

The right stuff, the right way

10 ways to improve board meetings

By Barry S. Bader

Time is a board's most precious commodity. Yet, study after study shows that board members spend more meeting time in passive mode, listening to reports and conducting routine business, than they do actively discussing substantive matters of policy or organizational strategy.

People join boards because they want to contribute. But they too often find the typical meeting agenda is filled with routine committee reports and neatly wrapped recommendations for formal approval. Amid the routine, there's little opportunity for the questions, brainstorming and interchange that allow trustees to leverage their knowledge, experience and perspectives to help management and improve the organization.

A common criticism of corporate governance has been that board members fail to question the information they receive, challenge management when appropriate and engage in candid discussion. As a result, the critical board roles of policy-making, decision-making and oversight often are performed like a Broadway play with actors reading their parts faithfully every night without improvisation. That's good theater, perhaps, but not good governance.

Of course, some portion of board meetings must include routine business. Boards should not torture every matter with extensive debate or rehash well-done committee work; those are poor governance practices that result in interminable meetings.

Still, for boards to reap the full potential of their members, they need to deliberately change the way they use their time at board and committee meetings so they focus on the right stuff in the right way.

Here are 10 steps for optimizing the way a board uses its meeting time.

1. Make an "A List" of the most important matters for board attention, and build meetings around that list. Once a year, the board should agree on the most important strategic issues, policy questions and emerging challenges that deserve substantial time.

A common criticism of corporate governance has been that board members fail to question the information they receive.

For example, at its annual retreat, one system board developed this A List of issues to be incorporated into its work for the following year:

- Secure community support for a major capital expansion.
- Oversee and support a work force engagement initiative.
- Enhance fund-raising through closer integration with the hospital's foundation.
- Decide whether to adopt a holistic model for patient-centered care.

Some boards also develop goals with specific outcomes, such as

"ensure the effectiveness of the board's oversight of executive compensation" or "approve a new vision and three-year strategic plan." To keep focused, the A List should include no more than four to six goals.

2. List the board's educational needs for the next year. The constant change in healthcare and the increasing expectations placed on boards create a continuing need for board education.

3. Adopt a Board Work and Education Plan. The board's A List and its educational needs, along with major anticipated actions and required business and reports, can be compiled into a year-long plan for board meetings, as shown in the sample Work and Education Plan on Page 7.

The plan is a road map that shows how the board wants to focus its time in the coming year. Of course, unanticipated issues will arise throughout out the year. Like any driver using a map, the board should be prepared to modify its plan based on new priorities and problems. Committees also can develop their own education and work plans.

4. Redesign board meeting agendas. Using the plan as a touchstone, the board chair and CEO should redesign board meetings to focus as much time as possible—at least 50 percent—on the A List issues and education topics. A sample agenda is shown on Page 8.

Many boards use a consent

See meetings, page 6

meetings from page 5

agenda to handle routine business and committee reports without major recommendations. The board receives background information and committee minutes in advance, and can dispense with the consent calendar promptly. Place the consent agenda near the beginning of the meeting in case any member wants to discuss or vote on an item separately. If the consent agenda is assembled properly, such occurrences will be rare.

Follow a “first-things-first” rule. After the consent agenda, schedule the most important items and leave less critical matters for the end of meeting. Clearly indicate if an item is for action, discussion or information only.

Set dates for board and committee meetings a year in advance so members can block time

on their calendars.

5. Use a timed agenda. Next to each agenda item, estimate how much time it will require. This helps the chair and CEO plan a realistic agenda, and all members know which items require extensive or expeditious discussion. The times are guidelines and should never prevent a board from spending enough time to seek pertinent information or engage in productive discussion.

Set realistic meeting lengths that reflect the real governance work on the table. Some boards meet for 90 minutes or two hours from six to 12 times a year; others meet quarterly for one or two days. Start on time and end on time, and expect all board members to stay for the full meeting.

6. Send background information in advance. At least a week

before the board meeting, members should receive a notebook of background information, supporting documents for recommended actions and oversight reports, such as the financial statement. The packet should highlight key information and variances, and board members should read their materials in advance. It’s simply a waste of time to spend board meetings repeating information that members can read in advance. Increasingly, organizations are creating Internet board portals to provide information electronically.

