

Webinar Transcript

Developing your annual board work plan

Hi everybody, my name is Sean McDonald. Welcome to our webinar today titled Developing Your Board Annual Work Plan. My team today is Julie Garland McLellan, Steven Bowman and Graham Nahkies. I shall be your moderator in the background for the next forty five minutes managing the Q and A and the chat as it comes through.

But firstly, thanks so much for attending today. We always appreciate the effort you make to be here for our live webinar events. And during the session, if you have any questions, which we hope you will do, please try and use the Q and A button on your toolbar as against chat. We'll be answering these during our session and we'll try to get through as many of those questions as we have time for in the session. And finally, if you stay through till the end, which of course we hope you will do and as is very customary now for our webinars, we have a special treat for you.

By answering our really short one minute survey at the end of the webinar, you'll go into the draw to win one of our beautiful gift hampers worth over four hundred dollars. Now for those not too familiar with BoardPro, we are a board software provider, sometimes called a board portal.

And we serve around thirty five thousand users around the globe and we are represented these days in around about thirty four different countries.

We enable organizations to prepare for and run their board meetings more effectively and efficiently with less time and deliver more impact and value for the organisation.

And as much as we are a board software provider, part of our wider mission here at BoardPro is to make the fundamentals of governance free and easy to implement for all organisations, but especially those organisations with resource constraints.

And one of the many ways we achieve our mission is by providing free access to hundreds of governance templates, guides and resources which you'll find funnily enough in the resources section of our website.

These webinars that we host every Thursday are also a great way of accessing really great governance knowledge without the time commitment and costs associated with in person events.

So for the next forty odd minutes or forty five odd minutes, just relax, sit back listen and try to add to the discussion by asking as many questions as you would like for the team. A full recording of the webinar along with the slide deck and the transcript will be sent to you twenty four hours after our session today.

So let me have our team introduce themselves starting with you first Julie.

Hi, hello and Kia ora and welcome to the webinar. My name is Julie Garland McClellan. It's written underneath my photo, so you should be able to work that out.

I'm probably known to most of you as the person who produces the Director's Dilemma newsletter.

And I spend most of my time working with boards and directors, trying to help them do the practical things that free them up to really spend their time on growing and building better companies. Over to you, Stephen.

Hi, everyone. Steve Bowman from Conscious Governance.

One of the things I really enjoy about these webinars is we get to share with you some of the best insights that we've gained from other boards that we've worked with over the many, many years we've been doing this. So look forward to sharing some of the tricks and tools of the trade that actually really work.

Graham.

Good afternoon, everyone, or if you're in New Zealand. Otherwise, you might be in the morning in some part of the world. My name's Graham Narkis. I'm cofounder of a governance consultancy called Boardworks.

I'm now in the phase of my career where I'm more in a support role, helping the transition to the next generation of governance advisers.

Thanks, team.

Back to you, Julie.

So excellent.

I thought I'd start with a short poll, Shaun is going to load up for you. And just see if we can find out what your problems are. Why did you sign up for this particular webinar?

Was it because you can't get through your meeting agenda in the time you've set aside for the meeting?

Was it because you have too many ad hoc meetings and circular resolutions appearing like a rash of measles all over your diary?

Or is it because you every so often suddenly find that there's a compliance deadline that you've almost missed and you have to do an absolute panic to get it? Was it something else that I couldn't think of? Or are you just here because you're a board pro webinar junkie ready for your regular governance fix? If that's the case, we're all delighted.

Okay. We've got fifty percent. So let's end the poll. There we go, Julie. That's on screen.

Okay. So most of you, too much on the agenda. You can't get through your meetings in the time.

Somebody in the chat popped in another question that they have too many things that the board has to sign off on because compliance requirements are pushing operational things up to board level.

Quite a large number of you just regularly turn up for tips on how to work more effectively and efficiently and some governance ideas.

And about exactly fourteen percent of you too many ad hoc meetings and circular resolutions or frequent panic stricken rush to meet compliance deadlines.

So really glad to see you all here.

Yes, people are saying no time for strategy discussions, we'll get on to that later.

