

DYNAMIC BOARD RETREATS

Most boards conduct a strategy session or board retreat on an annual basis. A well planned and executed strategy session is a boon for the management team.

How do I recognize when I have participated in a great board retreat?

All the directors were engaged and contributed. Active discussion and debate filled the room. Perhaps minds were changed about a particular direction, based on a well presented and evidenced-based argument from the CEO or a committee chair. Everyone walked away with a deeper understanding of a market opportunity, gained new insights into the talent and potential of one of the executives, or the group created a robust plan for diversification. The board members socialized with each other and engaged with the CEO in conversations that were not purely business related. Board members learned a little bit more about the CEO, so that they can understand them even more in the future. Directors agreed the session was a highly effective use of their time.

Preparation

Preparation sets the stage for a successful retreat. Thoughtful preparation includes the board chair or vice-chair and the CEO, and a facilitator, if appropriate, agreeing in advance on shared objectives and outcomes for the annual strategy session. The CEO and chair should provide directors with the material in advance of the strategy session so that they are well prepared. Ideally, this pre-work will encourage directors to contemplate the most significant challenges

facing the organization. Pre-work could include external factors such as economic conditions, global trade, political changes, et cetera, and will contribute to more fruitful conversations.



Dynamic Strategy©

A Dynamic Strategy© session is forward looking, involves asking challenging questions, and its goals are outcome based.

The pre-work, the agenda items, and the discussions need to be forward looking. Issues facing the company over the next 30-300 days are best addressed at committee meetings and regular board meetings. This strategy session is an annual gathering of the directors and the most senior management of the organization.

Strategy sessions are an opportunity to delve into emerging risks and trends inside and outside of the organization. Consider the economic forecasts or behavioral changes you are seeing from consumers and customers. Strategy sessions are an ideal time for directors to ask challenging questions of management and each other. Seize the opportunity to identify, and perhaps kill, existing paradigms.

Lastly, the goals for the strategy session need to be outcome-based. If the objectives are a set of deliverables, i.e. approve the annual compensation plan or review recent employee opinion survey results, there is an opportunity cost to all participants. Instead, plan for a set of outcomes. Outcomes from retreats I have participated in have included: establishing a new investor strategy, identifying specific opportunities for diversification and establishing next steps, completing a review and consideration of CEO and executive role successor candidates, and exploring expansion into a new region.

Defining strategy is the role of every board. Generating common understanding, establishing trust between the directors and the CEO, and creating a comprehensive plan to execute are shared responsibilities of the board and management. With an effective strategic planning retreat, you are well positioned for organizational success.

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WHAT IS BOARD MINDSET™?

Constance Dierickx, Linda Henman, and Lorraine Moore co-founded The Board Mindset. Independently and collectively, they help boards achieve excellence in critical aspects of governance. They advise on any unaddressed issues to help the board and the company move forward. Visit www.theboardmindset.com or [contact us](#) to learn more.

Board Mindset™ is the set of beliefs, attitudes, and assumptions board members individually and collectively, hold. The Board Mindset™ determines:

- What information a board seeks and how it is evaluated
- How priorities are set
- The manner in which decisions are made
- What directors expect from each other and management

Board Mindset™ is a largely invisible but powerful force in the boardroom. Vibrant boards are fearless in examining their own mindset and adjusting it. Lackluster boards double-down on technicalities, ignore the human processes at work and wonder why they struggle.