

Board Brainery

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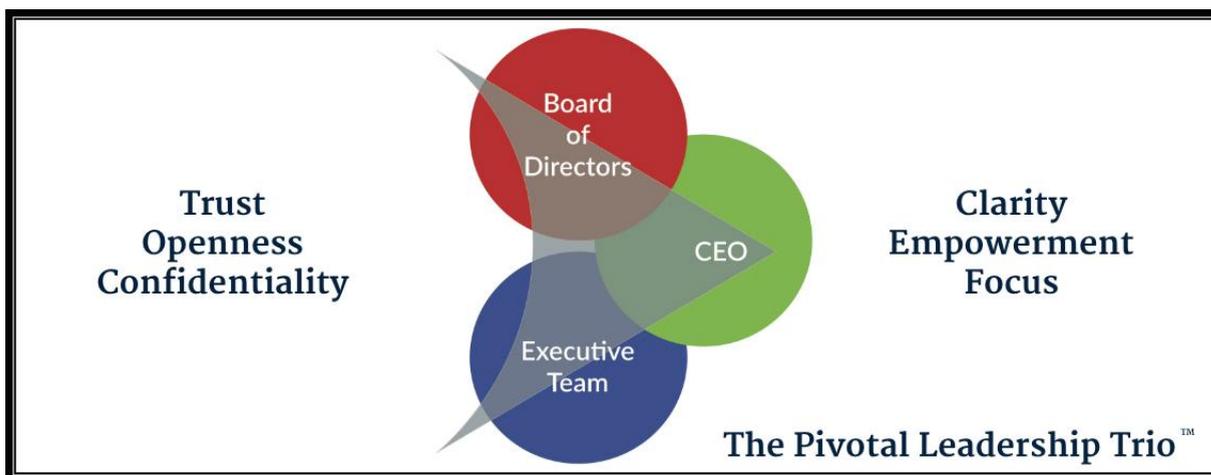
How can technological advances help Boards of Directors grasp the ins and outs of an organisation?

The role of Boards is increasingly demanding as their decisions are becoming more complex due to the incredibly fast-paced, evolving, often disruptive digital era. Even when an organisation is not global, small or established, their work is nearly instantaneously visible to the world at large. Organisations in the digital age are potential beneficiaries or victims of unseen forces they have no control over.

The importance of accurate information

It is a tall order for individual directors and the Board as a whole to have to make critical decisions that are in effect highly dependent on the information that is presented to them at Board meetings and shared with them during and in between Board sessions. There are so many vulnerabilities in having to rely on the information submitted to them, especially when there is the potential for misunderstanding and miscommunication within the Board about that information and its pertinence.

To make decisions, Boards depend on information delivered to them through their Board books, information they receive at in-person meetings with any members of the Pivotal Leadership Trio™ (Board, CEO, Executive Team), information they obtain through online and offline channels and their own networks.



Technological advances, an added value for Boards of Directors

Technological advances should ideally assist Boards of Directors in having access to all of the information they need in order to make better, timely, well-informed decisions and provide an uncanny ability to predict returns, productivity, and success, failings, threats and opportunities for all of the organisation's stakeholders (employees, customers, partners, shareholders, environment, government and communities at large).

Ideologically, technology should assist the Board to ensure that it does not get caught in having to react or being surprised by a crisis that could implicate it! Realistically with technological advances, the Board should be able to lead more effectively in its role to provide oversight, minimise risks, ensure value for shareholders and have a greater ability to oversee the leadership of the organisation in its role to strategically, proactively and successfully meet the key needs of all its stakeholders.

With technological advances, a Board can have more ways to get the information that once was unavailable and have alternative ways of viewing, querying and analysing the information that it is privy to, purely based on the decisions that it needs to ascertain and make. Importantly, there are more ways nowadays for a Board of Directors to get at the right structured and unstructured data for the decisions to be made.