Let's head to the next slide. And one of the problems we have, and I really sympathize with those of you that have typed in the chat, that there's just so much that now comes up onto the board's agenda.

The annual agenda for a board is getting more and more congested.

The things you want to do, like site visits, like quarterly reviews, like succession planning, tend to get crowded by the compliance, the reporting, site, risk reviews, all of those other things that crop up and distract you. And it can feel like you're running on a hamster wheel, can't it?

Company secretaries, I find, are generally better at dealing with this than company directors. Graham, what are some of your observations on this?

Well, I think one of the problems is we try and cram too much in because we're thinking about all these obligations that you've talked about, rather than having an investment focus where we've got very limited time, how do we invest that time to best effect to make sure that the Board is adding its value?

I like that investment mindset. Where do we get the best return from the amount of effort that we have available in our budget?

And I'm loving to see some of the people talking about what happens. Because on the next slide, I have a sneaking feeling a few of you have seen this.

Just too much on the agenda, you go rushing through all of the decisions and the sign offs.

Oh, yes, Lauren, I could not put everything on the slide. It would have been illegible, but there are so many things that you just have to do.

And I don't think it's a rare occurrence. A lot of boards feel like they're the only ones. Pretty much every board you talk to feels the pressure of that ongoing work and the difficulty of carving out the time for those deep strategic discussions.

Next slide, please.

So one of the first things I always suggest is to pick up on Graeme's great point and say, well, what are the things we can take off our agenda without harming our ability to deliver good quality across each of the ten essential functions of a board.

Stephen, what are your observations on these ten functions and the way in which boards deliver?

I think one of the things always with this is the quality of reports that are being put to the board that can either help focus the conversation and make it very time efficient or be absolute distractors because it's full of woah look how busy we've been sort of. So in all of these areas strategy and purpose, culture and value, stakeholder engagement the key thing for the chair and the company secretary and the CEO to determine prior to the board meeting is which are the three, maybe four really, really big issues that we've got in front of us for this board meeting. And from that, let's make sure we've got the time in there and anything that is a paper for noting or a paper that's for information should not take up any time so it's a matter of how you actually structure the agenda but also the biggest time waster in these meetings is the verbal reports that you see. This is a paper for noting CEO would you like to give us a quick recap of it?

So there's all of that and then when you're looking at the annual board calendar making sure that it fits the cadence of all the things that we have to do and all the things that we should do so that we have in advance notice of what the focus of that particular meeting is going to be. My view is that you shouldn't have a meeting that looks like the meeting previously. It should have whatever the focus is required for that particular point in time. Julie?

Yep, I totally agree and there's a lovely question in the Q and A about pre work and board papers that aren't up to standard.

One of my personal bugbears, I love teaching people how to write better board papers. But very, very important, this idea of either papers are delivered late or papers have been poorly written, so you have to have a verbal presentation at the meeting. Choose up time. It's one of the first things, if anyone allows me to chair, that I take off is, okay, I'm taking these papers as read. Who wants to open the discussion? Or the strategic issue here seems to be this. What do we think about it?

Do not waste time because all you're doing is training your people not to read their papers.

We've got to talk about the consent agenda coming up, so we might head quickly on to the next slide and talk about how you build that annual plan. And I think the first thing is rather than looking at your compliance calendar and going, okay, what do I have to do this month? What are the deadlines coming up? To actually start with a blank sheet of paper or for those of you who

are a bit like me, a blank new Excel worksheet, and put in the important things. We often use in strategy the analogy of rocks, sand, and water. The idea being if you've got a jam jar and you want to fill it up, put some your rocks in first, then pour the sand because that'll fit around the rocks. And then when the jar looks full, you'll find that you can still get some water in because it will fill up all the air spaces in between the sand.

There are a few boards where I might observe that taking the air out from underneath the directors' noses might be a very good idea, but that would be mean of me.

Build your annual agenda first by making a list of what are the important strategic things that this board chooses to do and spend its time on.

I can see Graham nodding because this is going straight to his investment idea.

