

## 4 Steps To Improved Strategy Discussions

How smooth was your board's strategy review and approval process? Is your strategy understood and approved by your board? How effectively does your board participate in strategy development, review and approval?

Well-implemented strategies create shareholder value. One of the most important board duties is to make sure that strategies are in place to create shareholder value. Successful board oversight of strategy requires hard work, discipline and the active participation of all directors. It is a continuous process that closely links strategy to operational results, risk management and CEO succession planning.

### 4 Steps You Need to Take

There are four steps that you can take to help improve your board's strategy governance process, improve the quality of your strategy and minimize any tensions that might occur from the review process.

1. Define the questions to be answered
2. Provide review materials in advance of the review meeting
3. Focus discussions
4. Summarize discussions

Effective use of these steps will make the strategy review process go smoother, ensure alignment between you and your board and keep discussions focused on the right issues.

### 1. Define the Questions

Every board needs to define what questions they expect to be answered during the strategy review discussions. Provide your board with a list of questions that you plan to address during the annual strategy discussion. Ask your directors to review and comment on these questions to ensure they are focused, comprehensive and will meet the board's needs. Then, use these questions as the framework for a discussion of strategic issues.

### 2. Provide Review Materials in Advance of the Review Meeting

Distribute the strategy presentation and relevant background materials to directors at least one week before the formal meeting to provide sufficient time to review and reflect on the strategy. Expect each director to carefully read this pre-board reading. Provide them with an opportunity to call to get any clarifying questions answered prior to your board review.

### 3. Focus Discussions

Lead the discussions during the board meeting. Frame the questions to be addressed, review your planning assumptions and then your key strategic initiatives. Assume that your directors have read the pre-meeting documents so you don't have to waste time reviewing the material sent out as a pre-read. However, listen carefully to director questions and comments to be sure that they really understand what they read.

### 4. Summarize Discussions

Finally, at the conclusion of the discussion, summarize what the board has approved and what open issues remain. Commit to a plan and timetable to address these open issues.

The best CEOs and boards discuss business strategy and the competitive environment in every board meeting. Operational reviews, risk management discussions and CEO succession planning all are driven by business strategy and influence future strategy iterations.