



# THE BOARD-SAVVY CEO: SEES THE BOARD AS A PRECIOUS ASSET

BY DOUG EADIE

**I'VE BECOME ADEPT** at telling pretty quickly whether a CEO is board-savvy enough to succeed at building a really close, positive, and productive working relationship with her board. As a consultant, I've got a large stake in making an accurate assessment since the success of governance consulting engagements depends heavily on the board-savvyness of the guy or gal at the organizational helm. In this regard, attitude is one

of my top tier criteria. That's why I always ask a CEO I'm considering working with at our first meeting to tell me about his working relationship with the board. If I hear something along these lines, I can feel confident about our becoming partners on the governance front: "They're a great group of people — lots of talent, knowledge, experience, expertise — but, you know, I don't think they're coming close to realizing their

potential as a governing body, and I really feel accountable for helping them get to the next level. I know they want to do a better job of governing, but they're just not sure how to go about doing it. I think we've got a pretty good working relationship, but I know it could be better, and I've got a gut sense that if we don't figure out how to get them more engaged in the governing process, it'll jeopardize our relationship."

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By contrast, a few years ago I made a snap decision not to work with a CEO whose response to my question was something like this: "As boards go, they're not all that bad. At least they know enough to stay out of my business, so I can't really complain about micro-management. For example, they adopted next year's budget in a special board meeting a couple of weeks ago, and I'm pleased to report that it only took 35 minutes or so. Of course, we — the staff and I — had done a great job of putting the document together, so they couldn't easily quibble about it. That's what I really like in a board: let us do the detailed staff work, keep at a high level, and generally leave us alone to do our jobs. I'll make sure they get the information they need, when they need it, to make decisions, and it's their job to get the decisions made, not mine."

In my experience, truly board-savvy CEOs view their board as a precious organizational asset — perhaps their organization's preeminent resource — and they feel strongly accountable for helping their board become a more effective governing body, and hence a more valuable asset. They really do believe in strong board leadership and want their board to get better at doing its governing work. I've never known a board-savvy CEO to bemoan the motley crew of board members she's been saddled with and express the heartfelt wish to contain the damage they might do if not closely watched. Well aware that the kind of people who get to the boardroom tend to bring good

intentions with them, but also to jump in and fill vacuums wherever they find them, the board-savvy CEO asks, "How can I help them become fully engaged in doing really important governing work so that there's no vacuum to fill?" I've also learned that board-savvy CEOs don't think about their board in we-they terms. They know that they've got to be heavily involved in the governing process, functioning as a real governing partner with their board. In fact, an extraordinarily board-savvy CEO I was chatting with recently told me that he considered the chief executive a hybrid position: part board, part staff, and that he thought of himself as, in effect, a board member, albeit without a vote.

Nor does the board-savvy CEO sit around obsessing about the specter of micro-management. On the contrary, board-savvy CEOs know that governing involves so much intensive board-staff interaction and collaboration that it doesn't make sense to waste time worrying about potential breaches in hard and fast boundaries; indeed, they don't see the boundaries as all that hard or fast. I'm reminded of an outstanding board-savvy CEO I worked with a few years ago who exemplified such non-defensive leadership in working with her board. I was sitting in on a special daylong work session involving the board, this CEO, and the executive team of this large children's services nonprofit, which operated out of several locations around the region. The purpose was to review and assess progress in implementing a high-stakes change initiative the board had adopted a month ago: phasing out a residential program and facility that had been at the heart of the agency's mission for 75 years. Shortly after our lunch break, we got involved in a very detailed discussion about one of the major implementation challenges: static from several old-time staff members and other key stakeholders, including some

prominent donors and two local newspapers. About 30 minutes into this very important and most interesting discussion, one of the board members, feeling guilty, said something like this: "I think we're getting into dangerous territory now. I know you all agree with me that the board should be primarily focused on what we do, not how we do it, and it seems to me that we're getting pretty deeply into the how. Maybe we should leave this to our CEO and her staff."

Despite wearing my consultant hat, I kept quiet, curious how the CEO — a very strong, self-confident executive with a commanding presence — would react. I couldn't have been more pleased when I heard her say she was quite comfortable with board members being involved in the discussion, since the stakes were tremendously high and she and her team needed board members' best thinking. Then, on the spot, she recommended that they spend the next couple of hours analyzing the issues that three key stakeholders — staff, donors, and the media — appeared to have with the phasing out of the residential program, how they might go about handling the issues, and where board members might be able to pitch in and help deal with specific issues. Here, indeed, was a truly board-savvy CEO at work! Were board members actually getting involved in what might traditionally be considered administrative details? To an extent, perhaps. Did it bother the CEO? Not a whit. Board members had valuable wisdom to share about a high-stakes matter and could very likely lend some hands-on assistance in resolving stakeholder issues. So why worry about a hypothetical barrier being breached? <

*This article is excerpted from Doug Eadie's 20th book, **The Board-Savvy CEO: Building a High-Impact Partnership With Your Board (Governance Edge, 2014)**. To contact Doug: [Doug@DougEadie.com](mailto:Doug@DougEadie.com).*