



How to build a better board pack

by



Julie Garland McLellan
for BoardPro © 2024



www.boardpro.com

Introduction

Company secretaries and CEOs are the main points of connection between the board and the business. Board packs are probably the greatest communication tool they possess for giving the directors what they need to make better decisions. Yet pulling together the board pack is often something that is done almost by habit, following on the traditions of yester-year, rather than a considered strategy to improve the transfer of information.

Here are some ideas to help you decide if your board pack is doing you justice, and – if not – what you might change to seek improvement.



Where to start

The obvious starting point for design of your board pack is the **annual work plan or board calendar**. This will provide the list of items that the board must decide, discuss, or note before the following meeting.

The next place to look is the list of matters arising from previous board meetings. This will provide the list of items that the board may have asked to have reported or prepared at the meeting.

Ideally you want to look at these two lists before the meeting prior to the one that you are preparing the pack for. This will allow you to commission writers for the necessary papers that will form your pack with sufficient time for them to be briefed and do a good job of writing, quality assuring, and submitting their papers into the pack for collating on time. If the board ask for a paper to be prepared for the next meeting, you can always manage one paper at short notice; you don't want to be managing 6 or 7, especially when they were easily foreseeable inclusions on the agenda.

Where to start

There are three principal ways to structure your board pack:

- In the order in which items arise on the agenda for discussion
- In an order that places like papers together – grouping decisions, discussions, and noting papers
- In an order that considers the importance of each item and the relationships between each of the items

Each structure has its own pros and cons.



Agenda order

This arrangement of items in the pack best suits directors who read the pack from start to finish. It is conducive to directors scrolling or leafing through the papers to keep pace with the meeting as it occurs. If your board uses a consent agenda be sure to place those items at the end of the meeting rather than at the beginning so as not to stultify the directors by reading a tranche of noting papers before they settle on the more engaging strategic discussions or decisions.

Creating the agenda and ordering the pack to follow it allows grouping of items written or verbally extended by people who only attend part of the meeting, avoiding the need for them to pop in and out like cuckoos in a clock.



Be aware, when you create the agenda, of the likely energy that the board members will have available to focus on each discussion. As a general rule the individual directors may start the meeting relatively energised but not focused as a team and should finish the meeting less energised but still focused. In the middle of the meeting when the board is both energised and focused, it is the best place for difficult discussions or decisions whilst the ends are better suited to routine items.

Consider, also the placement of comfort or meal breaks and external guest presenters. Sometimes it is better to place a shorter item in a place that allows the board to fit it in before or after an interruption to their working sessions than to place it where it logically fits. Agenda creation is as much an art as it is a science.

Packs created in this fashion are less suited to directors who wish to concentrate their efforts on the more important papers and read the items in order of their importance.



Like groupings

This arrangement of items in the pack is designed to maximise the energy and focus of the individual directors as they read their papers. Research suggests that most directors start reading their packs at the front and continue reading until they reach the end.

Ideally the decision papers will be placed at the front of the pack where they will likely be read first. This allows the directors to read these papers earliest and thus have the greatest amount of time available for conducting their own independent, diligent, and specific inquiries into the decisions they are making.

This grouping pattern also has the likely effect of placing the more important papers at the front of the pack and the less important papers at the back. I say 'likely' because some strategic discussions are more important than some easy decisions, and some matters that boards are asked merely to note may contain information that suggests problems or opportunities that could be important if the board focused upon them.



Relativities

The final way of ordering your board pack is to place items in a logical order that places the most important (and often longer) papers at the front of the pack, regardless of whether they are for decision, discussion, or noting. If the order is known before the individual papers are commissioned it also allows information gleaned from earlier papers to be remembered – rather than repeated – in later papers.

One common practice is to place the CEO report at the front of the pack as it will provide a strategic context for all the papers that follow. Thus, for example, before making a decision on whether to invest in something the board might read in the CEO report that the organisation is performing strongly compared to the budget and that funds are readily available.



How to avoid repetition

If you know, before you write the final draft of each board paper, where it will sit within the pack and what information will have been provided in earlier papers, you can cut out repeated information and merely hyperlink to it if it is relevant to decisions or discussions based on later papers. This ensures consistency, reduces the likelihood of incoherent data sets, and reduces length.

For example, writing a paper about sales strategies, is much easier if the author knows that the CEO report has been read earlier (or is located closer to the front of the pack) and they can refer to the historical sales performance within that report rather than recreate it within their paper.

How to control the overall length

Research¹ suggests that directors allocate between three and six hours to reading their papers, regardless of the length of the board pack. This correlates well with anecdotal evidence that directors are more likely to miss key facts when the papers are long and those facts are obscured by other information.

