Off-Sites for Highly Sophisticated Boards

The annual board offsite is a critically important event in the board calendar. Yet increasingly, a line-up of executive “report out’s” and “talking heads” invited to offer industry or governance experience leaves sophisticated board members, frankly, yawning. The key to a successful board offsite is to ensure that it has at least some components that are highly engaging and interactive – that produce really useful outcomes on critical board issues. If you’ve got a sophisticated and experienced board, this is the place to leverage that expertise. Corporate secretaries and Board Chairs should consider three key areas, from which it’s nearly always useful to select one for the off-site agenda. Here they are:

a) **Board Engagement in Strategy** - Strategy is the focal point of most annual off-sites. Far too often, however, the offsite itself consists of presentations by management followed by “reaction” from the board and fails to really leverage any of the expertise resident at the board table. The key to getting more value from the board on strategy issues WITHOUT having directors usurp the CEO’s prerogative in determining the company’s strategic plan involves pre-work with the board before the offsite begins to understand where board members may be lacking information about competitors, industry trends, etc. and what their views are on strategic threats and opportunities. It doesn’t take long, nearly always yields important insights and sets the stage for robust strategic discussions at the offsite, itself, that productively harnesses the talent and experience directors can provide. Some say it’s a better investment than strategy consultants!

b) **Creating a Board Plan** – Very few boards have a plan for their own development, but those who do find it invaluable. We’re not talking here about whisking directors off to a governance conference. We’re talking about standing back to consider various aspects of how the board is actually working, issues that are and should be focused on in the coming year, identifying ways where the board could be even more effective - and developing a plan to make all of those things happen. Doing this right also involves pre-work, typically a discussion with each member of the board and every member of the senior executive team around the eight components of board effectiveness far in advance of the offsite, itself. From this, a working session can be created that is far more impactful than a traditional governance presentation on best practices; this session focuses on YOUR board. It’s tailored, meaningful and impactful. It’s also a lot of fun and a great team-building exercise.

c) **CEO and Executive Succession Planning** – Board off-sites are a great opportunity to spend quality time on these critical issues. The focus may differ depending on the age of the CEO and the expected timing of a transition event: With a younger CEO, it may involve development or review of a “hit by a bus” plan. Later in the CEO’s career, it may involve development of the roadmap for the board to use in navigating the succession process over a 3-5 year period. Or it may involve a robust discussion of the criteria for the next CEO, reflecting the company’s strategic objectives, business model and culture. Although there is typically one board committee that takes the lead in CEO succession planning, the choice of Chief Executive Officer is such a critical issue that every member of the board needs to be engaged on certain aspects of it. The annual board offsite is a great place to make that happen.

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**Board Advisor LLC** offers our clients the thought-leadership, sophistication and passion that comes from working with over 125 boards over the past 17 years. Our latest book, *Great Companies Deserve Great Boards* (Palgrave MacMillan, 2011) was named Governance Book of the Year by Directors & Boards magazine and received numerous other accolades. If you’d like to start an informal discussion with us about your 2014 Board Offsite, please email Beverly.behan@boardadvisor.net or check out our website: www.boardadvisor.net.