

## Harnessing the Power of Your Board

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We sometimes meet family business boards who feel misused and underutilized. They usually report similar circumstances. The board becomes accustomed to presentations by management and questions and answers between the directors and the management team. Over the years the discussions increasingly migrate to matters of diminishing importance less related to directors competence.

When the company runs into performance or leadership problems, the directors fret that they haven't been proactive enough, haven't debated more broad strategic topics, or haven't challenged basic assumptions. Everyone feels bad, and the horse may well be at least halfway out of the barn.

To avoid this classic pattern, consider these very simple but rarely used steps:

1. Cause the independent directors to have regular meetings alone to make recommendations about how they'd like to use board meeting time.
2. Create board time for pure discussion without management present. Just see where the conversation drifts.
3. Meet each independent director individually and privately. Ask them their two or three major concerns for the company. Present the results.

Good people on the boards of good companies can sometimes sedate themselves into conflict avoidance and less risky discussions. Ask the board to provide leadership on the key governance questions:

- What do you see as the potential and limits of our strategy?
- How do we best evaluate and provide feedback to the CEO?
- Why do the owners want to be owners? What are their goals?
- How prepared are the owners for continuity and responsible family ownership?
- What are your objectives as a board?

Boards can be treasured resources to family firms. To extract their full potential requires everyone to stretch into the uncomfortable issues of governance.

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