

**South Dakota Association of Cooperatives
Leadership Education Program for Cooperative Leaders
January 9-10, 2012
Crossroad HEC • Huron, South Dakota**

The leadership education program seminar curriculum offered by the Arthur Capper Cooperative Center, Kansas State University, consists of four one-day seminars: Course 1: Cooperative Governance, Course 2: Cooperative Finance, Course 3: Strategic Thinking and Course 4: Advanced Governance. The instructors are Professor David Barton and Professor Michael Boland. These courses are highly interactive and include substantial discussion with participants and the use of structured learning exercises. The instructors have taught this curriculum numerous times in many different states over the last seven years to over 1,000 co-op leaders.

You can take the courses in any order based on your interests. You will be able to select one course from the two courses offered concurrently on Day 1 and one course from the two courses offered concurrently on Day 2. Courses 1 and 4 will be offered concurrently on Day 1 and Courses 2 and 3 will be offered concurrently on Day 2.

Those who should attend are directors, prospective directors (such as associate directors), CEOs and other executives who work closely with the board and CEO such as CFOs, leadership team members, operations managers, and marketing managers. Anyone interested in these topics is also welcome to attend.

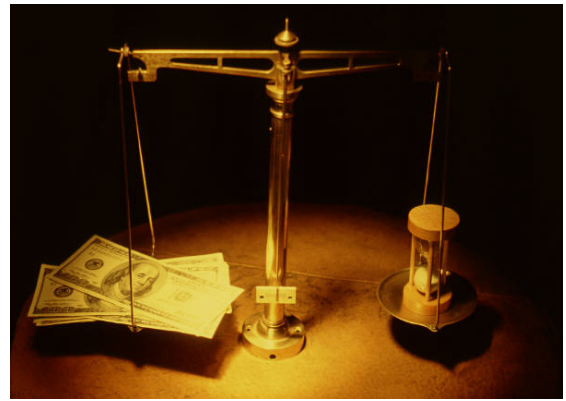
A description of each course and a detailed agenda for each course follow.



Day 1: January 9, 2012

Course 1: Cooperative Governance

Cooperative Governance will provide you with an understanding of the basic principles and practices of corporate organization governance in the context of a unique cooperative business. You will learn how the board and CEO can improve their relationships and teamwork to more effectively achieve the vision, mission and strategic initiatives of the co-op. Issues addressed include the most appropriate division of responsibilities between the board and the CEO, board responsibilities (primary, general and legal), conflict resolution, philosophical foundations and principles of policy governance, board-CEO relationship principles and building blocks of effective boards.



9:30 am **Session 1: Cooperative Management: Board and Management Teamwork**

- 1.1 Perspectives on Governance
- 1.2 Organizational Structure and Relationships
- 1.3 Prime Directive of Board
- 1.4 Primary Board Responsibilities
- 1.5 Exercise 1.2.1: Delegation, Roles and Teamwork in Your Co-op

10:30 am **BREAK**

11:00 am **Session 2: Board Responsibilities and Governance Issues**

- 2.1. Board Responsibilities: General, Legal and Fiduciary
- 2.2. Membership Issues
- 2.3. Director Issues
- 2.4. Board Issues
- 2.5. Conflict Resolution
- 2.6. CEO Succession Planning
- 2.7. Exercise 1.3.1: Member, Director and Board Issues in Your Co-op

12:15 pm **LUNCH**

1:15 pm **Session 2 (continued)**

2:30 pm **BREAK**

3:00 pm **Session 3: Policy Governance**

- 3.1. Philosophical Foundations
- 3.2. Ten Principles
- 3.3. Board-CEO Relationship Principles
- 3.4. Board Responsibilities Restated in Policy Framework
- 3.5. Organization and Membership Linkage
- 3.6. Four Key Types of Policies
- 3.7. Exercise 1.4.1: Creating Policies for Your Co-op
- 3.8. Building Blocks of Effective Boards
- 3.9. Exercise 1.4.2: Key Governance Issues in Your Co-op

5:00 pm **ADJOURN**

6:30 pm **SOCIAL/SUPPER**

Day 1: January 9, 2012

Course 3: Strategic Thinking

Strategic Thinking will provide you with an understanding of the principles and practices of strategy applied to the unique business model of a cooperative business. Participants will be introduced to (1) the concept of strategic thinking and why it is more effective than strategic planning, and (2) evaluation of drivers affecting their current strategy. The primary focus is ensuring that directors understand that strategic thinking must occur at every board meeting and is more than simply a one-time decision based around an annual planning session.

