



FEDERAL RESERVE BANK OF MINNEAPOLIS FIRST VICE PRESIDENT AND CHIEF OPERATING OFFICER

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POSITION SPECIFICATION

Client Company

The Federal Reserve Bank of Minneapolis (“the Minneapolis Fed,” “Reserve Bank” or “the Bank”) is one of 12 regional Reserve Banks that, with the Board of Governors in Washington, D.C., make up the Federal Reserve System—the central bank of the United States (the “Fed”). The Minneapolis Fed, including its Helena, Montana Branch, serves the Ninth Federal Reserve District (the “District”). The mission of the Fed is to foster the stability, integrity and efficiency of the nation’s monetary, financial and payments systems to promote optimal economic performance. The Reserve Banks are chartered under federal law and participate in establishing the nation’s monetary policy. The Reserve Banks also provide services to the United States as a fiscal agent to the Treasury Department, supervise certain commercial banks and holding companies as delegated by the Board of Governors and provide payments services to financial institutions.

As delegated by the Board of Governors, the Minneapolis Fed supervises approximately 75 state member banks and 500 holding companies in the Ninth District. As the Federal Reserve Treasury Retail Securities site, the Bank supports the Bureau of the Public Debt’s retail program by servicing electronic and paper U.S. Savings Bonds and Treasury marketable securities. The Bank also hosts the Data Privacy Office, which assists Reserve Banks with developing, implementing, managing and complying with a System data privacy program. In 2015, the Bank became home to the Center for Indian Country Development, working to improve education, income, business development and economic mobility on American Indian reservations and in other Native American communities.

The District stretches across 1,800 miles and includes Minnesota, Montana, North Dakota, South Dakota, 26 counties in northwestern Wisconsin and the entire Upper Peninsula of Michigan. It covers over 400,000 square miles, makes up 12 percent of the nation’s land and is home to approximately 8.8 million people. The District has a diverse economy, with industries ranging from oil and gas, transportation, mining, tourism and timber in the west to wheat farming, ranching and energy mining in the center to corn, soy bean and dairy farming, tourism, timber and light manufacturing in the east. The District produces approximately 90 percent of the nation’s iron ore, over 30 percent of its wheat and 20 percent of its corn. The Dakotas and eastern Montana have emerged as major contributors to the shale oil boom that has both enhanced American energy independence and had a price-dampening supply impact on global oil markets.

The Ninth District is home to Minneapolis/St. Paul, one of the 20 largest metropolitan areas in the country, which is an important education and high-technology manufacturing center. Minneapolis/St. Paul and the surrounding area is home to nearly 20 Fortune 500 companies and some of the largest private companies in the country. These public and private firms include Target, UnitedHealth Group, Best Buy, 3M, U.S. Bancorp, General

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Mills, Cargill, Travelers Companies and Carlson Companies, and additionally is a major hub of Delta Airlines.

The District is the home of several professional sports teams, including baseball, football, hockey, soccer, lacrosse and men's and women's basketball. It has nationally renowned art, music and theater organizations such as the Minnesota Opera, the St. Paul Chamber Orchestra, the Minnesota Orchestra, the Children's Theatre Company, the Guthrie Theater, the Walker Art Center, the Minneapolis Institute of Art and the Minnesota Museum of American Art. Minnesota is a leader in education with high-ranking public school systems and is home to a prestigious public university, a top-ranked medical school and more than 20 private colleges and universities. It also consistently ranks high for overall quality of health care. The Twin Cities also has more than 135,000 acres of parks and 950 lakes in the area.

The Bank has 1,100 employees in Minneapolis and at the Helena Branch. The Bank's annual operating budget is approximately \$215 million.

Additional information can be found at <http://www.minneapolisfed.org>.

Prospective applicants should send a cover letter and résumé to minneapolisfed@spencerstuart.com.

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Position Summary

The first vice president and chief operating officer (FVP) oversees the operations and multiple functions of the Bank, including those at the Helena Branch. Specifically, the FVP directs and coordinates the activities of the Bank in accordance with Bank goals and objectives, monitors financial and operational performance, oversees risk-management processes to meet high levels of compliance, and ensures that the Bank has leadership strength, effective succession planning and a diverse workforce. The FVP sets the tone for a culture of accountability and collaboration that supports the achievement of the Federal Reserve's mission.

