



Getting the most out of your Strategy Away Day

A clever response to concerns that boards weren't spending enough time on strategy has been the annual "Away Day". Most boards now have them and most find them useful. But we often pick up during our board reviews a sense of disappointment and lost opportunity, with a feeling that "it was good but could have been better". And it's fair to say that (perhaps unsurprisingly) executives are usually less convinced of the benefits than the non-execs. So what makes them work well? And how can disappointment be avoided?



Good practices to consider...

Work out what you're aiming to achieve – and "what good looks like". Is the day aiming to set out the overall longer-term strategy? Or is it aiming to focus on a certain market – or certain strategic drivers (technology, people, competitive environment...). Or simply to review progress on implementing strategy and any tweaks that might be needed? Or some combination of the above. There's no one way to do it – but the aim needs to be both clear and realistic.

Get the timing in the year right. A month or so before the budgeting process starts might be best. Or possibly after a round of investor discussions – or before. Whatever is right for you, plan it well ahead so that one or two days' extra board time is built into diaries with plenty of advance warning

Allow enough time. How much depends on the objectives – but probably at least a full day (not truncated early by travel schedules) with a dinner the night before (as a warm up and to get out of the way other things not on the Away Day agenda).

Work out the style of the day before you book the venue (and that needs to be done early too). Informal armchairs? Boardroom style? "Cabaret" table layout? Breakout sessions?

Plan who's sitting where. That might sound overly-organised for an informal day but it matters – especially if you're going for the "armchair" style.

Things to avoid...

A lack of clarity resulting in frustration during the day ("what are we trying to achieve?"), ineffective use of time ("why are we going over all of this?") and a feeling that time wasn't well spent ("well that was a lost opportunity wasn't it!"). One or two full days of board time is rare and valuable – it needs using wisely.

Timing it for exceptionally busy periods for executives as their hearts and minds won't be in the preparation or there on the day. Or leaving it too late in the year to factor into end year investor briefings, the annual planning cycle or remuneration targets. And then announcing the date at too short notice so the hoped-for enthusiasm is dented by insufficient preparation and unavoidable absences.

Thinking that it's possible to discuss and confirm the 5-year strategy in the space of half a day (ie full day less lunch and breaks = half a day). A good result requires time – and a lot of boards are now working off two days and getting a lot more value from the exercise. It sounds a lot – but setting strategic direction is, after all, arguably the Board's prime responsibility.

Failing to imagine what the environment will be like. If it's too informal, it may lead to a vague discussion. Too formal, people may not relax into free-thinking and sharing mode.

Allowing a free for all which ends up with the same people sitting next to each other as always – and possibly with the most vocal, consistent voices managing to retain their prime spot in the Chairman's line of sight.

Good practices to consider...

It's for discussion not presentation. Some background and scene-setting is needed but this shouldn't be the bulk of the day. Use outside experts to bring fresh perspectives on the nature of the questions that the day should be answering. Management presentations need to be short scene-setters and question-posers.

Carefully work out who should be there – and when. That depends on the objectives but there's probably only time for a few executives to say their piece if the day's not to be consumed by presentations. And make sure discussion is not constrained by the presence of too many from outside the Board – we quite often hear this concern.

Limit the preparation needed. The executive team should be well-briefed on what's required – and that should be quite limited in terms of pre-read and presentation. You don't want to be sucking up lots of management time with the Away Day becoming an additional burden rather than a stimulating time to reflect and debate.

Build on what's already been discussed. The Board will have covered some strategic issues at board meetings since the last Away Day so these should be pulled together in the pre-reading to remind all involved what's already been agreed – unless it needs to be re-opened.

It still needs chairing. The discussion should result in conclusions: consensus views, evident direction to management and probably some action points. These need to be clear, with the Chairman, CEO and Company Secretary making sure that's the case..

Agree things with the CEO well in advance: objectives, timing, time, participation, style... everything we've touched on here. If the CEO is not committed to making the day a success, it probably won't be one.

Things to avoid...

Half the day (or worse, more – we've seen it happen) is taken up with management presentations. That might be useful for bringing some non-execs up to speed but that shouldn't be the purpose (and if some need that they should be briefed by management separately beforehand).

Turning it into a "meet the team" day. The wider executive team usually likes to be invited – it's great exposure to the Board – but it doesn't take many to become a crowd and so upset the dynamics and the day. So think it through – might it be better to meet a wider group over lunch/dinner – or in just some sessions?

Failing to give clear guidance, so that executives think it's about presenting their divisional strategy, supported by a tome on market analysis and every detail needed to support their proposal. They shouldn't need to prepare much more than they already have – and what they do prepare should be short.

Using up valuable time (and patience) covering strategic questions which have already been settled. Yes, they need to be put in the context of the overall strategy so it's clear how it fits together – but that needs to be done through well-structured papers and quick reminders, not through repeat presentations.

Getting to the last minute of the day with a room-wide reaction of "that was great – but what next?" Or worse, reflection in the car/plane/helicopter on the way home resulting in a shift from an excited feeling during the discussion to a deflated ("interesting day but I'm not sure where it got us to").

The CEO feeling that it's something that's been done to her rather than with her. A lot of different pieces need to fall into place – and any one piece not fitting well can dent the dynamics.

If you have any questions on the issues covered here, please contact Richard Sheath at richard.sheath@independentaudit.com

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