Look, I love that photo that you've chosen for the slide, Julie, because the usual depiction is what you described, the jam jar, where the jam jar is completely full. I think what you've just led us to is the idea that we work out what the big rocks are, and that they can sit on the sand. The sand doesn't have to fill up all the interstices and fill up the whole jar, because we want to keep some time that's actually uncommitted for the unexpected conversations.

And I think that if you've got the big rocks, that's the whole purpose for an annual agenda exercise, is to figure out what those are to make sure that if nothing else, the board can leave every meeting having done something which really moves the organisation forward.

Yep, it's a great point. And of course, there is some sand that you cannot possibly remove from your jar and there is some sand that will trickle in during the year.

And what you have to do is make sure that it's the water that overflows, not anything more valuable. So really concentrate on what you've chosen.

Stephen, you often talk about choices.

One of the things that I've seen boards do really successfully is when they develop up their annual calendar, also allocate them to is this a compliance issue, is this a strategic issue, is it a risk issue.

So you know this is not the actual specific topic itself but you know we're going to review our strategic plan fine well that's a strategic issue. We're going to make sure that all of the attestations that we want to have our staff sign off are done at this meeting here. Okay so that's a compliance issue. So it makes it very clear then if you see in your calendar you know compliance is on every second item then you've probably got a bit too much of a focus on the compliance thing how can we simplify that and if you don't see strategy peering up much at all then you probably need to refocus on that so it's really been quite useful to see some of the calendars that people have put together where they actually allocate to the various, you know, your ten things of what a board should do, Julie, and it gives you a nice visual representation of is there any of these areas that we've just simply forgotten about.

Yep, and then the other I love colour coding.

It really helps you at a glance see where you are and where you aren't concentrating.

But the final point I really want to make is once you've said this is the level this board is working at, you must do what you say you will do. Directorship is a leadership position and if you read any of the authoritative texts on leadership, doing what you say you will do is the number one hallmark of a good leader.

Next slide.

Stephen is going to answer a question later on when we get to the consent agenda, but before we get there, really I find the annual plan, the more simple you make it, the better. Having a table with as many columns as you have meetings, plus one column where you put the topics, really is all you need to do. Then just put the dates and months of each meeting as a header, put your chosen activities into the appropriate meetings, And then each of those columns is now a separate jam jar, add your compliance obligations, your sand, then add your noting report and standing items, your water. And if possible, give yourselves a little bit of room so that your jar always has a bit of space for the things that come up. This is my preferred way of doing it. You can do it on a whiteboard if you want to do it together.

Or if we go to the next slide, I might ask Sean to come off mute and sorry, I'm going to show you first of all, this is what one of mine looks like.

Just very simple, each of the topics allocated to a meeting, so I can look at the meetings and go, Oh my goodness, look what's happening in that second to last meeting, it's overloaded.

And really think through how do I now handle those deals. If you want an even more easy way to do it, Sean, talk us through this one. This is a new one and there is going to be a special webinar coming up very shortly where you can actually log in and really learn how to do it. But Sean, give us a quick heads up of what you're going to cover in that.

So we have our brand new feature that we've launched into BoardPro, our annual Board Work Plan template builder. So when you come into BoardPro on the bottom left hand of your screen, you'll see the option to build your work plan. And as you can see from the screen here, you can create a blank work plan. You can import your existing plan from an Excel spreadsheet or a Word document, or you can use one of our AI built templates. So as Julie said, we have a webinar, a special product webinar next week, you'll all receive an invitation to just after the session.

I highly recommend you come along to that session to learn all about our annual Work Plan Builder in BoardPro.

Cathy said she's using it Good.

Great question. How do we manage the CEO to get papers issued in time for board members to read them?

The CEO reports to the board, not the other way around.

You tell them, you make that one of their key performance indicators.

Make it one of those keep your job key performance indicators.

Julie, I think the key thing there I think is to have a conversation with the CEO is that we don't want perfect information. We want to know what you know at the moment in time for us to be able to actually have reasonable interaction and conversations around it and in particular help alert us to the emerging issues. Even though you haven't got your head around them yourself yet, let us collectively look at what some of these emerging issues are that we really need to start taking a bit of a focus on.

