



How strategic is your board?

In today's post Dodd-Frank world, it is easy for board agendas to quickly fill up with compliance matters and check box exercises. And, agendas often get jammed with scripted presentations and power point shows. With this increased workload, is your board spending enough time on strategy? Is your board strategic? Boards with a firm grip on the company's strategic vision have backdrop, company, people and board knowledge. How would each of your directors answer the following questions?

- Backdrop Knowledge.
 1. Does the board understand the dynamics of your industry?
 2. Does the board reach out beyond senior management for ideas on where to take corporate strategy? (Employees, vendors, customers, other stakeholders?)
 3. Does the board understand the difference between planning and strategy?
- Company Knowledge.
 4. Can directors describe the dominant constraints that hold back the company's growth?
 5. What is the greatest uncertainty facing the business? How is it navigated?
 6. What should the company stop doing, now?
- People Knowledge.
 7. Does the board know the strengths and challenges of its senior managers?
 8. Does management understand the needs of the board? Are these needs considered when board materials are prepared?
 9. Does the board include the right diversity mix so that it can effectively oversee strategy discussions (including a mix of perspectives based on skills, experience, gender; and economic and geographic differences)?
- Board Knowledge.
 10. Do board meetings begin with an overview of the company's strategic progress – achievements, challenges? Followed by more detailed reports as appropriate?
 11. Has the board discussed the interplay between strategy, risk management and succession planning?
 12. Does the board have a formal policy around how it sets strategic review sessions?

BQs are published monthly. Discuss your answers in the executive session at your next board meeting. It could help your board become more effective.

