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BOD MEETING PREPARATION

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Quick Summary: Develop a simple, replicable template for Board Meetings to minimize the preparation effort.

Abstract:

Board Meetings are part of every growing business. Preparing for them is important but not as important as the success of the business. Develop a simple meeting template and limit the amount of time that has to be spent uniquely on the Board. What Board Members care about is the performance of the company. Elaborate presentations may send the message that the CEO and the company are more focused on their image instead of their results.

Without a doubt, the most important task for a CEO is to focus on the activities required to make the company successful. Everything else, including Board of Director meeting preparation, should be secondary. Elaborate presentations, multiple rehearsals, and similar other “production” related activities do nothing to help the company meet its goals. Board Members clearly understand this and, in fact, will question a CEO’s priorities if it is obvious that significant time and effort was expended attempting to impress the Board. The proper balance between preparation and execution is easy to find and maintain by developing and following an overall template that can be used for all Board Meetings. Not only will the template make the preparation more efficient, but it will also set an expectation standard for Board Members. As Board Meetings are held, the template will change based on feedback from the Board and others who may be in attendance.

The key to an effective Board Meeting is to ensure that it is not a “bored” meeting! Covering information (not just data) that is relevant and important to the company’s status and success trajectory are the elements that will be of interest to the Board Members. The Board expects the CEO to manage the day-to-day operational tasks that are common to all companies. Also, the Board does not need to be told how hard everyone is working; that is expected. The Board is interested in results, not hard work. The following is a list of items to consider in preparing for each Board Meeting. Subsequent articles discuss:

- Meeting Logistics
- Material to cover
- Presentation tips
- CEO assessment
- Meeting activities
- Post-meeting follow-up

Meeting Preparation Tips

Information “Filtering”: Every manager knows it is important to share meaningful information up and down the organization. Deciding what to share and when to share it is one of the arts of successful management. Think carefully about what the Board needs to know about the operation. Above all, do not “hide” pertinent information. As the all too common saying goes, “The coverup is often worse than the crime.” Provide information in the proper context, and be sure to offer your opinion on what it means and what its impact could be on the business.

Data, Information, Insight, and Wisdom: The CEO’s job is to convert data into meaningful information that can be related to the Board. Along with that information should be the insight that the reported information provides. Board Members, with their experience and higher-level view, can then offer their opinions (wisdom). Focus on listening objectively, not defensively.

Write to Know: Article 2.040202 discussed investors and Board Members “right” to be informed about the business. They are very busy people, with many other responsibilities and, therefore, cannot be expected to spend lots of time and remember verbally shared information. Provide written, follow-up details on any information shared with them.

Agenda: Send a proposed agenda for the meeting, including proposed start and stop times, well in advance of the meeting. Be sure to ask for comments, especially ask if there are any “burning issues” that a Member would like to cover. Start and stop times help Members plan their schedules accordingly.

Concise Communications: We are inundated with emails and other unsolicited messages. Board Members are busy and have little time for lengthy communications (written or verbal). Always start communications with a short summary and, if applicable, followed by what action is expected by when. Provide details, if necessary, after the summary.

Red, Yellow, and Green: Get in the habit of using a simple categorization method. Using red, yellow, or green, down arrows, horizontal arrows, or up arrows, and some other technique to indicate the level of the issue helps others prioritize their involvement and response. Be specific about the intent: Is the information intended to be informative only or is it intended to solicit an action response?

Meeting Goal: Other than a general status update, what are the one or two key messages that you want to focus on during the meeting. True value comes through Board interaction. Be specific about what you would like to accomplish during the meeting.

Meeting Package: Send a BoD meeting package out at least 48 hours before every board meeting -- no matter what. In this package include details on finances, operations, engineering, and sales. Do not plan to go over all of the details in the meeting -- except for significant variations (good and bad).

Minutes and Approvals: Send board minutes and detailed items that require Board action (loans, term sheets, proposed stock option grants, and certain contracts) to the Board well in advance of the meeting and ask them to review them before the meeting. Most will. However, have hard copies of all of the documents available at the meeting as well along with a summary sheet of any unusual terms, conditions, or situations. Don't rely on Board Members "finding" the "gotchas."

Level Setting: Board Members cannot be as familiar with the business as the management team is. Be sure to provide level setting comments and charts. Send them out before so they can "bone up." Press

releases, market intelligence blogs, or relevant articles may be of interest to Board Members. Do not wait to send them out in bulk right before a Board Meeting. Send them out when they are available.

Bad News: Don't wait for board meetings to inform the Board about bad news. Tell them when it occurs, what it means, and what you intend to do about it. Avoid, at all costs, Board Members uncovering bad news from other sources such as competitor's press releases or blog posts or the news media or worse, from one of their colleagues.

Slide Decks: If you feel compelled to send the meeting presentation to the Board Members before the meeting, send out a "Notes" version of the deck (standard PowerPoint™ feature). By their nature, slides should not be intended to be standalone information transfer mechanisms. The real-time dialogue that accompanies the slides should contain relevant information. Without that dialogue, a reader of the slides may reach an unintended conclusion that will have to be reset when the presentation is actually given.