



Enhancing the Role of Governance Professionals using 'Binge-governance' & being the Showrunner of the Board

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How do Netflix series producers manage to get people to watch their content for a long time? And why do governance professionals sometimes have the greatest difficulty in engaging their audience (Board and management) for good information and good documentation?

'Binge-governance' concepts offer a refreshing view on the future of governance and the special role that governance professionals can play as the convener and organizer for their Boards.

Books have been written about developments in governance. There are a number of common challenges that every Board is likely to face, regardless of the country of origin or the organization they oversee. Communication, risk management, fiduciary duties and shareholder activism can present serious challenges for any business – and, as a result, every Board need to be prepared to face them. In general, governance professionals play an important role to facilitate the Board to equip themselves with a broad understanding of their company strategy and the potential threats it faces. In addition to all economic developments, sustainable business and the pandemic, it is advisable for governance professionals to pay serious attention to the rise of the experience economy to explore the opportunities of this phenomena for the Board in guiding the company and making good decisions.

Experience economy

For some decades now, consumers have been successfully affected with experiences when making purchases or using services of any company. An economic development that has even acquired its own concept; the experience economy, introduced by Pine and Gilmore (1999, 2000). If a company wants to be successful, it has no longer been just about delivering high-quality products or services, but about creating optimal experiences for the consumer. If you think about it for a moment, the examples come to mind. Brilliant is still Starbucks idea to build a trusting relationship with the customer by simply attaching his or her name to a paper cup of coffee and using this in the communication with the customer. And don't think it's limited to interaction between business and consumer. What about the first 3D printed sustainable meeting location in the Netherlands? Boards can of course have meetings there, but they are spoiled and enriched with experiences. In this way, every atmosphere in which the Board wants to meet can be created with color, visual material, sounds and even scents.

So in the experience economy it is the marketers who have made the difference in winning or losing. Based on the peak–end rule of Daniel Kahneman (1993) they created intense positive moments (the “peaks”) and the final moments of an experience (the “end”) which are heavily weighted in the remembering to a

buying event. Governance professionals can learn a lot from these marketers. Governance professionals have also been creating and organizing events for many years, only they are called differently: Board meetings or Board awaydays. Inspired by the marketers governance professionals need not only serve the Board in supporting the decision making processes in the best possible way, they also can create positive experiences to these board meeting. By doing so they add real value to the core processes of the Board, because a positive experience can lead to a memorable or transforming memory to this experience which is a good predictor of future behavior in the boardroom. The principle is simple. When Ikea's marketers succeed in getting consumers addicted to their brand by selling cheap ice creams and hot dogs at the exit, then the governance professional must be able to do the same to get the Board addicted to their governance brand. It cannot only be done by a good cup of coffee but also by searching for all possible touch

points and upgrade those with all kind of experience instruments like storytelling, senses, theming, gamification and co-creation.

Governance development framework

Scientific research into the strategic use of experiences in Boards is still in its infancy. Based on our own research into the ingredients for good governance in combination with the Nolan's growth phase model (2009) we developed a governance development framework. As with Nolan's growth phases model, growth processes in governance go through a phased development, where the Board, due to the organic learning process, has to go through each growth phase in the model. The Board's return is greatest when the growth processes are developed in a balanced way and with the right support from the governance professional.

