?"

[0205A] "How does being a [cooperative/credit union/mutual organization] help you compete in the marketplace?"

[0205F, 0206F] "How many members are in your organization?" (If there are multiple membership categories in the organization, enter free text in the boxes in the left-hand column to describe each category: e.g., Other co-ops, Purchasers, Consumers. Choose 'Members' in the first category box if there is only one category.)

<table>
<thead>
<tr>
<th>Membership Categories</th>
<th>Number of Members</th>
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[0207Ba] "What does it take to become a member of your organization?" Check all that apply. Read the list if necessary.

- Capital contribution. If checked, enter dollar amount:
- Patronage commitment
- Quality standard
- Long-term commitment
- Other (EXPLAIN below)
- Don't Know
- Refused

[0207Bb] If OTHER, explain: geography, application process, board approval, supply/demand, etc.

[0208F] "What percentage of your firm's total business does your largest member contribute? (Your best guess is fine.)"

[0209F] "What percentage of your firm's total business do your largest 10 members contribute? (Your best guess is fine.)"

**SECTION COMMENTS:**
"In some cooperative businesses, differences across members result in several interest groups of members. For example, are there easily identifiable groups of members within your cooperative? (Can you describe an instance where the differences among two or more groups took significant time to resolve?)"

**SECTION DATE and TIME:**

**[0301A] List and describe groups.**

**[0302A] Other comments about groups.**

**[0303A] CQ score**

**SECTION COMMENTS:**
This section contains questions about the board of directors of this [cooperative/credit union/mutual organization].

**SECTION DATE and TIME:**

- [0501F] "How many board members are there?"
- [0502F] "How many of the board members are women?"
- [0503F] "How many times per year does the board meet as a group?"
- [0504F] "On average, how long is a board meeting? (hours)"
- [0505F] "Who typically sits in on board meetings besides the CEO/GM and member-elected board?"
- [0506Fa] "Are there any voting members of the board who are not members of this firm?"
- [0506Fb] If YES, "How many?"
- [0507Fa] "Are there regular non-voting participants in board meetings?"
- [0507Fb] If YES, "What is their role?"
- [0508Fa] "Are there any third-party advisers to the board?"
- [0508Fb] If YES, "What is their role?" List and describe the advisers.
- [0509Fa] "How many board members have served for 3 or fewer years?"
- [0509Fb] "How many board members have served for 20 or more years?"
- [0510F] "How many board slots are open for election each year?"
- [0511F] "What is the number of contested elections in the last 5 years?"
- [0512F] "What are the committees of your board? Please list and describe them."

**COMMENTS ON FIRM STRUCTURE QUESTIONS ABOVE:**

- [0513Ab] "How are your board members nominated and selected?" (1: Do candidates generally self-nominate or are they suggested by people? 2: Who suggests them? 3: In what context? 4: How likely is it that someone not familiar or selected by the board could win an election?)
  - [0513Aa] CQ score
- [0514Ab] "What role does the CEO/GM play in nominating board candidates?" (1: How strongly does the CEO/GM influence the decisions of the board members on the nominating committee? 2: How strong an influence does the CEO/GM have on determining candidates selected?)
  - [0514Aa] CQ score

**SECTION COMMENTS:**
SECTION DATE and TIME:

[0601Aa] "Who sets the agenda for board meetings?"
[0601Ab] If OTHER, explain.

[0602Aa] "How many hours do you (Board Chair) spend preparing for each board meeting?"

[0604Ab] "How prepared are board members for meetings?"

[0604Aa] CQ score
[0605Aa] "Is there a committee that has full board authority?"
[0605Ab] If YES, "Who is on the committee?"

[0605Ac] If YES, "When does the committee meet?"

[0606Aa] "Do the board and CEO/GM ever meet without staff present?"
[0606Ab] If YES, "For what purpose?"

[0607Aa] "Does the board ever meet without the CEO/GM present?"
[0607Ab] If YES, "For what purpose?"

[0608Ab] "Is the board involved in the selection of the CEO/GM’s top management team?" (1: Does it play any part in the interview process? 2: Does the board give opinions on who you should hire or have any other influence?)

[0609Aa] CQ score
[0609Bb] "How would you characterize the board’s role in creating and monitoring the firm budget?" (1: Is the board involved in developing an annual budget? 2: Does the board actively monitor the budget? 3: What steps could the board take to remedy what it sees as a problem with the budget?)

