Jeff Blade **Allison Grant Williams** **Eileen Kamerick**

With Their Board & C-Suite Commentary

THERE'S A TIME WHEN BOARD DIRECTORS NEED TO BE "IN THE WEEDS." HERE'S HOW & WHEN TO EXIT.

There are two periods when Board Directors need to be "in the weeds," i.e., so concerned with small details, often to the extent that, understandably, it could hinder those who are "in the weeds" from discerning what is truly important to achieve overarching goals.

1. In early-stage companies where the Board makes the key strategic decisions based upon their collective knowledge that is usually greater than management's, with management then implementing those Board decisions.
2. When a company is in crisis where the Board's in-depth experience/connections is often more than management's and can be crucial for the corporation's survival.

After three years of a pandemic in an often unexpectedly, rapidly changing, geopolitical and business environment, many board directors are still "in the weeds" even though their companies have grown past early-stage and/or are now doing well or even great.

Some topics that can refocus a Board "out of those weeds, please!" are to spotlight their strategic role by discussing:

1. Exactly what type of level of Board engagement (minimal, succession/compliance focus, the CEO's overall oversight partner) will best result in the company achieving its next growth goal strategy.
2. Whether a European-style more confrontational or an American-style more collaborative board/management relationship will work best to reach quickest/most effectively the company's next growth goal strategy.

Jeff Blade, current CEO/Board Director for Dennis Uniform, former CEO/Board Director for Matilda Jane Clothing, and executive for public companies (Kraft, Steak 'N' Shake, Cott Beverages, Vera Bradley Designs where he led their successful IPO) and private equity owned companies, says,

"Highlighting the importance of getting these first two factors right is what happens when a private equity firm hires a CEO who is not a fit with the Board's culture/style—the failure rate for those portfolio companies is high.

What is most important is to communicate clearly what style, level, and amount of interaction with Board Directors is to be expected by the CEO and management team, then deliver that style, level, and interaction continuously.

At the start of recruiting, there's a need to set clear expectations on Board style and engagement level, which will create an environment for Board and CEO to partner, collaborate, and trust each other, positively impacting everyone's returns."

As always, it is management's responsibility to provide the right information at the right time and in the right format to Board Directors so they can perform their duties. When that info is not forthcoming, too much, or too little, there are many ways to improve that situation without Board Directors resorting to "in the weeds" techniques.

Allison Grant Williams, Independent Board Director for Select Sector SPDRs and former Board Director for Keel Asset Management says, ***"Of course, Board oversight responsibility requires the review of all materials management has provided, plus consideration of our knowledge base and even other sources of industry data/standards or best practices for any similar business entity. With an 'eyes on and hands off' posture, we dutifully focus on management's policy and process through information provided and conversations held. We reflect on all of that to assess the business' risks and opportunities, as well as the effectiveness of management's execution."***

Once a Board is back to a "noses in, fingers out" approach, an exercise to avoid crisis situation reversions is to have the Board determine what are the five most likely factors that could derail their current growth strategy, then confirm that those with the ability to see those risks emerging are on the Board and that they are dutifully focused on management policies and processes.

As Eileen Kamerick—Board Director for Associated Banc Corp (NYSE), Legg Mason Closed End Mutual Funds (NYSE), ACV Auctions (NASDAQ), and Valic Company I—reminds, ***"Directors need to ensure that they are focused on their core responsibilities of strategy oversight, performance management, and succession. These three are the areas where they can add the most value.***

They must ensure that there is ample time for strategic discussions, in particular. With the increasing regulatory and compliance demands placed on boards, directors need to remain disciplined in their approach to ensure that strategy discussions are not "crowded out" by competing demands on their time."