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## Why are board meetings such a waste of time?



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To waste a board meeting is to waste the company's highest value-per-hour resource. Strong forces generate superficiality, confusion and paralysis. It's not easy to overcome these, but it's worth a big effort. The board can make a contribution nobody else can.

Three patterns of waste are common: management is unprepared, management rigidly scripts the meeting, or directors don't engage.

For example, at one company, revenue growth ran 25 percent the first half of the year, but in recent months had fallen to 10 percent. A director experienced in sales management asked at successive board meetings, "Are we losing accounts, or are the existing accounts shrinking?" Management was unprepared to answer; the board talked for 20 minutes about what might be happening and concluded nothing.

Another company's web traffic grew strongly for eight quarters. Then traffic dropped sharply two months in a row, and

management diverted the board's attention to a different measure. The tightly scripted approach tends to keep hot issues submerged, so the board meeting tends to confirm the course management is already steering. But the expertise of the board members is wasted.

A third company was choosing between two selling models - direct and indirect. Management presented each path thoroughly and made a recommendation. Board members criticized the format of the presentation rather than the substance. Two board members told irrelevant stories. The CEO's sense of urgency drained away and she was left feeling vaguely powerless to act.

My observation is that boards can persist in negative patterns even when each member sees the problem and wants change. How can this be? There is a natural tension between board members and management, rooted in divergent interests and the jockeying for position. When board members limit disclosure to protect themselves, communication shuts down. Effort goes into faking other people out (without appearing to do so). Board members and management fear losing face, being exposed or working without a net, so they keep to "safe" discussions, or else they merely repeat long-held opinions, especially if they don't have good data to study before the meeting.

Good meetings require real preparation, most importantly by the CEO, and also by the other board members. Real preparation requires time. The high-caliber, busy people who ought to be on boards will not invest quality time in a mediocre board. In a vicious cycle of ever-decreasing expectations, each mediocre meeting signals the participants to invest even less in future meetings. So it goes.

The first key to change is to break the old cycle and establish a new cycle of increasing expectations. Management can do this by delivering on four commitments: solid preparation, a relevant agenda, perceptive meeting notes and active follow-up on each meeting's issues. This sets the stage for all members to accept an informal new "social contract" in which each member says, "I'll come prepared, I'll communicate openly, I'll tone down

the jockeying for position, I'll engage constructively on the real issues, if you will."

The board agenda is a powerful tool, not only to say what will be discussed, but to set expectations for how each item will be handled. I've found five useful modes of discussion, each with distinct requirements:

- Information sharing - a coherent, thorough presentation, mostly provided in written form ahead of time, expect minimum discussion.
- Brainstorming - a freewheeling discussion, minimal structure, fast pace, good capture of ideas.
- Advice gathering - a way to draw from the deep well of the board's expertise, with good staff work to prime the pump, careful capture of advice.
- Decision making - a choice between clear options, with good staff work on pros and cons, careful capture of decisions made and the action plan.
- Wake-up call - marching orders from the board to the management, with requests for follow up.

Mixing these carelessly is a great recipe for wasting the board's time and de-energizing management. For example, morphing a brainstorming session into a decision-making exercise yields meager brainstorming and shaky decisions.

A board is in session perhaps 24 hours per year. In a 100-person company, employees will work 9,000 hours for each hour the board meets. Those few precious board hours can take the enterprise to the next level and create great value, or they can actively cause many of the 9,000 hours to be squandered. The board is the hinge on which the whole business turns, for better or for worse.

We all know the board's single top priority is to hire the right CEO. But, do we sufficiently recognize the powerful impact of well-prepared, constructive, fully engaged board meetings? This is how the board sets a tone and direction felt in the management team and throughout the enterprise.

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