



Valuable Advice from Workshop 2

From Strategy to Results: Building Effective Boards and High Performing Organisations

Held on Wednesday 6 August 2014

Kerri Dewe, Principal at Lowndes Associates, opened the second workshop of the 2014 Business Intelligence Series – **From Strategy to Results: Building Effective Boards and High Performing Organisations** held on 6 August 2014.

Tips for effective boards

Anne Blackburn, an Independent Director with a wealth of governance and leadership experience, spoke of two connected economic shifts: the global financial crisis and the movement of the centre of economic gravity from west to east.

When Anne worked for Barings Bank in the mid-1990s, she saw first-hand the effect that a self-interested, uninformed executive committee had on the failure of that bank and the wider UK banking sector. Widespread, poor corporate governance was also undoubtedly a major contributor to the GFC according to Anne.

Anne offered the following tips for effective boards:

- Reprise the objectives of the board at the opening of each board meeting;
- Prioritise strategic decision papers over operational papers;
- Actively and regularly review the board's existing model and composition:
 - Recognise that different skills are required at different stages and board reconfiguration may be required;
 - Ensure that each board member can explain the actions of the board in lay terms – the board's responsibility is collective and it cannot therefore abdicate responsibility for technical matters;
 - Maintain a board composition which encourages high quality debate, challenging conversation, and regular review of board members' suitability and experience;
 - Enhance director training and implement individual director self-assessment; and
 - Consider the chemistry between the various personalities on the board – an effective board will be one where the members trust, respect and challenge each other, and where ego is absent.



to work on, or seek out independent expert advice on, building and maintaining a relationship with Asia. Anne strongly feels that New Zealand's future and fortune are connected with Asia.



Kerri Dewe, Chairman, with (L-R) Anne Blackburn, Ant Howard and Sina Wendt-Moore.

Diversity

Sina Wendt-Moore, Chief Executive of Leadership New Zealand, has experience in a range of different sectors, including on many not-for-profit boards (including Leadership New Zealand) and in the public health sector. Sina spoke about the need for boards to have a strategic approach to diversity to bring about effective results.

New Zealand is constantly changing, becoming more and more ethnically diverse with an ageing working population, all of which leads to diversity of thought. Sina believes this diversity should be reflected in positions of leadership and around the board table, allowing the interests of shareholders, customers and workers to be better represented. Sina said that a board where every member thinks the same cannot be as effective as a board whose members bring different views and leadership styles to the table.

Sina noted that her experience shows that boards in the not-for-profit sector have realised that to have an effective board, a passion for that not-for-profit organisation and its cause is not enough - the board must include people who are also technically skilled and experienced.

Relationship between Board and Executive

Ant Howard, Director of Howard & Company, was the final speaker. Ant noted the importance of strengthening the relationship between the board and the executive to make the board more effective. During the later panel discussion, Ant noted that it was always worrying to hear an executive wonder how they would get something “past the board” – all parties need to be working together and with a common goal.

Ant referred to the sports team analogy commonly used when referring to teamwork and leadership. Ant noted however that, when used, the analogy often misses the concept of a coach - the coach of any team being critical and essential to its success. Ant explained that, in practical terms, the role of a coach can be to provide independent evaluation of the board, its operation and performance. Ant added to Anne's earlier comments about there being no place for board members' egos around the table, noting that a coach can help by assisting board members to evaluate their own performance and ensure their behavior is in line with board strategy, commitments and expectations.

Ant agreed with and echoed Anne's comments about ensuring the composition of the board was right at any given time, considering the skills and experience required at any particular stage of an organisation's development. Ant said he had experienced great satisfaction resigning from boards in the past when he knew that he had been appointed for a particular purpose and delivered the desired outcome, rather than staying on when another person may be more appropriate for the next steps of that organisation's growth, and encouraged others to self-evaluate and do the same on a regular basis.

The session concluded after Kerri Dewe thanked the panel participants and sponsors of the second workshop of the 2014 series.



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