

Governance Notes

Effective Meetings: Preparation Is Key

By Pamela R. Knecht, President and CEO, ACCORD LIMITED

A Critical Role

Boards are only boards when they meet. Therefore, one could argue that the most important aspect of great governance is to ensure that the board's meetings are exceptional. This perspective emphasizes the critical role of governance support professionals.

Many individuals who support the board have experience preparing for board and committee meetings. And yet, others may be relatively new. This article is written primarily for newer governance support professionals, but even experienced chief governance officers may benefit from a reminder of meeting preparation basics.

Developing the Agenda

The most important component of meeting planning is agenda development. Best practice is for the CEO to draft an agenda for the next board meeting three-to-four weeks beforehand. The agenda should be created, in part, based on the annual board calendar. That document should lay out the months in which the board must approve key items such as the operating budget, audit, strategic plan, new board members, etc.¹

¹ For sample meeting agendas and board calendars, view our template library at www.governanceinstitute.com/templates.

Another important part of the agenda planning process is to hear from the executives who support each of the board committees. For instance, the chief financial officer can advise the CEO regarding what, if anything, the finance committee would like to bring to the full board at the next meeting (e.g., initial assumptions regarding the next year's budget).

In the meantime, the board chair may reach out to the chairs of each board committee to determine what, if anything, from their committee needs to be addressed at the next board meeting. The board chair can provide that information, along with his or her own suggestions for topics, to the CEO to insert into the proposed agenda.

The governance support professional can help ensure that the agenda includes all three aspects of a board meeting: fiduciary decisions, strategic issues, and generative discussions. Often, the strategic and generative components of the board meeting agenda provide education and/or lay the foundation for decisions that the board will need to make in the future.

Agreeing on the Agenda

The next step is a critical one—the CEO and board chair should have a robust conversation regarding the proposed agenda items, the appropriate timing, and the needed preparation materials. They should

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carefully assess which topics to include in this meeting versus ones that could or should be handled at another board meeting or by a committee. Once the topics have been agreed upon, it is important to create a realistic estimate of the amount of time that should be devoted to each topic to ensure the proper amount of discussion. The times should be inserted into the agenda to set expectations for the board members and to help the board chair manage the meeting time.

Determining the Framing Questions

The highest-performing board–management teams take agenda planning one step further. Together, the CEO and board chair determine what questions management needs or wants answered by the board for each key topic. For example, if one of the agenda items is a discussion regarding a possible change to the hospital's or health system's service area, the framing question might be, "What questions or concerns do you have regarding expanding our service area to include ABC and XYZ counties?"

Creating framing questions helps management develop the appropriate materials, focuses the individual board member's preparation, and makes it easier for the board chair to facilitate conversations that provide helpful advice to management. Some board chairs choose to insert

Key Takeaways

Governance support professionals have a critical role to play in ensuring boards have productive, effective meetings. When helping prepare for meetings, they should:

- **Be responsible for maintaining an updated board calendar** that the CEO and board chair can refer to when planning meeting agendas.
- **Work with the board and CEO to ensure that the necessary preparation is taking place.** For example, the agenda is drafted in a timely manner and board committee chairs and executives have provided input.
- **Review the final agenda** and verify that it includes:
 - » All three aspects of a successful board meeting: fiduciary decisions, strategic issues, and generative discussions
 - » Realistic estimates of the amount of time that should be devoted to each topic
 - » Questions management needs or wants answered by the board for each key topic
- **Ensure that meeting materials are gathered with sufficient time for review and revisions.** These materials need to facilitate governance-level conversations and be mindful of board member time. They should then be distributed to the board at least a week before the meeting, preferably through a board portal.
- **Assist the board chair in identifying any potential conflicts of interest** by reviewing the annual conflicts disclosure forms before meetings.
- **Create a positive meeting environment** that promotes effective discussion.

the framing questions directly into the meeting agenda whereas others include them in the cover memorandum for the packet.

