Elements of High Performance Governance
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Presented by Spencer Stuart
and WomenCorporateDirectors Foundation
2016 Global Board
of Directors Survey
Conducted by
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Board As Strategic Asset

Board Survey’s Tell Us...

- “Not enough time discussing strategy.”
- “Too much time looking into the rear view mirror.”
- “Lack a strategic orientation.”
- Shallow metrics tracking strategy progress.


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Oversight and Risk

- “Quality” committees (or audit committees) expand to an “ERM”—enterprise risk management view of the organization.
- ERM committees are standard in high performance boards and generally track/monitor the top ten risks to an enterprise from cyber security to personnel retention.
- Starting out, the journey to ERM is approximately an 18 month learning journey for the board and executive team.

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Future Proofing Your Organization with a Strategic Rhythm

Future proofing is the process of anticipating the future and developing methods of minimizing the effects of shocks and stresses and taking advantage of future events.

Not a once a year event.

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Full Organizational Dashboard Tracking

- Financial performance.
- Risk (payers, compliance standards, org. ERM areas).
- Client / customer experience.
- Value based system—care team continuum performance.
- Organizational Culture and Engagement.*
- Innovation.
- Community citizenship [sustainability].

*“Culture eats strategy for breakfast”
Peter Drucker

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8/9/17
Enterprise Risk Management
- Cyber security / fraud.
- Strategy risks: too fast, too slow.
- Board profile for future business environment.
- Talent risks.
- Innovation / lack of.
- Mergers / acquisitions.
- Aggressive competition.
- Client demographics.
- Compliance.
- Reimbursement shifts.
- CEO compensation.

Agenda Setting
- Chair, Executive Committee set agenda.
- Agenda Order:
  - Convene
  - Consent Agenda
  - Financials
  - Regulatory/Quality
  - Strategy
- Committee Update reports in Consent Agenda.
- Committee action items in appropriate section of agenda.

Board Meetings as Dialogue
- 70% of meeting agendas become strategic dialogue.
- Agendas mirror this format:
  - Convene
  - Consent agenda
  - Finance report/tracking
  - Quality/Risk management reporting / tracking
  - Strategic.

Flipped Presentations
- No oral reports to the board—are reports submitted in advance via “executive summaries.” Board discussion of issues then begins in “dialogue mode.”
- No presentations to Board without “pre-submitted materials!” This includes consultants!
- An executive summary prior to the meeting scopes any recommendations.
- The “agenda item” therefore begins in “discussion” mode rather than background mode—thus saving precious face to face time for dialogue.

The Board’s Role in Measuring Committee Performance
- Every committee has a written charter beyond what’s in the by-laws.
- Every two to three years the board will assess its committee structure and performance.
- Committees will prepare an annual report of accomplishments and what they believe the priority agenda should be for the coming year.
  "A committee is a dark alley down which good ideas are led to be strangled.”

"Help Your Board Assess It’s Way to High Performance“*
- Strategic Focus / Innovation & Development
- Governance Practices: Meetings, Committees
- Man. Co. / Board Partnership
- Performance Tracking
- Board Competency & Recruitment

Help Your Board Assess It’s Way to High Performance
- 50% of boards do no self assessment
- 75% only conduct informal discussion
- 25% only conduct informal discussion
- 25% only conduct informal discussion

Partnership:
What Your CEO Ask Me to Remind You!
- A professional relationship: not bowling, golfing, or skiing buddies.
- Feedback / direction / inquiry should be conducted in executive manner, not @ this is the ballgame or on the golf course.
- Levels of engagement should exist:
  - Commit to face-to-face meetings outside of Board meetings.
  - Have an advanced agenda for the conversation.
  - Effective communication is specific not general.
  - Good feedback is timely!

Trends of Interest
- Benchmarking.
- Business and strategy savvy boards.
- Officer development.
- Six not twelve meetings a year with off months tracked by Executive / Finance committee.

Miscellaneous Governance
- Leadership Excellence
- Financials
- Consent Agenda
- Convene
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