[0609Ac] CQ score
[0610Ab] "Describe how CEO/GM discretionary spending is limited and controlled." (1: Is there a dollar limit on CEO/GM discretionary spending? 2: DISCRETIONARY SPENDING = AMOUNT CEO/GM CAN SPEND WITHOUT APPROVAL FROM THE BOARD)

[0610Aa] CQ score

SECTIONS COMMENTS:
### SECTION DATE and TIME:

[0701Cb] "Do you communicate about firm business with one or more board members outside board meetings? If YES, how often?"

[0701Ca] CQ score

[0703Ab] "Do members of the board communicate about firm business with management (other than the CEO/GM) outside of the board meetings? If YES, how often?"

[0703Ac] CQ score

[0703Ad] If YES, "What is the purpose of these contacts?"

[0703Ae] If OTHER, explain.

### SECTION COMMENTS:
SECTION DATE and TIME:

[0802Ab] "What is the board of directors' role in setting strategy?" (1: When was the last time the board came to management with an initiative of its own? 2: Has your board ever opposed a CEO/GM Initiative?)

[0802Aa] CQ score

SECTION COMMENTS:
### Board Chair Survey Instrument

**SECTION DATE and TIME:**

- [0901F] "How many CEO/GM's has the company had in the past 20 years, that is since about 1990?"

- [0902F] "Of these, how many CEO/GM’s were hired from outside the company?"

- [0903B] "Is there a succession plan in place for the CEO/GM?"

- [0903B] If YES, "Can you describe this plan? (Is it written or unwritten)?"

- [0904F] "Does the CEO/GM have a written employment contract?"

- [0904F] If YES, "Can you describe this contract?"

- [0904B] "Please summarize how the board of directors evaluates CEO/GM performance. In general, how does the board evaluate what has been accomplished?"

- [0905B] "Does the board set specific quantifiable measures for performance?"

- [0905B] If YES, "Please describe these measures."

- [0905B] "Have you hired a new CEO/GM in the past 5 years?"

- [0905B] If YES, "How many times do you evaluate a new CEO/GM in the first year of their tenure?"

- [0906B] If YES to [0905B], "On what criteria do you evaluate a new CEO/GM in the first year of their tenure?"

- [0906B] "Please summarize the CEO/GM compensation agreement."

- [0907B] "Please summarize the CEO/GM compensation agreement."
**Cooperative Business Study**  
*Board Chair Survey Instrument*

<table>
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<tr>
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<th>Response</th>
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<tr>
<td>[0904Fb] If YES, &quot;Can you describe this contract?&quot;</td>
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<td>[0906Ba] If YES to [0906Bc], &quot;On what criteria do you evaluate a new CEO/GM in the first year of their tenure?&quot;</td>
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<tr>
<td>[0908Fa] &quot;How often does the board use a compensation consultant?&quot;</td>
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<tr>
<td>[0908Fb] Notes relating to use of a compensation consultant.</td>
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<td>[0907Ba] &quot;Please summarize the CEO/GM compensation agreement.&quot;</td>
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<tr>
<td>[0907Bb] &quot;Do you use any industry benchmarks for compensation?&quot;</td>
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<tr>
<td>[0907Bc] If YES, list benchmarks and other CEO/GM compensation notes.</td>
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<tr>
<td>[0908B] &quot;What percentage of total compensation is performance incentives?&quot;</td>
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<tr>
<td>[0908B] &quot;What percentage of performance incentives are discretionary rather than by formula?&quot;</td>
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**SECTION COMMENTS:**
Cooperative Business Study

Board Chair Survey Instrument

BEGIN HERE...
Select Respondent

SECTION DATE and TIME:

[1001Ba] "How is the board compensated?" Check all that apply.
- Per Diem
- Salary
- Performance Incentive
- Product Discount
- Volunteer

[1001Bb] Notes on board compensation.

[1002B] "For a typical board member what is the total annual compensation?"

[1003Ba] "Why did you accept nomination to be on this board?" Check all that apply.
- Opportunity to learn
- Challenge as Director
- Quality of management
- Potential growth of firm
- Opportunity to work with board

[1003Bb] If OTHER, explain.

[1004B] "Have you served on other boards?" (Include both business (member-owned or private) and community boards.)

[1005B] "How often would you say you use the services of this cooperative/credit union/mutual?"

[1006Ba] "If this organization did not exist, what personally would be the consequences to you?"

[1006Bb] CQ score

SECTION COMMENTS:
After you have finished the interview, please answer the following questions:

How would you rate the quality of this interview? □ □

Briefly explain your evaluation.