To add to that, the annual agenda planning process alerts the Chief Executive to issues that the Board is concerned about that it's going to want the Chief Executive to pay some attention to.

Yep. And it alerts them months in advance. So it's not as often happens, a chair will say, oh, that's an interesting idea. Can we have a paper on that for the next meeting?

Because by the time the minutes are out and that resolution has turned into authority for management to divert time and energy, which are important resources, you are now three weeks ahead of your next monthly meeting.

That means they have got ten days to write and two or three days to edit and approve and coordinate and then they have got to send it out to you. That doesn't give them any time for thinking.

So the more you can plan ahead and if you do get these emerging issues, unless they really are urgent, ask for your paper for the meeting after next. Give your executives time, show them that you understand and that you want to give them time to make a quality product.

But you will find when you do your plan that there will be an overloaded meeting or a meeting that is overweight in one topic simply because of the way in which we report. If you are in Australia, you will find in August your meeting is heavily backward looking and financial sign off driven.

One meeting a year, you can cope. But when you find a meeting that is overloaded, don't just accept it and grit your teeth and try to get through it.

Make sure that you go back to your delegations and have a look and say, well, have we actually got these right?

Do we need to give more to committees?

Do we need to give more to management?

Do we need to create a task force to handle something?

If you can move it off the board's agenda so that it only comes back as a review or recommendation, you have saved yourselves a lot of time and effort.

If you can't remove it from your agenda, can you move it to a different meeting?

Bring things forwards in time that usually causes less trouble than moving things backwards further into the future.

But if you can, you can smooth the workload. And the only way you can smooth the workload is to get that long term view across how it's playing out. And if you can't do either of those, schedule another meeting.

And the important thing is this is not an ad hoc meeting. This is a meeting that is in your annual calendar months in advance. Executives can prepare for it and write the papers and generate the content because it's not something that just happens and in a few months, a few weeks or even days, you're sitting down having the meeting. This is a scheduled meeting, but it's in between your regular meetings. And it also means that it should go into directors' diaries so you don't find yourselves trapped in doodle poll hell. I'm sure we've all been there.

Julie, can I add something to this? I think one of the unsung benefits of having an annual board work plan is the directors can actually plan around it.

And often what we hear in the governance reviews that we do is that the one thing that really annoys directors is when meetings get changed because someone couldn't make it. Yet they've organised the kids, they've organised their holidays, they've organised everything around this cadence of meetings. So just be aware that when we set an annual calendar many directors take this very seriously and shift their lives around to accommodate it and so if we were to change anything in that it has to be done with a forethought and not just because it doesn't suit a person.

The other thing I would say about the annual calendars too is it's a fantastic way of double checking whether or not we've got the cadence correct between our board committee meetings and the board meetings themselves.

To this day we still find committees that meet an hour before the board meeting because everyone's there which gives absolutely zero time for any sort of reflection or the ability for that committee to provide information to the directors so they can assimilate it and make sense of it all. So it helps us actually get the cadence right between committee meetings and board meetings and so good this is one of the best tools to actually help us get that going. Julie?

Yeah, important scheduling your committees ideally you want all of your directors able to access the papers for all of your committees So if you have somebody who's really excited about a

topic, but they're not on that committee, let them knock themselves out reading the papers. But you want after the committee has deliberated the information from the committee in the form of minutes to go to the board in their regular next board pack. So that means you've got to get your minutes from your committees out smartly and quickly so that they are ready and available for inclusion in the board pack. And I also still like to see a bit of space for the committee chairs to give a quick verbal report on items of interest, which might not necessarily be the biggest items on in the minutes, but which are important items for the board to be aware of. So really think through how does my whole schedule stack up? Does it reinforce and strengthen my governance? Or does it subtly undermine it?

