

Boardroom Champions vs Preservationists



A boardroom champion is someone who believes in excellence. She or he wants to create and maintain a truly great board - and is in a board leadership position to make that happen. This champion might be the Board Chair or the Chair of the Governance Committee; it might also be the Chief Executive Officer.

But not all boards have champions. One of the most prominent shareholder activists in America once asked me, “Do you know what the real difference is between the board of a private equity firm and the board of a public company? I’ll tell you. When you’re on the board of a private equity firm, much of your wealth and your family’s future and security is directly impacted by the decisions that you’re going to make in that board meeting. So you need to listen carefully, think critically, bring all your intellect and all your expertise to bear to make the best possible decisions you can, in order to increase the value of your investments. That’s your job as a board member of a private equity firm. Do you know what job is of a board member of a public company? To do everything possible to stay on the board.”

While this remark was clearly facetious, it holds a kernel of truth for some directors even today: Despite all the changes boards have undergone since the demise of Enron twenty years ago, there are still some people who serve on boards largely for prestige and even for income. They’re comfortable just the way things are – and they have a vested interest in keeping them that way; they’ll do almost anything to ensure their continued tenure. Collegiality is their watchword – and their excuse for refusing to tackle issues of director performance, CEO incompetence and strategic misfires.

Preservationist directors are far fewer in number than they used to be. Moreover, they ascend to Board Chair or Governance Chair roles less frequently because their boardroom peers recognize their lack of leadership and find ways to thwart their boardroom ambitions. But some of them do manage it.

Preservationists often find governance innovations rather threatening. They're not genuinely interested in creating an outstanding board – they want to maintain the status quo. Boardroom mediocrity is fine with them; in fact, it's pretty much perfect as far as they're concerned.

A boardroom champion, on the other hand, has entirely different goals and a very different vision for their board. Champions truly want the board to function at the top of its game and take pride in watching the board work together at its best. A boardroom champion values board meetings that are sometimes intense but generally vibrant, stimulating and occasionally fun - where the skills, talents and deep expertise of those sitting at the board table are harnessed and channeled in a way that adds real value in board dialogue, debate and decision-making.

Champions want their board to grapple with rather than hide from tough issues – to bring genuinely worthwhile perspectives, thoughtful challenges and innovative thinking to the critical items facing the company they govern. They want executives to actually relish their time in the boardroom – and leave the meetings thinking, “Wow! Our board is awesome! They stretched my thinking and brought up issues I hadn't considered.” Or “That was a bit intense but they looked at all sides of the question, challenged me and ultimately gave me even greater confidence in my approach.”

Simply saying “I'm the Chairman of Company X” isn't enough for a boardroom champion if they know that the Board of X isn't actually functioning at the top of its game. Boardroom champions want to build a board that the other directors take genuine pride in being a part of, that company executives honestly respect and that shareholders/investors would feel they are extremely well served by if they ever got close enough to see the board in action. Perhaps most importantly, boardroom champions treat their fellow directors with the respect that seasoned, accomplished businesspeople who are making a meaningful contribution deserve- and focus on making the most of their impressive capabilities.

Two Unique Programs for Board Champions

- ✓ **Board Champions Advisory Program** –offers 2 hours/month of confidential individual consulting on board-related issues to help champions build and maintain the board of their dreams and navigate today's challenging board leadership issues. Program may be 12 or 6 months; time may be accelerated or banked for up to 3 months for maximum flexibility.
- ✓ **Individual Workshops for Board Champions** – based on our classic best-seller *Great Companies Deserve Great Boards* - updated to incorporate innovations in board-building from the past decade. Choose from 6 Workshop Topics ranging from CEO succession planning to director performance management. We organize a brief pre-workshop call to ensure each Individual Workshop is customized to meet your objectives. We also sign Confidentiality Agreements to ensure an open and terrific conversation during your session.

For more information, pricing and our six Individual Workshop Topics, see www.boardadvisor.net.