Too Many Board Meetings Suffer From This Destructive Flaw

May 7, 2021 6 min read

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When I write and speak publicly about business, I usually like to rely on solid data. In this case, the data is my own experience, both as a current CEO and as a turnaround executive whose job it was for many years to pull ailing companies out of a downward spiral.

As a result of my career choices, I've found myself in a lot of board meetings where I quickly recognized a trend. All these companies had big problems — big enough to warrant bringing someone like me in — and they all had a serious flaw in boardroom methodology. If we shed some light on that flaw and contrast it with what a board meeting is supposed to look like, then hopefully, what you'll take away from this article is a fundamental construct for improving your organization's meetings (boardroom and otherwise) and ultimately giving it a strategic advantage.

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What's the point of a board meeting?

Arguably, more should get done at a board meeting than within any other isolated function a company undertakes. Obviously

it’s not about deliverables – most meetings of the board don’t come with key performance indicators (KPIs) – it’s about long-term, big picture strategy. Discussing, defining and detailing how the company will best serve its shareholders, inside and out.

Put simply, a board meeting is an opportunity.

Think about it this way: In Formula 1, the world’s premier motorsports league, teams have a deadline each year for creating the car they’ll be racing with. Throughout the season, they can fine-tune the engine and make certain small tweaks but are mostly stuck with the car they already developed – until the next offseason, when they’ll have the opportunity to finalize a new design.

The same kind of opportunity is found in a boardroom, albeit with some added flexibility. A board may meet quarterly or even monthly, but whenever they do, it’s to decide on the metaphorical vehicle for forward progress. It’s an opportunity to create and impart vision, direction, and clarity. So why do so many boards end up focusing on obstacles instead?

Obstacles vs. opportunities

I worked with one company whose board used every meeting over an 18 month-span to discuss a particular market segment that happened to be continuously declining. In that same year and a half, they devoted only a tiny fraction of the energy to exploring adjacent market segments that were on the rise.

Don’t get me wrong, it’s crucial that a board maintain transparency with regard to issues faced by the organization it directs. Understanding the problem, though, is half the job. In the universal phenomenon of “like begets like,” obstacles tend to lead to more obstacles, while opportunities tend to lead to more opportunities.

I worked with another company, this one in the tech services industry, that was experiencing a decline in sales because consumers were purchasing fewer extended warranties for their hardware as a result of cheaper and cheaper product prices. It was a huge brick wall – how do you convince people to keep paying for something that just doesn't make financial sense?

It was a perfect chance to expand into other markets, but what the board saw was a web of interconnected problems. How would they choose which markets, what about the necessary reskilling, what about the advertising, what about internal processes? Obstacles beget more obstacles.

I asked the board members to adopt a solutions-focus instead. "Everywhere you go," I told them, "write down things you see that you know can break or malfunction (this aligned with the company's core capability – servicing and repair)." In a week, we'd compiled a master list of over 500 potential product markets we could tap into. Most of them weren't ideal and got crossed off the list, but a few were, and the next step was to create a strategy around infiltrating those markets. With some effort, we got the ship steered away from a massive obstacle and headed in the direction of opportunity instead.

If all this sounds a little too theoretical, here's a quick and dirty breakdown of how to leverage opportunity-focused problem-solving:

1. Clearly articulate your desired outcome.
2. Create a step-by-step process to achieve that outcome.
3. Implement a system for goal-tracking and accountability.

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A secret ingredient

Confidence is a topic that pops up in seemingly every direction I look, including the boardroom. Every type of person you'll meet in one, from a longstanding director to a rookie team manager, is capable of being victimized by a lack of confidence.

That uncertainty can make an otherwise great pitch go totally off the rails or undermine a board's confidence in an experienced executive. It can also hurt an entire company, which is what happens when someone at the table has a great idea for how to solve a problem but lacks the confidence to throw their hat in the ring.

Doubt is as understandable as it is ubiquitous. It's also a choice. I wish I could reach out to everyone for whom confidence in the boardroom has been or will be an issue, grab them, shake them and tell them that learning to shut out their fear will be the greatest gift they could ever give themselves.

Wherever I've seen a truly effective solutions process being used in board meetings, it's been a combination of these two factors at work; an opportunity-focused agenda supported by members and employees who are as confident as they are curious. The good news is that companies can actively foster both mindsets from top to bottom in their organizational culture, setting up everyone involved for success in the long run. https://www.entrepreneur.com/article/368024