Just a great trick of the trade here is with committee, with board committee minutes, it is really, really good practice if the chair of that committee gets the committee to agree on the one or two items that are worthy to elevate to board level. The best committee minutes I see are where you get access to the minutes as a director, but at the end of it, it is here are the items to be elevated to board discussion or decision. And so you can immediately go through to those two items, see what that committee has said this is worthy of Board time and then you can read through the committee minutes to see the supporting stuff that went to it. But in the end, all the Board needs to talk about is those items that that committee wanted to bring to the Board attention. Julie?

We have some great questions that have come in.

We do.

Can we jump onto those?

Can.

Melinda, I'll get to the consent agenda. There is a slide on consent agenda. So, we'll get to that. And in fact, there's going to be a whole webinar on consent agenda. But the answer to your question is yes.

Susan, how long should you allow on the agenda for board only time? As long as you need.

You should know what's going on and or your chair should know what's going on and how long it's likely to take.

And with policy reviews, I really don't like seeing the board have the briefing and the tracked changes. I like to see the board have here's the proposed new policy. It's been through this committee and their rigorous process. You can see the papers elsewhere if you want to go into the committee papers and read them.

Are there any questions before the Board moves to either approve or amend and approve or totally reject this policy?

The other thing I've seen work really well is here are the two key items that have changed in this policy, if there are any, so that you can alert them to rather than having to do a match against the old one and the new one.

One question from Rob in the He says, do you have tips for helping an executive or CEO prepare material for boards that speaks to their perspective risk strategy compliance rather than a report on simply activities? Steven, do you wanna tackle that one?

Yeah. I mean, that's a fantastic question because in the end, understand who the audience is. The board isn't interested how busy you are. They're interested in what are the things that we need to know that will help to help us actually create the future.

So the best way of looking at that is, for example, with the CEO's report. In that CEO's report, what are the two items that's worthy of board time that they either need to discuss or make some sort of decision? And then you pull a separate board discussion paper or decision paper out from that. If you have committee meetings or if you've got the worst ones I see are all around to do with marketing, so you get a sixty page marketing report.

Don't put that in the board pack. What are the two key items as directors we need to know about? Here's a link if you want to read the whole paper but as staff we're alerting you, we're giving you access to our wisdom and our insights. Here are the two big issues that is worthy of board time focus on.

Julie?

Sure. And I've got another suggestion for Rob too, and that is have a look at your strategic plan because dollars to doughnuts, that plan is expressed in terms of activities, not about impact. So if you want your board focusing on and your own reports focusing on on results, then that should start with the strategic plan being expressed in those outcome terms.

Well said.

Yep.

And if you really need help, Google, there is a McKinsey article on outcomes, outputs, activities and inputs, which are in descending order of board excitement.

Boards are interested in what's the outcome, not the short term output, definitely not the activities. And they've already signed off on the inputs in the budget. So unless you're asking for extra money for an unforeseen activity, don't bother. That would be my advice.

A YouTube video by Roger Martin that describes why strategic planning is an oxymoron.

Yes.

What is it they say? Strategic plans are useless, but planning is very important.

You can just Google it, Sharon, you'll find it. If you don't, send me an email. I'm on LinkedIn, you'll find me. So themed meetings. I really like organizations that set aside certain meetings for certain themes.

Some boards have special purpose meetings.

CBA, which is the biggest bank in Australia used to have a process, I don't know if they still do, because the board members are being very well behaved and they won't answer my specific questions about how their agenda is structured. But the last time I did get inside info, they had a board meeting where they did a normal board meeting and then the next month they had what they called a strategic board meeting, where they had half an hour for sign offs and decisions. And the rest of the day was spent looking at things like the impact of AI, the societal impact of closing rural branches, all of those things that they wanted the board to develop a shared board view of.

And the rule they had was quite tough that they would try desperately not to go beyond half an hour for the sign off and then the rest of the meeting wasn't even a board meeting, it was a board strategy workshop.

You can add a consent agenda to your meetings. That is a wonder. It's like a time machine. It just takes time and injects it right back into the part of your agenda where you want the strategic discussion. And it takes it away from all of those nitpicky areas that a good diligent board, if you give them papers, will read the papers and be prepared to discuss.

But there's no value in that discussion. So take Graham's great advice, put those items into a consent agenda. I think it's the ninth of April we have our consent agenda webinar coming up.

