



Practical guidance for a new board director

Joining a board of directors, particularly for a first-time board member, can be a daunting experience. A boardroom setting can initially be very intimidating particularly where the board is composed of senior experienced individuals who in many cases are well known at either a local, national or international level. In the case of an executive in an organisation who has been promoted for example and asked to join the board, there can be some additional pressures of wanting to make a strong start while balancing the new challenge of being part of both the executive team and the board team.

Progressive boards and experienced chairmen recognise the key need to help a new board member so in many cases they would have either a formal or semi-formal board induction programme whereby the new board member would get specific supports over the first 6 to 12 months to help them settle in effectively and contribute to the board. In many cases, this would involve an experienced board member acting as a mentor to the new board member.

A recent best practice that is growing internationally for a new non-executive board member is whereby the Chairman & CEO organises for new non-executive board members to spend time in a number of different departments to get a first-hand understanding of what the organisation actually does, how it delivers value to its customers and to get real valuable insights from the organisation employees. General Motors have had a practice of bringing board members out to their design facility to enable executives take the board members through all of the steps and stages in product design, from the blank sheet of paper to the production line.

This was followed by test drives on performance and city tracks with product specialists in the passenger and rear seats answering questions on primary consumers for each vehicle, which geographies, key competitors etc. This is part of a broader trend whereby companies such as Procter & Gamble regularly bring board members to distant geographies to meet with actual customers. I would strongly recommend these best practices of genuinely enabling each board member to understand at a very practical level how the organisation functions and delivers value to its customers.

"However in many cases, there isn't a formal board induction programme and so it's important that you take a well thought out approach to ensuring you get up to speed in a timely manner and begin to make an effective contribution at the board."

For a non-executive director coming in to an organisation who may not have had a strong understanding of that organisation, it is extremely important to schedule individual meetings with both the CEO and the chairman to understand where the organisation and the board is at, key current priorities, overall strategy, key current challenges, areas of risk & concern. As a practical first step in helping to get up to speed and prepare for your first board meeting, I would request the chairman to provide you with the board packages for the last 12 months and any key overall strategy presentations etc.



This will enable you get a detailed understanding of the board's activities over the last 12 months on an overall basis as well as a detailed view of how the board handles key areas of strategy, oversight of executive team, decision-making, risk etc. For a new non-exec board member, it's particularly important to invest the effort to ensure you have a current comprehensive understanding of the market environment the organisation is operating in, key trends, competitive forces etc.

You are now part of this board team and it's important for you to build an understanding of and relationship with your fellow directors. In particular understanding their background, professional style and manner of engagement at board meetings will help you integrate into the team. Following on from your initial meeting with the chairman, it is important to engage with the chairman to help benefit from his/her experience of how best to contribute to this specific board. At the board meeting, it is vital to listen extremely carefully and over time, have the confidence to make sensible appropriate contributions (ranging from asking specific questions to providing input on key areas)

"For many new directors, they can naturally be hesitant about specifically asking questions and raising key issues but over time, you will need to justify your value to the board as a high-quality board member who is genuinely contributing to the effectiveness/ performance of the board and bringing your A-game to each board meeting on behalf of the shareholders you represent."

Kieran Moynihan is the managing partner of **Board Excellence (www.board-excellence.com)** – supporting boards & directors in Ireland, the UK and internationally, excel in effectiveness, performance and corporate governance.

Think your board could benefit from our services and expertise? Get in touch today to see how we can support your board excel for its shareholders, employees and stakeholders.