7. Ask the CEO to send a memo to the board between meetings. CEOs who do this typically update the board on strategic initiatives or personnel changes. Consequently, the CEO’s report at the meeting normally can be brief, focus on a few high-level issues and seek board feedback on emerging matters.

8. Implement a comprehensive dashboard. One dashboard is worth a thousand words. A concise dashboard or balanced scorecard should display, in graphic format, how the organization’s performance compares to its targets for finance, strategic goals, quality and safety, customer satisfaction, human resources and community benefit. When performance is on target, discussion can be minimal. If significant negative variances occur, the board or a committee can direct a laser-like focus to the problem areas.

9. Use executive sessions to promote candor and communication. Consider making the last agenda

10 Ideas for More Engaging Meetings

1. Invite outside and in-house experts to speak on pertinent topics.
2. Hold periodic discussions on leading-edge topics, using reports, videos and white papers from outside organizations to stimulate thinking in advance.
3. Rotate meetings among various facilities and invite members on pre-meeting tours.
4. Ask members who have attended outside education to make brief reports.
5. For topics bordering on operations, frame the issue in terms of governance policy, not micro-management.
6. Begin a meeting by inviting a patient to share his or her perspective of a recent experience.
7. Ask members who are quiet for their opinions.
8. Build team cohesiveness by configuring the board room with board members and the CEO around a central table, while staff and guests make up an outer circle.
9. Do not overwhelm the board with too many staff and guests.
10. Invite the general counsel to update the board annually on legal issues and changing requirements affecting governance.

See meetings, page 7

item an executive session for board members and the CEO only, excluding senior management and invited guests. Executive sessions provide a valuable opportunity for candid questions and discussion that might not occur when others are present. At least annually as part of the CEO evaluation process, the board should meet in executive session without the CEO.

10. Evaluate meetings and continuously improve. Some boards spend a few minutes discussing how the meeting went, while others circulate a brief, written survey. Others evaluate meetings as part of the full board self-evaluation. Whatever the method, the board chair should apply the results to continually enhance the board's use of its most valuable resource, its time.

Sample Board Work and Education Plan

All topics are meant to be illustrative, not exhaustive. Only four meetings are shown for space reasons. The template can be applied to any number of meetings.

	Meeting	Meeting	Meeting	Meeting
“A List” Issues and Board Goals	Capital expansion plans	Workforce engagement	Fund-raising and the foundation	Holistic model for patient-centered care
Education	Executive compensation practices	Legal counsel's update	Potential impact of pay for performance	Legislative update
Major Anticipated Actions	Approve annual audit report; meet with auditors in private session	Approve annual report of Executive Compensation Committee	Approve recommendations of Task Force on Hospital-Physician Relationships	Approve next FY budget and strategic operating plan Approve next FY quality and safety plan
Other Anticipated Actions	Finance Committee: Approve acquisition of nursing home	Compensation Committee: Approve annual report	Quality and Professional Affairs: In-depth performance report	Governance Committee: Board elections
Recurring Business	CEO's report Dashboard report Consent agenda	CEO's report Dashboard report Consent agenda	CEO's report Dashboard report Consent agenda	CEO's report Dashboard report

Sample Board Meeting Agenda

**Agenda for the Board of Trustees Meeting
of the Community Medical Center
Jan. 19, 2006
4 p.m. in the Ferguson Board Room.
(estimated number of minutes)**

Call to order

1. Introduction of invited guests (2)
2. Approval of minutes of last meeting (3)

Consent calendar

3. Approval of consent agenda, including committee minutes (5)

Discussion

4. "A List" issue: capital expansion plans (50)
 - Presentation of proposed facility plans: *Jane O'Brien, master facility plan consultant* (30)
 - Discussion of proposed strategy to gain community support: *Vishal Patel, vice president for marketing and community relations* (20)

Education

5. New IRS executive compensation rules and recommended practices: *Roger Petersen, compensation consultant to the board* (20)

Action items

6. Finance and Investments Committee recommendations
 - Approve acquisition of nursing home (10)
 - Approve change in investment policy (10)

Information items

7. Quality Committee update on previously reported sentinel event (5)
8. CEO's report (10)
9. Dashboard report (5)

Other business

10. Executive session (10 or longer if necessary)
11. Meeting evaluation (5)
12. Adjourn

The suggested number of minutes for each item in this sample agenda is meant to show the general allocation of time. Actual board meetings may be longer or shorter than shown, depending on the work to be done.