Participants will be asked to compare their vision and mission with other cooperative mission and vision statements from a database we have compiled and discuss that in the context of their own competitive environment.



9:30 am Session 1: Introduction to Strategic Thinking

- 1.1 Strategic Thinking vs. Strategic Planning
- 1.2 4+2 Formula for Success
- 1.3 Exercise: Evaluate Your Practices and Execution
- 1.4 ST Process: Four Strategic Questions
- 1.5 Roles: Board, CEO and Facilitator
- 1.6 Simple Retreat Agenda
- 1.7 Exercise: Where Are We?
- 1.8 Vision and Mission
- 1.9 Exercise: Simple Strategic Thinking

10:30 am BREAK

11:00 am Session 1 (continued)

12:15 pm LUNCH

1:15 pm Session 2: Introduction to Strategy Formation

- 2.1 What is Strategy?
- 2.2 Strategy Formation Guidelines
- 2.3 Driving Force Alternatives
- 2.4 Design School of Strategy
- 2.5 Forms of Strategy
- 2.6 Exercise: Strategy Formation

2:30 pm BREAK

3:00 pm Session 3: Advanced Strategy Formation

- 3.1 Current Strategy Evaluation
- 3.2 Missions and Visions
- 3.3 Exercise: Other Missions
- 3.4 Position and Plan Analysis
- 3.5 Situation Summary Analysis
- 3.6 Exercise: Strategic Issues Facing Cooperatives
- 3.7 Future Strategy Formation

5:00 pm ADJOURN

6:30 pm SOCIAL/SUPPER

Day 2: January 10, 2012

Course 2: Cooperative Finance

Cooperative Finance will provide you with an understanding of the principles and practices of business finance applied to the unique business model of a cooperative business. The primary focus is on an integrated financial decision framework useful for setting company policy at the board level. The cornerstones of financial success, based on research and the experience of successful co-ops, will be reviewed. The key decision-making concept is balance sheet management. The main topics revolve around two types of strategic choices: (1) income distribution strategic choices, including comparing patronage income distributions to allocated versus unallocated equity classes, using pooling versus patronage refund (non-pooling) payments, and choosing cash patronage rates; and (2) equity management strategic choices including use of qualified versus non-qualified equity and use of different equity redemption methods. Traditional practices of co-ops will be reviewed and classified as good, bad or ugly.



7:30 am Session 1: Cooperative Finance Foundations

- 1.1. Co-op Business Model
- 1.2. Finance Decision Framework
- 1.3. Four Cornerstones of Financial Success
- 1.4. General Recommendations

9:00 am BREAK

9:30 am Session 2: Income Distribution Strategies

- 2.1. Strategic Choices
- 2.2. Income Distribution Model
- 2.3. General Recommendations

11:30 am LUNCH

12:30 pm Session 3: Equity Management Strategies

- 3.1. Principles of Equity Management
 - 3.1.1. Six Selected Strategic Choices
 - 3.1.2. Equity Capitalization Strategies
 - 3.1.3. Equity Management Process
 - 3.1.4. Equity Investment Strategies
 - 3.1.5. Equity Redemption Strategies
- 3.3. Model Co-op Analysis
- 3.4. Four Cornerstones of Financial Success (Again!)
- 3.5. General Recommendations
- 3.6. Challenges and Conclusions
- 3.7. Practices: Good, Bad and Ugly

2:00 pm BREAK

2:30 pm Session 3: Equity Management Strategies (continued)

