

boardinsight:

Would your board benefit from evaluation?

Why carry out a board evaluation?

Does your board have a clear and shared sense of its role? Are you aware of its strengths and the areas it might need to work on? Do you have a clear way forward for the board's work over the next year?

These are some of the reasons for carrying out board evaluation. It's important to keep the focus on continuous improvement. Think of it as you would carrying out regular appraisals of your staff – you would always want to make sure this was done and followed up.

What benefits can you achieve?

A good board evaluation

- Re-focusses you on key priorities and helps you manage the time you spend on these and other issues
- Helps you make sure that your board composition is optimal and that everyone is contributing effectively
- Saves you time and promotes greater efficiency through streamlining board processes

If the evaluation is externally facilitated it:

- Ensures you benefit from knowledge of the latest best practice and stakeholder expectations
- Provides the assurance of an independent external perspective

How do you ensure you achieve a positive outcome?

It's important to discuss the reasons you are doing the evaluation with the board and to make sure that all directors are happy with why and how it is being done and the expected benefits. Keep the exercise in proportion to the size and scope of the company. Think about the time and budget you are prepared to devote to it. If some directors have reservations about the exercise start small. You can always build on your first exercise next time.

Agree confidentiality parameters. Who will see questionnaire responses or the notes of discussion meetings? Will comments be attributed in the report (we recommend not). Will a point one director makes about another be fed back to him? (ditto). Set out your agreement on these points in writing in advance.

Approach the exercise constructively. You are aiming to agree ways the board can work better and smarter, not carry out a witch hunt. Recognise that all boards have scope for improvement and that this should be evolutionary.

What is the best way to go about it?

Either do it yourself, with the Chairman, SID or Company Secretary running the process. Or bring in an independent external facilitator. Either way, make sure both people and process issues get a thorough airing.

If you use questionnaires recognise that even the best ones are unlikely to elicit as much information as a discussion or workshop (which we prefer). Individual discussions with the internal or external facilitator are likely to get the best result but require time and resource. A facilitated workshop can bring out a wide range of issues and lead to an agreed view of the board's strengths and priorities for development over the coming year.

However the work is done, the aim is to end up with an agreed Action Plan of practical points to take forward over the following year which will help your board give the best possible leadership and support to your business.

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