The FVP is the second-ranking officer of the Federal Reserve Bank of Minneapolis, reports to the president and is a member of the Bank's management committee. The FVP is an alternate voting member of the Federal Open Market Committee (FOMC). The FVP represents the Bank in the Conference of First Vice Presidents and works with the board of directors to align the Bank's strategic direction with Federal Reserve System priorities. The FVP also develops and maintains strong relationships with financial services, business, community and other public constituencies.

Key Relationships

Reports to: Neel Kashkari, president and chief executive officer

Other key relationships:

- Federal Reserve Board of Governors
- Federal Reserve of Minneapolis board of directors
- Conference of First Vice Presidents and other FVP/COOs
- Other senior executives in the Federal Reserve System
- Other regulators, both domestic and global
- Media and press, as appropriate

Location: Minneapolis, MN

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Major Responsibilities:

While the ultimate responsibilities of the first vice president and chief operating officer may vary based upon the placement's respective qualifications and specific needs of the Federal Reserve and the Bank, they include:

Leadership within the Bank

- *Strategic planning:* In conjunction with the Bank's president, other Bank officers and the board of directors, leads the development of a comprehensive strategic plan that provides clear direction regarding the mission, vision, goals, annual objectives, measures of success and high-priority initiatives for the Bank.
- *Strong communication skills:* Effectively communicates strategic plans, priorities and values to all levels of the Bank's staff and ensures that performance management, compensation and reward programs are well aligned with the Bank's strategic plans.
- *Execution of strategic initiatives:* Successfully leads and monitors accomplishment of Bank strategic initiatives and holds senior management and the other officers accountable for the successful execution of strategic initiatives.
- *Executive responsibilities:* Offers aid as the president's partner and one of his or her chief advisers. Serves as a backup for the president's duties, including the FOMC, when the president is unavailable or there is no president.

Operation and Administrative Management

- *Strong financial leadership:* Leads the development of the Bank's budget and manages expenses to achieve financial targets. Identifies and implements cost-saving initiatives or growth plans aligned with the Bank's and the System's strategic priorities.
- *Operational performance objectives:* Ensures that operations areas meet or exceed their business objectives and performance targets. Promotes and leads an organization that continually seeks optimal efficiencies, continuous productivity improvements, security, quality standards and customer satisfaction in all operations and support functions.
- *Risk management and controls:* Oversees an effective risk-management process for the Bank, including an effective risk-assessment program, high levels of compliance with well-designed and well-documented controls, regular employee training and responsiveness to employee-identified issues. Ensures effective crisis management, business continuity plans and strong physical security measures.
- *Complex project management:* Ensures that Bank- and Systemwide projects are developed and delivered on time and effectively, using feedback to improve and assuring that high-quality standards are met within estimated budget targets.

Culture, Talent Management and Development

- *Culture:* Creates and develops a Bank culture that encourages a commitment to the public good, cross-functional teamwork, employee engagement, open deliberation, learning and initiative and innovation. Serves with integrity,

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performing with ingenuity and excellence and demonstrating respect by being an excellent role model.

- *Succession planning:* Actively engages in succession planning activities that ensure deep talent pools, diversity at all levels and succession and leadership development plans to meet both planned and unforeseen leadership vacancies and opportunities.
- *Talent management:* Attracts, retains, engages and develops a diverse workforce of highly qualified and motivated Bank staff and management possessing the skills, talents and abilities to meet current and emerging business and organizational challenges.
- *Diversity and inclusion:* Models and develops an organizational culture that promotes strong employee engagement, fosters a diverse and inclusive workplace and reduces barriers to productive work.

System Leadership

- *Conference of First Vice Presidents:* Member of the Conference of First Vice Presidents, comprising the 12 first vice presidents of the Reserve Banks. The conference oversees implementation of System-level budget, operations and support and overhead strategies, manages shared services among the Banks and conducts operational risk management for the Federal Reserve System.
- *Alignment of Bank and System strategies and objectives:* Works to align the Bank's strategic goals and objectives with System goals through active discussion and collaboration with peers on formulating high priority objectives and monitoring progress on those objectives.
 - Provides thought leadership and resources to key System initiatives, especially in areas of System direction and policy;
 - Works effectively with other System leaders to ensure achievement of System priorities and objectives;
 - Commits local Bank resources to ensure the success of System efforts;
 - Communicates with colleagues and oversight groups and gives candid feedback on strategy and performance to System providers;
 - Provides the bank management and ultimately the board of directors with insight and leadership on System projects at other banks that may potentially impact the Bank and effectively communicates projects at the Bank that may impact the System;
 - Develops and maintains relationships at the System level to provide support for the president.