3:30 pm ADJOURN

Day 2: January 10, 2012

Course 4: Advanced Cooperative Governance

Advanced Cooperative Governance will provide you with an understanding of the principles of advanced governance applied to the unique business model of a cooperative business. You will be introduced to the concept of a board evaluation and how it functions as well as evaluation of individual director performance. The main focus is on evaluation and implementation of this concept within your boardroom. The fundamental concepts of General Manager or CEO evaluation and development of principles for evaluation of performance will be discussed within the context of your co-op's strategy. A discussion of the need for the board to engage with management to ensure leadership exists throughout the organization and manager recruitment and compensation is part of this one day program.



7:30 am Session 1: Introduction to Board Evaluation

- 1.1 Purpose of Board Evaluation
- 1.2 Benefits of Board Evaluation
- 1.3 Difficulties in Board Evaluation
- 1.4 Three Keys to Board Evaluation
- 1.5 Sample Questions
- 1.6 Doing a Board Evaluation the First Time

9:00 am BREAK

9:30 am Session 2: Introduction to Board Evaluation: Part 2

- 2.1. Exercise: What questions would you ask?
- 2.2 Individual Director Evaluations
- 2.3 Director Compensation is Inadequate
- 2.4 Exercise: How are your directors compensated?

11:30 am LUNCH

12:30 pm Session 3: Introduction to Manager Appraisal

- 3.1. Board and CEO Relationship
- 3.2 Exercise: CEO Responsibilities
- 3.3 Performance Standards
- 3.4 CEO Appraisal and Compensation
- 3.5 Exercise: Performance Standards

2:00 pm BREAK

2:30 pm Session 4: Ensuring Organizational Leadership Development

- 1.1 Need for leadership throughout the organization
- 1.2 Performance standards for leadership throughout the organization

3:00 pm Session 5: Compensation and Recruitment of Management

- 4.1 Introduction to Management Recruitment
- 4.2 Introduction to Management Compensation
- 4.3 Exercise: How is the evaluation performed in your co-op?
- 4.4 CEO Recruitment

3:30 pm ADJOURN

SD Association of Cooperatives
Leadership Education Program for Cooperative Leaders - January 9-10, 2012
Registration Form

Mail, Fax or E-Mail Form to:

SDAC – Karen Kuhns
PO Box 102, Huron SD 57350
Phone: (605) 352-9492 ♦ Fax: (605) 352-8718 ♦ kmkhon@santel.net

Fees:

Two Days

- \$350 – SDAC member
- \$400 – Non-member

Single Day/Individual Session

- \$175 – SDAC members
- \$200 – Non-member

Fees include materials, meals, and refreshments

\$50 late fee for registrations and/or payment received after Dec. 23, 2011

Full refunds through December 23, 2011. "No refunds will be made after December 23, 2011."

Method of Payment

Check Enclosed (payable to SDAC)

Name/Title: _____

Day 1: Coop. Gov: Strategic Thinking: (please choose session)

Day 2: Adv. Gov: Coop. Finance: (please choose session)

Organization: _____

Address: _____

Phone: _____

E-Mail: _____

Additional Registrants

Name/Title: _____

Day 1: Coop. Gov: Strategic Thinking: (please choose session)

Day 2: Adv. Gov: Coop. Finance: (please choose session)

Name/Title: _____

Day 1: Coop. Gov: Strategic Thinking: (please choose session)

Day 2: Adv. Gov: Coop. Finance: (please choose session)

Name/Title: _____

Day 1: Coop. Gov: Strategic Thinking: (please choose session)

Day 2: Adv. Gov: Coop. Finance: (please choose session)

Name/Title: _____

Day 1: Coop. Gov: Strategic Thinking: (please choose session)

Day 2: Adv. Gov: Coop. Finance: (please choose session)

Total Amount Enclosed _____

Lodging Information

Crossroads Hotel & Huron Event Center - Huron, SD – 100 4th St. SW

Phone: 1-800-876-5858

Rooms under block "SD Coop"

\$74.99 meeting rate