However, technology is a mere enabler. It helps the Board of Directors grasp the “ins and outs” of an organization, as long as:

- (a) the Board is clear about what it needs to know in order to be effective and for the organisation to be successful;
- (b) the Board understands the kind of information that it must have and can have as a result of the technological advances to make better decisions;
- (c) there is consensus within the Board about which inner workings of the organisation require critical awareness for each Board meeting, at key inflection points and in combination with the dynamic market shifts.

The “ins and outs” of an organization are the foundational elements that depict, as well as, give a comprehensive visibility to the road to success for an organisation. They are inclusive, but not limited to, of knowing and ensuring that the organisation

- (a) has an accurate state of the level of engagement or lack thereof by all its stakeholders, namely, employees, customers, partners, influencers, communities it impacts, to pro-actively and swiftly address internal and external challenges;

- (b) has a pulse and know-how of the competitive landscape given the short and long-term market strategy and positioning;
- (c) has a current view of the market opportunities, the how and when these should be leveraged or not for realising growth and profit;
- (d) has the needed operational infrastructure basics within each functional area (Marketing, Human Resources, Sales, Finance, Customer Support, IT, R&D, Corporate Development and other departments) to effectively and efficiently support the various growth stages and ensure sustainability. For example
 - (i) Marketing's ability to capture, categorize, track leads to sales;
 - (ii) Human Resources's ability to recruit, acquire, train, appraise, leverage talent and build a solid succession plan within the Pivotal Leadership Trio™;
- (e) has the ability to tap into and prioritise innovation, organisational and operational ideas to lead and remain competitive;
- (f) and more.

Information relevancy, beyond technological advances

To make decisions today and in the future, the “ins and outs” to be known are well beyond the financials and the typical Key Performance Indicators (KPIs); they include some intangibles such as keeping a pulse check on the “culture IQ” and diversity index ratio of an organisation, the direct and indirect impact of social media networks on the branding, culture and perception of the organisation and the ability to question “what if” -- predicting how their decisions might factor into in worst-case scenarios and disruptive situations due to social, political, economical and environmental abrupt changes. The particulars include knowing very openly the threats to the organisation and its ecosystem and candidly evaluating the Board's effectiveness to address them today and in the short and longer terms.

Technological advances benefit the Board as long as they are utilised in ways that can powerfully reflect the “ins and outs” and ensure that all the required information is declared.

The technological infrastructure of an organisation is still highly dependent on what is being fed to it, from the top down, and from the bottom to the top.

The current technological advances, regardless of their sophistication, can still blind a Board from capturing all that should in the way that has meaning towards allowing the Board a total view of the inner working of the organisation.

There is still a critical need that technological advances and business models can someday ensure total interconnectivity, real-time, between all internal systems and external information pertinent to the current state of an organisation!

Regardless of the level of sophistication that might exist to gather, collect, summarise and optimally structure, store, secure and report information, there is no real guarantee of the accuracy of any information or that any resulting insights are actually shared. While the information might be fully accurate, somewhere in the organisation, there is always a possibility that someone could alter it. Boards must be vigilant in ensuring that the individuals who gather, synthesize and submit information are trusted. It is not “information/data hypochondria” as much as stressing for Boards their needed commitment to technological advances, now, so as to be prepared for the worst with the rising danger of cyber-fraud, the ease for an outsider (or/an insider) to manipulate information or fake news about their organisation.

At the very minimum, a Board has the responsibility to know the kind of information it can and should have, and it needs to ensure that investments are made accordingly.

Commitment and communication at all levels of leadership

In turn, it is not sufficient for the Board alone to know what it needs. The CEO, who is an executive director and is accountable for the leadership of the organisation, has to clearly communicate with management the expectations about how the inner working of the organisation are openly and transparently reported to the Board.

The entire ecosystem of the organisation needs to understand the importance of having the right information collected, and leadership must be instrumental in ensuring that technology advances can be the enabler by having needed information collected, tracked, synthesized and securely stored and accessible.

