

## WHAT THE WORLD NEEDS NOW IS SKILLED BOARDS

---

As the debilitating days of the COVID-19 pandemic recede, a new world order is emerging. The gap between rich and poor has widened over the last two years. There is heightened recognition of the good fortune of knowledge workers, who can work from anywhere - home, cottage and holiday destinations and the less fortunate essential workers required in hospitals, sanitation trucks, retail stores, courier trucks, and delivering our food and consumer goods. Inflation is soaring. Worker shortages extend across all industries. And sadly, Russia has invaded the Ukraine. The extent of the fallout from this is yet unknown. We can expect waves of refugees, continued supply chain disruptions and soaring energy costs.

Management teams will benefit from the thoughtful guidance and considered counsel of high functioning boards and skilled directors.

What are the attributes of a skilled board today and where are they directing their attention?

### GOOD GOVERNANCE PRACTICES

- Good governance is not an arrival point but requires continued diligence and oversight.
- Board education is valuable in keeping all directors abreast of best governance practices.

- Term limits, particularly for committee chairs, provide an injection of fresh ideas and lessens the likelihood of missing opportunities or emerging risks

### FINANCIAL MANAGEMENT

- The pandemic has disrupted the financial health of thousands of organizations. In many cases, there is an accompanying backlog of requests for capital projects or new expenses. The rising cost of workers – wages, salaries and signing bonuses is placing additional pressure on expenses.
- For other companies, increased revenues and healthy cash reserves will enable prudent acquisitions.
- All entities – not-for-profit, private and public will feel the impacts of inflation, of which labour costs are only one factor.
- Finance and audit committees can provide valuable support as management prioritizes financial decisions.

### GEOPOLITICAL FACTORS

- US citizens will head to the polls in less than two years. Canadians will appoint a new leader of the Conservative party.

Populist governments and heavy deficits exist across the globe. It is not yet known how Allied nations will be involved in the Russia/Ukrainian conflict, but the European Union, the United Kingdom, and the Americas are already feeling the impact.

- A thoughtful evaluation of the impact of the geopolitical factors and a steady handed response will be required.

## STRATEGIC PLANNING

- Strategic plans should be updated every three to five years. The last two years have created new opportunities and there is pent-up demand for some products and services.
- Documenting a new plan is useful; the debate and discussions to craft the plan are the jewels in the process.
- Many boards and leadership teams are updating their plans this spring. The world has changed. The most astute leaders are setting aside past plans and starting from the equivalent of a fresh sheet of paper.
- The pandemic highlighted the gaps in healthcare, in North America and other continents. Challenges include capacity, access, insufficient long-term care and more. The issues will not disappear as the virus wanes. A backlog of surgeries, aging populations, and increased numbers of people with mental health and addiction issues will cause increased pressure for years. This demand could provide opportunities for some service organizations, particularly as Canadian provinces consider funding private health services.

- The hard-hit hospitality industry will rebound, and companies with strong balance sheets may be acquirers. Demand for travel has rebounded and impatient consumers are willing to pay more than they did in the past.

It is timely to assess the capability of your board and upskill where required. It is an exciting time as directors; you can help to write history.

## Helping Define Your Company's Future Success



### THE BOARD MINDSET

We can help you formulate a strategy that works:

- Defines the choices a company is making about who is and who is not a customer
- Doesn't serve as a rationalization for budgets
- Challenges assumptions
- Seeks to reduce risk, not avoid it
- Serves as a framework in which adjustments are expected and can be accommodated

We advise on any unaddressed issues to help the board and the company move forward. If you have any questions about The Board Mindset, visit [www.theboardmindset.com](http://www.theboardmindset.com) or [contact us](#).