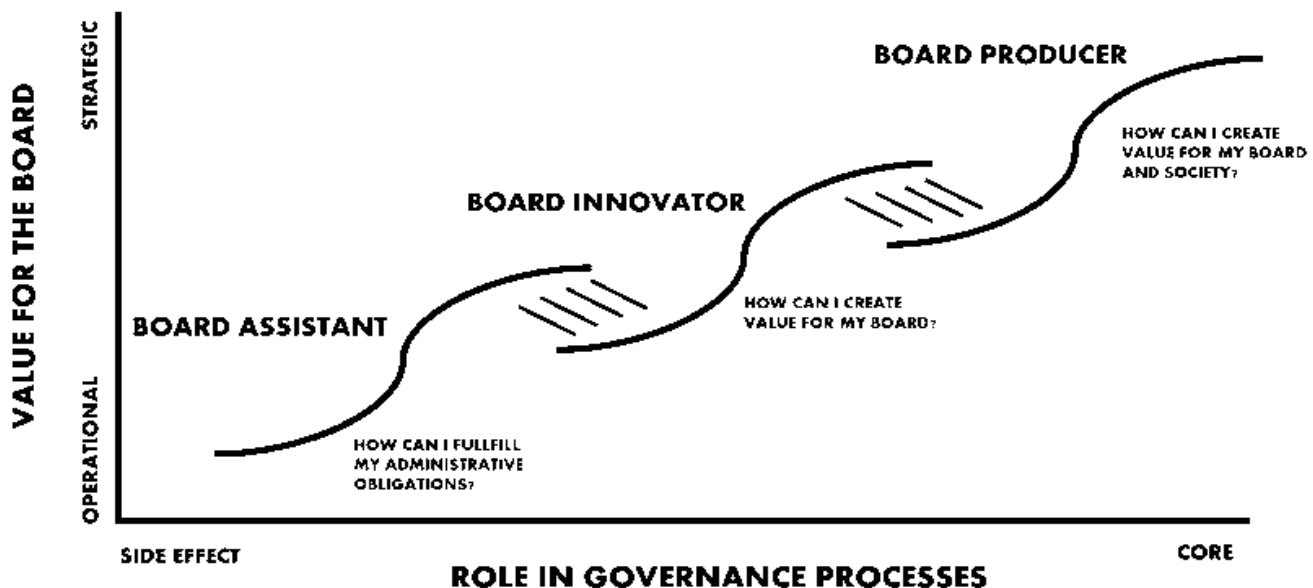


Figure: Governance Development Framework (De Vette, 2019)

Just like Nolan's growth model, the governance development framework also has the same 'law': each growth phase has an end which is the beginning of the next growth phase. In the transition phase from one growth curve to the next, the Board is in a phase of discontinuity. At this point there are too many new governance issues for which the existing governance tools are no solution. In order to continue to create value for the Board, governance professionals must seek and implement new solutions and use new skills. Therefore the role in the governance process will change due the phase in the growth model.

So based on our developed model there are three growth phases and in each phase the governance professional has a specific role in the governance process.

Board assistant

The traditional, but still very valuable role of the governance professional is being the board assistant. The focus will be on the operational support of running board meetings. The specific responsibilities and tasks may vary upon the nature and scale of the organization as well as relevant regulations but they will also include serving the board and the sub-committees on some of the following topics:

- Ensuring compliance with legal and regulatory obligations.
- Overseeing policies, making sure they are kept up to date and referred to the appropriate committee for approval.
- Organizing meetings (board, sub-committee, extraordinary, AGM, etc.)
- Drafting agendas, resolutions and other requires documents for board meetings.
- Recording and communicating the minutes of such meetings.
- Advising the board of directors on their legal and corporate responsibilities and in matters of corporate governance.

Board Innovator

Due to the fast amounts of developments which affect the strategy of the company the Board is asking more and more from the governance professional to have the right board information just in time. Governance professionals will have to deal with time pressure, a huge amount of information management and the burning question which information is relevant for the Board.

Besides the technical skills which has been very useful in being a board assistant the governance professional needs to develop some creative skills which are necessary to use ICT and other tools (people, setting and process) in an unconventional way that helps Boards solve everyday problems by running board meetings and to realize magical board experiences.

At this stage, governance professionals will need to focus on innovations rather than reproducing board information. The degree of innovation tasks may vary upon the nature and scale of the organization but in a sense they will need to be able to create more value to the board and the sub-committees.

Cross-industry innovation

As told in the previous chapter, innovation is seen as one of the main driving forces for creating value for the board. The challenge for many governance professionals is that – in many cases – innovation is an extrapolation of their current mindset from being a board assistant. Incremental improvement in governance processes is necessary and beneficial, yet is not enough to find game-changing solutions for the new challenges the Board faces.

As most Boards are quite mature, it is hard for the governance professional to generate major innovations as most governance processes have largely been shaped by the mindset of their directors, including the governance professional itself. Best practice thinking has optimized governance operations, so radical innovation will most likely come from other sectors or different contexts.

A good way to realize these innovations is called cross-industry innovation (Vullings, 2015). This method is seen as a clever way to jump-start your innovation efforts by drawing analogies and transferring approaches between contexts, beyond borders of your own company, sector, area or boardroom.

These analogies can be drawn at various levels, from products and services for the board, to governance processes, decision making models, culture and leadership. The key is to make more effective connections – i.e. your matching sensitivity – and see the opportunities available.

Cross-Industry Innovation in Action

To give you an idea of how cross-industry innovation is working, take a look at the pictures below.