The maths is simple, if directors read a 300-page board pack in six hours they are reading 50 pages per hour or roughly a page every minute and fifteen seconds. If they read the same pack in only three hours, they have less than a minute (45 seconds) per page. That is not a prescription for careful attention to details or clear and accurate retention of the facts.

If shorter packs are more likely to be read carefully and recalled clearly to support good board discussions and decisions, then shortening the pack is a necessity, not a luxury.

Management will be familiar with financial budgets, where a fixed amount of dollars are allocated to a given project or activity. Applying the same concept to pages in the board pack can yield good results. Just as some projects are given bigger budgets, so too can some papers be accorded more length.

1. Maximilien van Gaver, Board Intelligence, 2017



Page budgets allow the company secretary, or CEO, when designing the board pack, to consider the relative importance of each paper, compared to others in the pack, and commission writers with a 'budget' of the relevant number of pages. This will result in a pack with an overall length of the desired number of pages and with individual papers that are constructed in the appropriate perspective. Any information that management want to convey (for example; relevant background for newly joined directors, or additional information for directors who are keen on certain topics) can be provided separately – as something that does not need to be read but that some directors might like to read – either in a separate communication or in the resources area of the board portal.

If you are still confronted with a mountain of information that cannot be conveyed within a reasonable number of pages then you may need to heed the recommendation of the presiding judge in the 'Centro case'² and either:

- **Review and update delegations so that more can be decided by management and less comes to the board,**
- **Hold more meetings so that each meeting has an appropriate amount of reading that doesn't overwhelm the directors,**
- **Provide the papers a greater time before the meeting so that the directors have more time to thoroughly read and understand them.**

An added benefit of page budgets is that authors tend to be more thoughtful when they have to produce a tightly written narrative that explains what they are thinking, supported by clear charts or tables, rather than allowed to ramble across reams of paper.

². ASIC v Healy (2011) 196 FCR 291

How to write clearly and concisely

A good pack is made up of individual papers that are written clearly and concisely to convey the required information in a logical and simple manner.

A good tip for writing succinctly is to limit excessive use of adjectives. Using unqualified adjectives, such as ‘rapid’ growth, can cause different interpretations if management and the board have different ideas on what ‘rapid’ growth is and whether the speed of growth is appropriate for the organisation’s risk appetite.

Board-paper authors should write in the active voice, keep sentences short, and avoid complex language or jargon. Passive voice is guaranteed to create length and to reduce clarity. In particular, this grammatical structure allows papers to mention things happening but not the causes and is frequently associated with a culture of avoiding accountability. Training both authors and the people who put the packs together will usually result in shorter and better packs that are more positively received by the board.

Providing a glossary of technical terms, acronyms, or words that have a special meaning in the business’ context will help directors. This can, as with additional supporting detail, be placed outside the pack in a location that directors can access if needed.

A good tip for commissioning is to ask the authors of each paper to write as if they were having a conversation, rather than writing an essay. This inevitably reduces the amount of ‘filler’ words such as ‘thus’, ‘therefor’ and abominations such as ‘hereinunder’ or ‘pursuant to’.



A unifying theme

Some boards have adopted the practice of creating a theme or focus for each meeting on their annual work plan. This is a very handy mechanism for helping the people creating the papers to write around a central unifying concept that gives coherence to the pack as a whole.

Having meetings that are expressly designed to serve a main purpose allows the pack coordinator to set appropriate page budgets and brief authors of individual papers. It also allows the board to focus on their desired strategic governance outcomes and to feel comfortable if matters are not covered in one pack because they know they will be covered fully in a subsequent pack.

There is no single 'correct' way to prepare or collate a board pack, just as there is not single 'right' strategy for any organisation to follow to success. The concepts in this paper should provide you with ideas that will help to create better board packs for your board.

If you would like to delve deeper into the concepts please consider the Writing Better Board Papers Master Class.





ABOUT BoardPro

Running an SMB or Non-profit board is often as complex as a corporate board, but you usually have far less time and resources! BoardPro is like magic – it tackles the practical needs of SMB and NFP boards like no other platform does. BoardPro guides you step-by-step through meeting workflows, automating the tasks that steal your time. Imagine recording a decision in your meeting minutes, and having BoardPro automatically add it to your decision register? BoardPro even handles late board reports with ease, taking away hours of manual re-work that often goes unnoticed. Governance is done in a way that's easy and refreshing; you have built-in minutes, interests and actions that link between meetings, and settings that help execute on quorums and voting. You're practicing good governance without even realising it! And BoardPro is so affordable. You can add unlimited people to your account. It's part of our mission to make governance easy for everyone.



www.boardpro.com