Creating the Board Packet

The governance support professional plays another important role once the agenda items and framing questions have been decided upon. He or she must ensure that the materials to support each topic are gathered in sufficient time for review and

revisions. It is then essential to assess whether the proposed packet and presentation materials will facilitate governance-level discussions. As an example, financial reports to the board should include graphs of trends and color-coded dashboards regarding performance on the board-approved key indicators. This type of information will help keep the board focused on the big picture. Note: The more detailed conversations regarding financial matters should have taken place in the finance committee meeting.

The board chair and CEO might have another conversation to review the proposed materials to ensure that they appropriately prepare the board to discuss the relevant topics. Often, the chair can help "elevate" the materials to the board level. During this step, the chair and CEO should also make sure that the total number of pages in the packet is manageable. Packets that are too large (e.g., hundreds of pages) make it difficult

Meeting Preparation Steps

1. CEO drafts the agenda three-to-four weeks beforehand.
2. The CEO and board chair receive agenda items/input from management and committee chairs.
3. CEO and board chair discuss the proposed agenda items, the appropriate timing, and the needed preparation materials.
4. Once the agenda is finalized, the governance support professional works to gather materials for the board packet.
5. Meeting materials are sent out to the board at least a week in advance of the meeting.

for board members, most of whom are volunteers, to have thoroughly read the materials.

The timely distribution of the packet materials is critical. The materials should be distributed at least one full week before the meeting to give busy board members time to fully prepare for discussions. Best practice is for the meeting materials (and all other governance documents) to be on a secure board portal, so they are easily accessible at any time.

Identifying Potential Conflicts

Another important step of the meeting preparation process is to determine whether any board members have potential conflicts of interest regarding the meeting topics. The governance support professional can provide invaluable assistance to the chair by reviewing the completed annual conflicts disclosure forms before each meeting and advising the chair regarding the findings.

The governance support professional also helps create a meeting environment that is conducive to discussion.

If it appears that any board members may have a conflict of interest (perceived or actual), the chair should reach out to that individual prior to the meeting to discuss how the conflict will be handled. Most often, any conflicts would be disclosed at the beginning of the meeting and the conflicted individual would be excused from both the discussion and the voting. Taking a proactive approach to potential conflicts is a respectful way to treat all involved.

Ensuring an Effective Meeting Environment

The governance support professional also helps create a meeting environment that is conducive to

discussion. If the meeting is in person, the room setup should allow for everyone to see and hear each other. If the meeting is virtual, it is important that each board member has practiced entering and moving around in the electronic platform. Technical support should be available throughout the entire meeting to provide just-in-time assistance.

In conclusion, the preparation provided by governance support professionals is the key to effective, substantive discussions by the board. In that way, they help ensure the board's fiduciary role is carried out.

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Building Diverse Boards

Board recruitment is the foundation of strong governance.

Competency-based recruitment is the starting point for targeted recruitment of the skills, attributes, and experiences required for the board to effectively lead and govern. Diversity in the boardroom has received increased scrutiny in recent months, causing it to move up the board priority list. In addition to the responsibility of not-for-profit healthcare organizations to represent the communities they serve, board diversity has many business cases:

- The quality of boardroom conversations improves as boards diversify, leading to better decisions.
- More diversity in the boardroom enables the organization to better understand consumer and patient needs.
- Organizations are better positioned to tackle disparities in healthcare, which occur more frequently in minority populations, when diversity is prioritized at the top level of the organization.
- Diverse boards report improved ability to attract diversity in their workforce.

Defining Diversity

Diversity can take many shapes. While most healthcare organizations still have room to improve demographic diversity on boards, it's also important to consider other aspects of diversity in the boardroom. In addition to ensuring the board has the right mix of directors with varying gender, racial, age, ethnic, and professional backgrounds, it is critical to consider whether board members are bringing a variety of viewpoints and perspectives to the boardroom.

