

Updating Your Board

Routinely communicate your operational results and your latest strategic thinking to your board and avoid surprises. In rare instances, a major strategy reset is required and this makes communication all the more important.

If you effectively update your board monthly and quarterly and they have kept pace with your evolving business, there shouldn't be too much surprise. Many times however, CEO communication is not all that it should be or the memory of some directors is lacking. In these cases, some members of your board can be surprised and this can lead to CEO and board tensions.

Never Assume Your Board

George Conrades, a very experienced and wise CEO and Board Chair once told me, "It's critical for a CEO to never assume his board". The remainder of this essay will deal with practical suggestions on how to effectively communicate with and update your board on your reviews.

Effective communication with your board always requires thoughtfulness and discipline. Your directors do not need to know everything but they do need to know the important things.

Your Board Update

Fundamentally, there are four topics to cover in a board update:

1. Review your current performance vs. plan.
2. Discuss which key initiatives are working, which are not and why.
3. Review your key initiatives for the remainder of the year.
4. Define performance expectations for the remainder of the year.

Let's look at each of these in more detail.

Review Performance vs. Plan

At the beginning of the year, you reviewed your annual operating plan with your board. Included in this review should have been your financial commitments and the key initiatives you would employ to achieve these commitments.

You and your team live with these initiatives daily. Your board has seen them once when you first presented them and maybe you've provided some additional perspective during the quarterly

reviews. However, don't assume that every board member remembers and understands all the key initiatives. Take the time to review a concise summary of what you covered at the beginning of the year.

Discuss which key initiatives are working, which are not and why

After your board is grounded, take the time to discuss what worked and what didn't. Provide background and color to improve their understanding so that they can better understand what changes you'll be making. Allow them to ask questions but if they start to get into too much detail (as some directors are wont to do) gently guide them back to a higher level of discussion and handle their detailed questions offline.

It's important that your board understands the background of what is driving performance so they can properly place in context any changes that you are making in the remainder of the year.

Review your key initiatives for the remainder of the year

Most likely, you will be continuing some initiatives and revising others and starting some new ones. Take the time to clearly and succinctly describe what you are planning to do and why. Rely on your previous description of what is working and why to provide the context that your board needs to understand your plans. I've found it best to summarize this topic in one PowerPoint slide that I can use for reference in future reviews and board discussions.

Define performance expectations for the remainder of the year

After you have reviewed your key initiatives for the remainder of the year, translate these into the measurable performance commitments you make to the board. It is also very helpful to review how you will track performance vs. plan and the key milestones against which you will track progress.

As you conduct this review, the crisper and clearer the presentation, the better the probability that your board will understand and support your plan. They may question and probe your rationale. At times, this may seem like a critique but hopefully, they are asking the questions to improve their understanding and knowledge.

How Are You Doing?

Board Updates are also a good time to review your overall board communication. Here are some questions for reflection to ensure effective board communications.

- Does my board understand what I plan to do and achieve in the remainder of the year?
- Do they agree with and support my strategy and key initiatives?
- Do I know what concerns my board has and have I addressed these concerns adequately?