

Attention all directors.

A Newsletter from Jean Pousson, Board Evaluation Limited Managing Director

[How to make a Board Effectiveness review even more effective.](#)

With all our Consultants we have carried out hundreds of Board interventions, ranging from formal Board Evaluations to more strategic work and diagnostic assignments with Board members. Whilst many see a formal Board Review as a regulatory inconvenience and settle for a questionnaire only approach, many do indeed see the value in improving the performance of the Board. Evaluations carried out internally, (only), is akin to marking your own exam paper and cannot possibly address the hard issues in a constructive and independent manner.

We share below some ideas and thoughts together with some questions that you may use as self-reflections for your organisation.

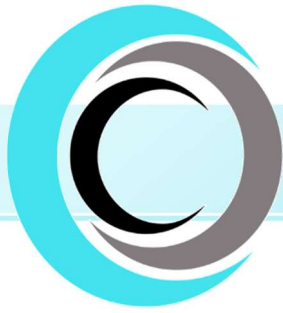
“The ethical is always more robust than the legal. Over time it is the legal that should converge to the ethical, never the reverse” R. Feynman.

We found this very powerful. Far too often the mindset of the Board and Directors is to achieve full, (or near full), compliance to the prevailing Codes of Governance without giving any thought to the fact that they could do better and go further. For example, the UK Corporate Governance Code recommends that an independent Non-Executive Director should not serve for a period longer than nine years. There is a strong argument to suggest that this person has gone native long before the nine-year period. Whenever a NED loses his/her curiosity factor, it is time to move on. Many don't.

And another related question that we like to ask. **“Who should be the next Director to move on, and why?”** This always raises a wry smile to begin with, but as the respondents begin to develop the argument more deeply, we get a very perceptive sense that change is required.

What are the silent killers in the organisation? The so-called elephant in the room, (or elephant in the Zoom of late). **What are the biggest risks facing the BOARD?** These are discussions that need to happen but are often crowded out by ritualised agendas that do not reflect the changing landscape.

Organisations charts lie. They never describe the power lines and where the real power truly lies. This can be particularly difficult for a new incoming NED to fathom but crucial nevertheless. A good Director reads the room quickly and diagnoses. The Chair should help and orchestrate on this one. Another good question for self-reflection. **“Can you recognise when you are being influenced?”**



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How would you rate the curiosity coefficient at the Board meetings? Is the quality of challenge deep and mature or is it simply noise and entirely predictable? And how are challenging questions or points of view addressed and responded to? Is there a sufficient level of humility amongst Directors, (particularly executives), or do you sense infinite bravado?

And remember, be hard on the issue if you have to, but soft on the individual.

If you would like more information on this subject and would like to talk to us at Platinum Compliance (Guernsey) Limited, or for us to put you in contact with Jean Pousson, please contact lindsay@platinumcompliance.co.uk or visit our website <https://www.platinumcompliance.co.uk/>

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