

# How to be a valuable board member

by Eileen Cole

**The compelling value and experience you as an accountant can bring to a board team.**

Accountants in Ireland are much in demand as non-executive board members of large companies, SMEs, and non-profit organisations with the latter ranging from charities to the local credit union. It's easy to see why – accountants typically have a wide range of skills that are fundamental to creating and maintaining a high performing board team.

Based on our experiences of supporting board teams across different sectors in different countries we have found consistent **key characteristics in high performing board teams:**

- The highest levels of trust and performance culture – every single board member “bringing their A-game” to every meeting, making a very strong contribution as part of a genuine board team;
- An outstanding partnership between executives and non-executive directors – balancing high levels of robust quality challenge, debate, oversight with significant value being added by the non-executive directors;
- A high level of engagement between the board and the CEO and executive team, demanding high-levels of accountability, openness and engagement with the board. Working with the CEO to leverage the expertise and independence of the non-executive directors;
- Concentration on “high-gear mode” focused on strategic areas, capable of identifying and grasping strategic

transformational opportunities and not prone to diving into the weeds; and

- Every board member supporting the chair in enabling a high-performing board team.

So, what transferable skills do you as an accountant bring to the board table and high-performing board team?

Accountants are seen as professional, ethical, trustworthy individuals who add-value through your professional knowledge. You are seen as strategic advisors who provide direction and advice based on your knowledge and experience. Let's explore how these skills can support a high-performing board team.

**The highest levels of trust and performance culture – every single board member “bringing their A-game” making a very strong contribution as part of a genuine board team.**

Mutual trust and respect around the board table are key to a fully functioning board team. Every board member should show up to each meeting fully prepared and ready to contribute constructively to the challenge and debate during the meeting (and in between board meetings as required). Respect for the contributions of the other board members and the executive team promotes a strong culture of active participation. As an accountant you either manage a team or are part of a team and you will appreciate

that a weak or lazy team member impacts on the performance of the entire team. You can set an example by bringing your A-game to each meeting and demanding the same from other board members if they do not make a full contribution at the board meetings. Generally, this is achieved by your performance at the meeting combined with the chair demanding the same level of contribution and performance from any board member who is not fully engaged.

You are also skilled at identifying and managing conflicts of interest which is a critical area demanding openness



and trust amongst board members. Your professional expertise in this area would be a useful addition to many boards, especially those in the non-profit sector.

**An outstanding partnership between executives and non-executive directors – balancing high levels of robust quality challenge, debate, oversight with significant value being added by the non-executive directors.**

It takes time to build up a partnership of trust and respect between executives and non-executive directors, but you are likely to be already part of a team and can see the benefits of a strong bond of trust amongst team members. This trust partnership at board level will be built on the preparation for and the openness and honesty during the debate and challenge around the board table where each will push the other to ensure that the board has all the information it requires to make the best decisions for the

organisation.

The very nature of your work as an accountant means that you are used to dealing with large volumes of confidential information. You can process information and focus on what's important to enable the board to reach a well-reasoned decision by contributing actively to the debate around the board table.

There are two main areas where the board can add significant value for the organisation:

- **Strategy**
- **Crisis management**

Many boards have difficulty in limiting their focus on operational matters to the level needed to discharge their critical oversight responsibilities. Your professional training has equipped you to clearly distinguish between operational and strategic levels of thinking and debate. This is a skill you can bring to the board table but in practice some accountants struggle with this area as they are very comfortable 'down in the detail'. It is essential that the board team develops the capability to understand the operational and financial performance of the organisation while at the same time developing a strong understanding of the factors outside the organisation that could impact on its long-term success.

It is key that the board is involved in the development of the organisation's strategic plan from an early stage rather than simply rubber stamping the final draft plan when presented to the board by the CEO and the executive team. Good management of the board's time allocated to operational and strategic matters goes a long way to ensuring early involvement in the development of the organisation's strategy.

The strength and support of the partnership in times of crisis can be a significant asset to the CEO and management team. We have seen in practice that boards tend to be immediately engaged and of practical

support where they have had a strong role in the development of the strategic plan which can also help to avoid a 'blame game' response.

**A high level of engagement between the board and the CEO and executive team, demanding high-levels of accountability, openness and engagement with the board. Working with the CEO to leverage the expertise and independence of the non-executive directors.**

A strong, open relationship between the CEO and executive team and the board is a solid foundation on which to build a high-performing board team. Such a relationship is based on high levels of accountability and integrity shown by the CEO and management team with the board members alerted to early warnings of serious issues. The board for its part focusses on discharging their oversight responsibilities and on the future direction of the organisation.

As a professional accountant you have forged strong relationships with your team members/ employees and employers/clients. These relationships are based on trust, openness and accountability and are fundamental to your success as a trustworthy professional. You are familiar with focussing not just on the financial matters that impact on the organisation but also on outside events that should be considered at board level. You have a strong sense of independence and an ability to identify matters of material importance. These are skills that you can bring to the board team to add significant value to the organisation in good times and in times of crisis.

**Concentration on "high-gear mode" focused on strategic areas, capable of identifying and grasping strategic transformational opportunities and not prone to diving into the weeds.**

A key differentiator between high-performing and average boards is the focus the former place on strategic areas and identifying strategic opportunities to “move the needle for the organisation”. The openness of the CEO and executive team and the quality of the board information model and information flows is critical to assisting the board in efficiently discharging their oversight obligations.

We have found that accountants tend to improve the information flows between the executive team and the board by ensuring that reports are relevant, timely and focussed on the areas that need board attention, thus allowing more time on the board agenda for consideration of strategic matters and avoiding spending time diving into the weeds.

The focus of the board’s attention on strategic transformational opportunities means that time is spent on researching and assessing how the organisation can identify opportunities that position it to adapt and thrive in a constantly changing environment. This focus demands that the CEO and executive team also look up and consider the opportunities and indeed the risks that could impact on the organisation.

### Every board member supporting the chair in enabling a high-performing board team.

We in Board Excellence believe that the quality of the board chair’s leadership of the board team is the biggest single factor which impacts on a board’s effectiveness and performance. However, the chair needs the support of each board member to achieve a high-performing board team.

As a professional you are used to working to the highest standards and either leading a team or being part of a team. You appreciate the value of the team working together to support the long-term growth of

the organisation and can bring this professionalism and experience to the board table.

Our board effectiveness and performance model below illustrates the ideal blend of director and board effectiveness to lead to a high-performing board.

### Board Effectiveness and Performance Model



### Summary

Excellence is not the default position of a board of directors, irrespective of the stature and CVs of board members around the table. One of the hallmarks of high-performing board teams is an ability for the board team to demonstrate consistently strong levels of high-quality challenge and debate which not only optimises the core functioning and decision-making capability of the board but builds sustainable high levels of respect and trust between the executive and non-executive board members.

As a professional accountant, you possess the skills to bring an outstanding work ethic, challenge, oversight and strategic thinking to any board you are part of and to assist the chair and the entire team on the path to excellence.

Board Excellence is a specialist board consultancy practice that enables boards, working as teams, and individual directors to excel

in effectiveness, performance and corporate governance. In this article, Eileen Cole, Partner in Board Excellence, considers the key characteristics in high performing board teams.



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Eileen is a highly experienced executive, board director and management consultant with an excellent track record over her 25-year career. She supports boards in companies, organisations and non-profits in Ireland.