The Board, with the known commitment of its Chair and its CEO, must be adamant about investing in technological advances and technology know-how that maximise the odds:

- (a) to optimally present the state of an organisation, its peculiarities bottom up to management, the CEO and the Board;
- (b) to transparently share the real-time contextual social media data and associated impact it might have on the strategy of the organisation and its success for all the stakeholders it serves;
- (c) to secure and archive the information that is stores within an organisation to prevent data breaches and ensure nearly instantaneous recovery of any information technology structure downtime or failure of any kind;
- (d) to be able to defend and to recover from any false damaging news that could be wrongfully stated about the organisation its serves and about themselves; and
- (e) to claim the private and public data that the organisation owns.

So, technological advances can help Boards of Directors grasp the “ins and outs” of an organisation by:

- (a) Firstly, by being a lever pressing the Board of Directors to urgently assess the composition of the PLTTM (Pivotal Leadership Trio) to effectively address how to best leverage technological advances to help the Board of Directors;
- (i) Minimally appoint an existing director or recruit a new director within the Board who understands how unequivocally technological advances help the Board of Directors grasp the “ins and outs” of the organisation, who in turn will collaborate with the Chair, the CEO, the rest of the Board and selected members of management (CIO, Chief Digital Officer, CFO, Chief Risk Management Officer,

Chief Audit Officer) to define the strategy of investing in and leveraging technological advances to specifically help the Board grasp the particulars of the organisation;

(ii) Minimally elect for a given period of time an expert counsel to guide the Board in its transition in adopting technological advances.

(b) Secondly, help the Board set new standards for the organisation's vision, which must be inclusive of insisting on the organisation stating its digital vision across the organisation;

(c) Thirdly, enables the CIO (\$ and people) to create a flexible, yet rigid and protected information infrastructure throughout the organisation regardless of its size, all with the goal of having the right information available through all channels, internal and external -- through social media platforms that have relevance to the strategic trajectory, business metrics, stakeholders and external awareness and perceptions for a visible pulse for the Board;

(d) Fourthly, enable the CEO and management to be more efficient and effective in delivering the right information about the state of the organisation. Employees must understand the value they contribute in collecting and sharing the right information;

(e) Fifthly, enable the packaging of information that is clear, concise and as simple as possible to be interpreted by management and the Board, specifically for the key decisions to be made;

(f) Ultimately, refine the relevance of the information to be shared and enhance the way Boards might go about making the decisions given the new possibilities offered by technological advances.

Boards have an elevated duty not to assume any aspects of information's legitimacy and protection beyond the valuable and timely insights they used to and still need to expect to make relevant strategic decisions.

Technological advances are no longer a luxury, but a necessity to meet the new norms imposed by the digital transformation of our times, to leverage evolving business opportunities and to minimise new and unpredictable threats.

Data and information structuring, gathering and synthesis can be daunting, but cannot be bypassed or underestimated.

Technological advances help Board of Directors grasp the “ins and outs” of an organisation, and information needs to be strategically prioritised as part of the culture.



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Johanne Bouchard is an expert in governance strategy, Board dynamics and Board composition for public, private and non-profit Boards. A thought leader, a serial entrepreneur and former C-Level executive, Johanne is passionate about exemplary governance and has been a visionary and a champion for over a decade to invite Boards to evaluate their effectiveness and to engage in strategy. She has developed her own methodology to conduct comprehensive Board leadership effectiveness assessments, to plan and lead strategic planning sessions to align the Board and management on strategy, and innovative sessions to integrate Boards post mergers and acquisitions and for effective transfer of leadership. As an active governance and leadership blogger and author, she has been published in the National Association of Corporate Directors' publication, Directorship and in UK-based Ethical Boardroom. Johanne is a strong advocate for the inclusion of more women on Boards and is a member of 2020 Women on Boards' Board of Leaders and its San Francisco Bay Area Leadership Committee. Ms. Bouchard is currently available to discuss new opportunities for Board of Directors mandates. She can be reached at johanne@johannebouchard.com.

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