

Does your Board have "the Wow Factor"?

By Beverly Behan, Board Advisor, LLC, New York-

The "wow factor" describes conversations among executives after a board meeting and it's characterized by comments like: "Wow! Our board is pretty amazing! They asked some tough questions in there but they also brought up some really important points. They confirmed my own thinking on one issue and actually changed my mind on something else."

These conversations happen outside boardroom doors every day - all around the world.

So, what does your executive team say about your board? If they were asked that question, what would they say? Would they simply respond politely? Or are they genuinely "wow'd"? In fairness, you may not get a "wow" at every single board meeting, but the goal for most outstanding Chairmen and CEOs is to continuously raise and maintain a high "wow factor" in the boardrooms where they're in charge.

Far too often, however, the conversation goes more like this: "Well, I'm glad that's over. They didn't seem to know much about the subject. And you could tell that the guy down at the end hadn't even read the materials." "Oh, he never does!" "When I got to the financials, two of them were so engrossed in their iPhones, don't think they heard anything I said - or maybe they just didn't care. At least that one woman asked me a lot of questions - but they were a kind of off the wall." "Oh, Name in the Minutes Mary. She hasn't taken the time to learn much about our business. But she likes to talk at every meeting to get her name in the minutes,"

Can you infuse the "wow factor" into a boardroom like that? Of course you can! And it only takes about two years for a board to transition "from good to great". So, what does it take to make that happen?

First and foremost, it takes leadership. Someone in a leadership role has to genuinely want your board to be "the very best it can be". That could be the Chair of the Board, the Chair of the Nominating/Governance Committee or the Chief Executive Officer. But without it, the board is just make noises about "our commitment to governance excellence" while continuing to limp along - compliant, collegial and not terribly inspiring.

Next, it takes the courage to examine all of the factors that go into board-building- from director orientation to how the board engages on strategy -in detail. In doing so, you are actively looking for good ideas that would make the board even better; you're not using the exercise to simply reassure yourself that the board has no major problems. There's a reason FTSE350s are now required to use external facilitators for their board evaluations every three years -outsiders typically conduct structured interviews that generate a lot more constructive feedback than any self-evaluation survey form can yield. And the board can implement practical ideas surfaced from this exercise.

Finally, it takes a willingness to have some tough discussions about board composition and director performance - and to have them before some shareholder activist comes knocking with a candidate slate that blows yours out of the water. If you don't have directors with the expertise and backgrounds

you really need - those that reflect your corporate strategy - it's time to get them. Diversity actually provides a nice excuse to "go fishing" for new board talent that many boards have been taking advantage of. But it's critical to fish in the right ponds so that new board members provide the expertise you're seeking in addition to "ticking the diversity box".

Let's be honest: Every director would rather be part of a board that has "the wow factor". Most CEOs today spend roughly 20 of their time working with the board members individually and collectively; newer CEOs in the Fortune 500 put that percentage even higher. Every CEO and corporate executive would rather work with a board that has "the wow factor". And while this can never be achieved overnight, it can be achieved in two years or less with new approaches and great leadership.