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CANDIDATE SPECIFICATION: KEY SELECTION CRITERIA

Ideal Experience

- 20+ years of professional experience, including a minimum of five years of leadership experience at a senior executive level;
- Extensive experience in leading major and/or multiple functions within a large complex organization;
- Familiarity with economics, financial services industry, Reserve Bank operations and Bank supervision and regulation;
- Experience leading a diverse workforce involved in varied and complex challenges;
- Evidence of public service and/or mission-driven orientation;
- Ability to obtain and hold a Top Secret clearance;
- Bachelor's degree; advanced degree are highly preferred.

Critical Competencies for Success

- ***Managerial Capabilities***—*Being an effective and respected leader among internal and external constituencies and developing a higher performance culture by:*
 - Demonstrating a collaborative, mission-driven style with good listening skills combined with gravitas and self-confidence in order to effectively engage with all levels of the Bank;
 - Setting high standards of conduct and integrity for the rest of the Bank;
 - Establishing a culture that enables Bank staff to achieve results in a complex, changing environment;
 - Actively recruiting, developing and retaining top talent;
 - Ensuring staff is frequently and accurately evaluated on their performance;
 - Providing ongoing feedback; developing the skills and potential of others, nurturing successors and a talent pipeline for key positions and advocating and advancing a diverse and inclusive workplace at all levels through personal engagement and by example;
 - Bringing drive and energy to the role combined with a passion for and commitment to public service;
 - Proactively managing multiple work streams while constantly anticipating and probing relevant issues and contingencies, all while fostering a robust culture of organizational decision-making;
 - Strong cultural competency skills and the ability to communicate effectively across many types of audiences.
- ***Operating Orientation***—*Bringing business experience and discipline to focus the institution on long-term results by:*
 - Creating best practices in decision-making by using feedback and facts, weighing information and implementing controls to set clear direction with prudent judgment and accountability, and building strategic alliances and processes that ensure the long-term strength of the organization;

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- Bringing a commitment to drive greater operational efficiency, streamlining processes and controls, and advancing key technology initiatives that promote data-sharing and efficiency in a highly secure environment;
 - Demonstrating self-awareness of the limits of his/her expertise; knowing when and how to leverage the experience and expertise of others; and the ability to motivate others;
 - Navigating a complex organization through strong influencing and interpersonal skills and having an understanding and appreciation for subtlety and empathy;
 - Holding self and others accountable to accomplish results in a timely manner with the highest quality execution;
 - Having patience, tenacity, resilience and a sense of resourcefulness.
- **Strategic Acumen**—*Having the ability to identify and diagnose complex issues and enact appropriate action steps by:*
 - Maintaining strategic focus in the context of changing business fundamentals;
 - Supporting and driving the work of leadership planning groups charged with integrating and identifying key policy and operational priorities;
 - Taking a broad and flexible view of the relevant operating environment; making connections and facilitating forward-looking strategies and insights to anticipate and address potential challenges;
 - Demonstrating thoughtful analysis, clear logic underlying business decisions and process, close attention to key dimensions of implementation, operation and compliance, and disciplined financial performance management;
 - Aligning the Bank's strategic and tactical plans to the public interest and the broader Federal Reserve System;
 - Fostering a collaborative environment among senior management team to proactively develop forward-looking and executable analysis, strategies and plans;
 - Encouraging and expecting senior staff and operating executives to respond to market changes by continually updating their skills in response to new data, policies and regulations;
 - Championing diversity initiatives, leading and holding others accountable for creating and maintaining an inclusive workplace.

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Prohibited Activities:

It is indispensable to the proper functioning of, and the maintenance of public confidence in, the Federal Reserve Bank of Minneapolis and the Federal Reserve System that every employee perform his or her duties with honesty, integrity and impartiality, and without improper preferential treatment of any person or organization. Employees of the Bank are subject to Section 208 of the criminal code, which prohibits an employee's participation in any matter in which he/she has a financial interest. In addition, the Bank's code of conduct generally prohibits activities such as:

- Publicly traded company board positions;
- Partisan campaign roles/positions;
- Partisan elected office;
- Stock ownership of financial institutions, holdings of Treasury securities in excess of \$50,000 and the purchase or sale of securities during FOMC blackout periods.