So if you want to know everything about consent agendas, that'll get you started.

But really important, I love themed meetings, particularly if your strategy has key focus areas or specific objectives that you can dedicate quality Next slide.

And the upshot really is to look and here is a standard template. Steve and I think this might even be one of yours.

But as you can see, it's got my delight, the color coding. It makes sure that you've got clear areas for discussion, clear areas for decision, at a glance you can see what you're doing. And was it Liz or Lisa in the chat? You will see that they have definitely covered a session.

Don't let that get crowded out by other things. It is vitally important.

It was an interesting question about board only time. How do you make sure you've got time to have this board only time?

Julie you may talk about this later on but in many of Julie's boards for example she has one at the start of the meeting and one at the end and that way at the very least you know that you're

going to get one of them in there rather than running out of time at the meeting. Board only time is a separate conversation for a separate time but yeah the really good boards these days are starting to either have it at the front or have it at the front and also at the end, but there's a different purpose behind both of them. Julie, back to you.

Yep, quick question Fiona. The yesno is whether there's a presentation or a member of management present to answer questions on the item.

So it just tells again, it's another little way of alerting directors that we want you to talk amongst yourselves and staff will listen or we want you to talk with a member of staff so that we get that information transfer across the board staff divide.

It's another way of helping people prepare mentally to be the best that they can in being effective directors in this meeting.

Next slide.

That is me.

That, that is you that has given us a massive quick run through. It's very unlike me to finish on time.

What do we say guys? Should we go and answer Liz and Lisa's and Anonymously's questions?

Much fun. Let's do that.

Yes.

Judy, can I start off and answer Michelle's question part?

I think we touched on policy briefly before, but to delegate effectively, a Board has to do pre work, and that's creating a framework within which people can then safely apply the delegation. And not only that, there are great opportunities for boards to leverage their time if they have done the policy work. A really simple example is it's very easy for boards to get bogged down in budgets.

You know, line by line tedious stuff, regardless of the materiality of the line items and all the rest of it. If the board would only adopt a budget policy and set the criteria for approving the budget in advance, they could then delegate all of that detail and just check that the proposed Budget is consistent with the objectives that they've set.

Yeah, that's a great point. I love using Ram Charran's model from the boards that lead book, where he says carve out these are the areas that the board will lead. These are the areas that the board and management will do together. These are the areas that management will do and the board will monitor. And these are the areas that the board should just get out of the way.

And that is a really good way of thinking about your delegations. And as I say, if you give a group of directors a detailed line by line budget, they are going to go through it and think about it and worry about every single item because that is our job. We have a legal duty to make specific diligent and independent inquiry into the matters in our papers. And if you've got any directors who aren't doing that, that's pretty sad.

Special offer from BoardPro.

Yes. You can't miss this one.

You can't miss this one. If you hit our website boardpro dot com, you will see this one straight in front of you. So we have a really special offer for March.

As is usual for our March promotion, we have a fifty percent off for any BoardPro subscription plan. So I highly recommend you jump on and take advantage of that particular opportunity. If you're looking or considering board management software for your organization, March is the time in which to consider that. Now, as I mentioned before, have our special product webinar.

It is on the eleventh of March, same time. Eleven am Australian daylight time and one pm New Zealand daylight time. It's introducing the new work plan feature. So I highly recommend you attend that particular session.

You'll receive an invitation just shortly after the session today.

You shall receive an email from me. It'll be tomorrow now, will include a recording of today's webinar, includes the transcript and the presentation slides along with the templates that we talked about during the webinar today. They'll also be hosted in our webinar library on our website within the next forty eight hours. So again, if you are considering board management software for your organization, we'd love to hear from you. Better still, why not try our thirty day free trial program. It's really simple and straightforward. You don't need any credit cards to get started.

Thank you again for attending today everybody. Really appreciate the time you spend with us. I hope you enjoyed the session with Stephen, Julie and Graham. Thanks again team. I really enjoyed the conversation. I look forward to seeing you all at our next webinar next Thursday everybody. Have a great day.

