

## Joy or dread? How do you feel about your board pack?

Nowadays board papers don't arrive with a literal thump. But often the impact is the same. This month, to take a look at the perennial issue of board papers, we have invited as "guest editors" Board Intelligence: specialists in board packs and board portal providers.



"I've opened too many board packs which give me a sinking feeling – and I'm not even one of the directors. If I had the weight of a director's responsibilities on my shoulders, I'd be looking to the board pack as my principal source of insight into value creation, risks, keeping promises to stakeholders and how well management are doing. I'd want to see a succinct, unvarnished account of these topics, amongst others. But instead, board packs are often hampered by blind spots in coverage and blizzards of information." *Dineshi Ramesh from Board Intelligence*

But do board directors agree? When asked, many directors say "I'm happy", only to become much less satisfied when asked more probing questions (Are they succinct? Is there always a strong Summary?...). Are judgements evident?... Maybe they are inured...aren't sure what "good" would look like...or are genuinely happy.

So let's explore what to look for, and what to avoid.

### Good practices to consider...

Keep it short. There's no right answer but bear in mind it takes c.3 hrs to read 100 pages of A4 text. How short should an individual paper be? That depends – no more than 5 pages for an update and no more than 10 pages for a deep dive or complex decision paper.

Plug the blind spots. For starters, here are some lenses to test your pack against, consider the balance of: steering vs supervising items; internal vs external perspectives; coverage of strategy, performance, governance topics; forward vs backward looking commentary.

Make sure reports are unvarnished. Reports need to talk about what went well and what didn't go so well. And when talking about bad news, management should cover what they're doing about it and any precautions to avoid it happening again.

Preface all papers with a very short executive summary. This should give the reader everything they need to know at a glance. It's not a substitute for reading the paper but for a time-poor director, it provides an invaluable summary of the key points.

Try to answer the questions on the board's mind. These are hard to second-guess. So before an owner starts writing a report, it helps to share the executive summary with the sponsor or the CoSec/ Chairman. This helps to align expectations and ensure they get what they need, first time.

Make individual reports clear and easy to comprehend. Einstein said: 'If you can't explain it simply, you don't understand it well enough'. Great writing starts with clear thinking. Authors should get their thinking clear before they sit in front of a keyboard.

Aim for well-structured reports, working around five or fewer big questions. Five is a magic number and relates to the number of ideas that most people can retain in their short-term memory. If your reader can hold the structure of your report in their head, you will retain their attention as the report unfolds.

Ensure the 'ask' of the board is clear on each report. What does the sponsor want back from the board? If it's not clear, does the report even need to go to the board?

Does the pack help directors in discharging their duties? Gone are the days where the shareholder's interests dominated over all others. For example, Section 172 requires directors to give due regard to all stakeholders (customers, employees, community etc) and the impact of decisions in the long term. Do proposals talk to these requirements?

Design a board agenda (and therefore a supporting pack) that focuses on the priorities of the business. These should drive the big discussion items (and key papers) and should be allocated plenty of time.

Ask managers to write papers in prose. A good pre-read paper should be a standalone document that requires little inference or voice over. 'Write as you would wish to be understood!'

### Things to avoid...

Fat appendices. Appendices are the bane of today's board packs. With accountability regimes like SMCR, management seem to want to err on the side of 'I'll give them everything'. That's deeply unhelpful. Of course, documents required by the regulator are legitimate appendices, so they need to be kept in, possibly along with some of the detail that might be expected. But separate it out and sign post effectively from the main report.

Unbalanced packs. For example, board packs that are a series of management updates. Or a pack that is overweight in its coverage of performance or governance. Another big oversight is bare coverage of customers, people, community, culture or progress on strategy.

A board pack that is a 'good news' story. Business follows a bumpy path, boards expect bad news. If management try to conceal it, directors are more likely to challenge the picture. Or be particularly put out further down the road if things don't turn out quite so rosy.

Confusing an executive summary with an introduction to the subject. A perfunctory cover note with administrative details (e.g. author, sponsor, purpose) might be deemed necessary but it doesn't meet the need for that helpful scene-setting overview. Nor should it read like the beginning of an essay.

Allowing reports to become a dump of 'everything the author knows about the subject'. It's a high-risk strategy and likely to drive multiple revisions and the board asking for 'more' (which is the last thing they actually need!) What they really want is for you to answer their exam questions. So authors should flush those out at the outset.

Jumbled or illogical thinking. Don't rush into writing before you plan out the structure of your report. This requires a small investment up front, but it really pays off in writing a great report.

Having no structure or one with too many main sections. The reader will lose track. Or worse, with no structure, they will wonder 'have they covered the right bases', 'what about X and Y'? A director with unanswered questions on their mind is going to give management a tougher in the boardroom!

Reports that have an unclear purpose or are labelled 'for information', 'for note'. It's a turn off for the reader: why should they read on? A better 'ask' for an update report might be to seek the board's advice, ideas or check they are satisfied with management's actions.

Proposals that focus on commercial gains with an absence of discussion of risks, the long-term impact, the principle drivers and consideration of wider stakeholders.

Too many reports in the pack. A bulging board pack normally accompanies a packed agenda which affords little time to talk about big issues. And invariably the meeting will over-run or become a nightmare to chair.

Being tempted to re-purpose a PowerPoint slide pack for your board paper – they're rarely designed to be read standalone.

### How to Chair a meeting well

Effective meetings are dependent on skilful leadership and some people chair meetings considerably better than others. But what are the hallmarks of a good Chair? In this two part video Catherine Stalker and Dineshi Ramesh discuss the hallmarks of an effective Chair and what to avoid, drawing on their extensive experience of the good, the bad and the ugly of board meetings, ExCos and other committees. [Watch video](#)



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Independent Audit are leaders in board evaluation. We help clients understand and improve how well their governance is working.

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