

What makes an effective Board or Committee meeting?

By Jacob Pitt

There is a plethora of advice on what makes an effective meeting, but getting the formula right for meetings of Boards and their Committees can be a significant challenge, especially for small and/or high growth businesses. One of the privileges of our role in providing company secretarial advisory services is that we are regularly in more than 50 boardrooms of Plcs and have the opportunity to experience what works well in practice. This guide is designed to support small and mid-cap growth companies that are looking to implement new Board and Committee meeting cycles or improve existing arrangements.

1. Have an agenda cycle

The most effective tool for driving efficient Board and the Committee meetings is an agenda cycle, which can act as a driver for good governance, financial and strategic reporting. The process of developing one should help to provide visibility of the key matters to be addressed in the year. While there are certain compliance actions and themes that occur across all AIM or FTSE companies, agenda cycles should be tailored based on the particular industry and the stage of the company's development.

2. Have timings on your agendas (and stick to them)

Timings on agendas, if stuck to, are useful to ensure that any critical matters are given sufficient time to be considered. It's important to move on longer discussions at the right time to ensure that other crucial items are given adequate attention.

3. Ensure there is an appropriate balance between operational and strategic matters

Entrepreneurial businesses tend to require more operational reporting to their Boards, however as companies move beyond their initial growth stage, the more strategic matters should be given greater attention. Regular financial and operational updates are invaluable, particularly for NEDs looking to understand the activity within the business, but the contents of such reporting should tie in to the medium and longer terms strategic objectives of the company.

As well as looking forward, it is often valuable for Boards to look back at previous decisions and evaluate whether the impact of those decisions was as anticipated in order to understand whether there are any lessons to be learnt for the future.

Consider inviting external advisors, members of senior management and stakeholder representatives to some Board meetings to provide insight on the impact of strategic decision making. This will enable Boards to assess the outcomes of its decisions support the wider strategy development process.

It is also advised that a strategy day be held at least once year to allow for deep dives into the strategy and long-term value generation.

4. Board reporting with clear actions

Aside from routine reports, papers tabled at a meeting should generally indicate whether it is either (a) seeking approval, (b) asking for steering or (c) provided for information. Where a paper is provided for information, this should be limited to the information the Board needs to ensure that NEDs don't drown in a sea of papers. Where a decision or steer is requested,

sufficient context of the matter should be provided to ensure that an informed direction can be given by the Board.

5. Pick the best timing and frequency to enhance engagement

Research indicates that our energy levels are highest overall in the morning and from mid-afternoon. Therefore it may be most appropriate for maximum engagement to hold meetings no later than 10 am, if in the morning, or from 3 pm for afternoon meetings. Meetings longer than 2-3 hours can sometimes stretch attention spans so put the highest priority items at the front of the agenda if your meeting will go on for longer.

Frequency of meetings is also key for small and mid-cap companies and many companies find that fewer regular meetings enhance the quality of outcomes. Between 8 and 10 Board scheduled meetings a year is the most common approach for small and mid-cap companies, however best practise indicates that 6 to 8 scheduled Board meetings per year is often the most effective.

6. Ensure remote attendees are actively involved in meetings

With the practicalities of internet lag times and lack of physical presence in the room, those joining meetings remotely can sometimes be less involved in the flow of a meeting than physical participants. Hybrid meetings look likely to remain a permanent fixture, so it is pertinent to ensure that comments or views from remote attendees are actively sought after by the chair and presenters.

7. Conduct a thorough Board evaluation

Effective boards continually demonstrate that they are fit for purpose and self-aware. While continuous feedback on the functioning of the Board is desirable, a formal and thorough evaluation process can provide an organised forum for reviewing and reforming Board operations. Evaluations should be on an annual basis and ideally conducted by an external party. Evaluations facilitate the promotion of a culture of accountability, transparency, trust and an openness to improvement and constructive criticism — all of which are components of a highly effective board. Where any proposals or initiatives are agreed, the implementation of these should be followed up in good time. Creating opportunities for informal networking, such as Board dinners or pre-meeting lunches, can also facilitate smooth boardroom dynamics.

Just as importantly, Boards need to be iterative. If the information flow is not meeting the Board's needs, they can be straightforwardly reformed.

The role of the company secretary in achieving engaging meetings – and high standards of governance as a whole – is vital. As the Board's key governance advisor, a company secretary ensures that Chairs, NEDs and management are supported in fulfilling their Board responsibilities and ultimately delivering on outcomes.

If you would like assistance with Board or Committee effectiveness or advice on how to implement improved practices at your Board meetings, please get in touch with us using the details [here](#). ONE Advisory's Company Secretarial, Governance & Compliance team's expertise and knowledge of best practise in small and mid-cap growth companies can ensure that your Board receives the advice and support needed to facilitate good corporate governance.

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