Image Source: www.7ides.net

In this Japanese restaurant, it is all about eating lovely sushi, sashimi or Japanese dumpling with a just in time principle. The interior of the restaurant was inspired by a luggage belt on the airport. It is all about creating efficiency in serving the dishes.



Image Source: www.devergaderfabriek.nl

In this most sustainable boardroom it is all about having board meetings while the most beautiful images and scents appear around you and on the boardroom table. The unique functionalities were first successfully exploited by Dinner in Motion, is a 360 degree restaurant in Holland.



Image Source: www.devergaderfabriek.nl

The use of images in the sustainable boardroom is not new, by the way. As early as the 14th century, Lorenzetti painted images of good and bad government on the walls of the city chamber of Siena. All the board members had to do was look to a side to know if they were running the city well.

So cross-industry innovation is a very powerful tools to create board innovations. In order to make affective use of a practice from another sector or area in the right way, the governance professional master three things: conceptualization skills, the ability to combine and ultimately, to make the pieces fit for the boardroom.

Board producer

How do Netflix series producers manage to get people to watch their content for a long time? And why do governance professionals sometimes have the greatest difficulty in

engaging their Board for good information and good documentation in decision-making processes? In the final stage of our framework the governance professional uses binge governance as a method to bring board information / content like a rock-solid television series. Every meeting in text, image and sound is an episode of the same series. With being a board producer or a so called showrunner of the Board the governance professionals ensures committed board members, optimal decision-making and transparency. In doing so, he not only creates optimal value for the board, but also for society and stakeholders.

Becoming a board producers requires an open mind and a new focus on communication skills. Before creating and producing the right board information the governance professionals need to answer some of the following questions:

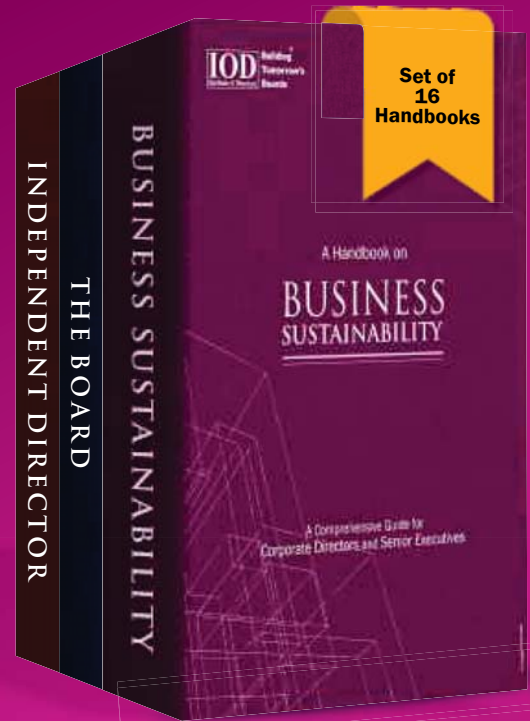
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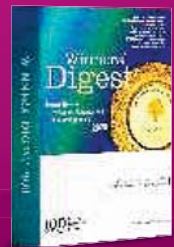


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- Who are we as a governance brand and what I out plot summary?
- What does my audience / board like to read, watch and listen to?
- Who are our key players to tell the story behind our fact and figures?
- What is your decor?

The specific responsibilities and tasks may vary upon the nature and scale of the organization but will include some of the following topics:

- Creating a persona, a detailed description of your (fictional) ideal director. Even though every director in the Board is different, the idea here is to put together the main characteristics of directors and create a description of this average ideal director.
- Creating a governance content strategy in which you define, among other things, the purpose of your governance content, which governance content you want to for board or other meetings and when, through which online channels

you want to distribute the content and who the target group is for the content.

Basis the persona and governance content strategy the governance professionals starts to create and produce all the necessary board information. In doing so, he will in any case take into account two principles that have been widely embraced by marketeers for years in making customers addicted to their brand: video will also be king in the boardroom, and personalization is key.

**Dr. Edo de Vette is a corporate governance professional interested especially in the evolving new role of the Corporate Secretary. He is founder of New Public Support and the platform 24Governance. He is on a mission to increase the impact and visibility of governance professionals, worldwide. Edo is the author of "De Steen der Wijzen" a personal search for new insights for good governance, based on his 15 years of experience as a Corporate Secretary of 'Portaal', a large real estate company in the Netherlands. He is also a lecturer at the Governance University in Doorn and Windesheim University in Zwolle, Netherlands.* ■

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