

Continuously Educate Your Board

How well does your board understand your business strategy, business model and your competition? If you have any doubt about the level of knowledge of any of your directors, you and they must act immediately.

Your directors must be completely informed and competent to fulfill their duties as a director and to help you succeed as CEO. Hopefully, you have a diverse group of directors with the necessary skills and experience to help you with the business issues you face. Each of them must also be well versed about your business to use their experience to best advantage.

Shared responsibility

The responsibility for each director to be informed and current on relevant business issues is a joint responsibility. As CEO, you must ensure that relevant information is provided to your board. Each director also must take personal responsibility to keep current on your company and the competitive environment.

This continuous learning process starts with making sure that directors understand the key operating issues, main sources of business risk, perceptions of stakeholders and investors and the competitive environment in which you operate. You can also help them understand the key issues you're dealing with and provide additional learning sources in addition to normal board materials.

Your board should have the expectation that each director will devote the necessary time and attention to maintaining a sufficient level of knowledge to actively participate in board discussions

Information Sources

Two excellent sources of pertinent information that I've used successfully over the years are analyst reports and industry research reports.

Many sell side analysts are quite well informed about your company and industry. They don't get it all correct but I've been amazed at how the good ones really hone in on the key issues and provide valuable third party perspective. Their reports summarize key issues and provide an independent assessment of your company's performance and competitive environment. Their conclusions provide an insight into how others perceive your company.

Industry research reports also provide important contextual information not only about your industry and your company but also competitive offerings.



➤ Learning Resource Center

Both sources provide good information for both director education and enhanced continuing boardroom discussions. The more knowledgeable your directors are, the better they are able to help you with the important issues you face.