Key Takeaways

Governance support professionals should work with leadership to help ensure that their boards are diverse enough and have the range of skills and competencies needed to successfully lead the organization in today's complex environment. Some activities to help this initiative include:

- Generate an internal board recruitment pipeline focusing on physicians, nurse leaders, and middle managers who might begin by sitting on board committees to prepare for a board seat (keep in mind that if they became board members they would not be independent).
- Help the governance/nominating committee create a public opportunity to recruit former patients and their families to be considered as director candidates.
- Partner with other employers in the region that also emphasize diversity in their leadership, both to look for potential candidates and also consider creating a training program for younger employees who have the potential to become leaders in the future.

Many factors go into how we think and perceive the world around us, so ensuring that the metrics you use to monitor diversity encompass harder-to-define characteristics is critical. The importance of "cognitive diversity" is explored in a recent *Harvard Business Review* article, setting a new aspiration for diversity in our boardrooms.¹ You can assess your cognitive diversity by considering how similar your directors are (for example, do they run in similar social circles? Do they tend to agree rather than challenge/question proposals in the boardroom?).

Many times, boards find themselves looking to tried-and-true sources for board candidates; however, these networks naturally limit the ability to find prospective board members with varying views. Consider your sources for board talent and strive to continually establish new and

diverse ways to build relationships with future directors that are outside of your current network. Kim Russel, Governance Institute Advisor and previous health system CEO, recommends partnering with universities, churches, civic organizations, and professional organizations within your community to source potential board talent. A broad definition of diversity will better position your organization to fully leverage the value of diversity in the boardroom.

Balancing Competency with Diversity

Boards tend to feel a tension between finding diverse talent and experts within specific competency areas needed to support the strategic direction of the organization. Competency-based boards are imperative to realizing the full value of the board; however, competencies alone should not be used to take on building a diverse board. When limited to traditional sources for board talent, it can seem as if certain combinations of board talent

¹ Jared L. Landaw, "[How Diverse Is Your Board, Really?](#)" *Harvard Business Review*, June 11, 2020.

do not exist. If this seems to be a challenge for your organization and you have exhausted all creative local sources for talent, it may be time to leverage a search firm to widen your network. In addition, various organizations have taken on the work of building databases of potential board candidates of various minority groups and women (for example, [theBoardlist](#), [Nurses on Boards Coalition](#), [African American Board Leadership Institute](#), and [Latino Corporate Directors Association](#)).

While specific competencies that are imperative to your strategic direction are important to bring into the boardroom, consultants and subject matter experts can also be brought in to work with the board without taking a board seat. It is important to weigh the long-term needs of certain competencies, and the immediacy of those needs against your probability of finding the right board member candidate, so that your organization doesn't wait too long to tackle important issues that could be helped in the near term by outside experts and/or robust board education.

Gender Diversity

Although 51 percent of the U.S. population is female,² women are the typical household decision maker 78 percent of the time,³ and they hold 76 percent of all healthcare jobs,⁴ boardroom membership still remains low. According to The Governance Institute's biennial survey, on average less than 25 percent of the board is comprised

² [U.S. Census Bureau](#), 2020.

³ Market Insights consumer study, 2019.

⁴ Jennifer Cheeseman Day and Cheridan Christnacht, "[Women Hold 76% of All Health Care Jobs, Gaining in Higher-Paying Occupations](#)," U.S. Census Bureau, August 14, 2019.

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of women.⁵ Given the impact of this significant portion of the population, many organizations are implementing goals to move board composition to a 50/50 composition of gender. When analyzing your current board demographics, it can be helpful to layer in datapoints on your community representation of each metric to highlight gaps in your board make-up and enable goal setting around these metrics.

Younger Talent

Age diversity is another area of opportunity for boards. While the time commitment of board service can be challenging for this demographic, the new normal of virtual meetings brought on by COVID-19 does present an opportunity to make board and committee meetings more accessible for younger board members. Consider engaging younger talent—talent that can bring fresh perspective and expertise around technology and consumerism—in board committees or subsidiary boards to evaluate fit.

Recruitment Tactics

Talent identification is step one, aligned with desired attributes identified from a thorough competency assessment. Focus on building out diversity

within the talent pool. As your talent pipeline diversifies, creating opportunities to develop individuals in anticipation of future service and getting to know candidates within your possibility list will help evaluate fit—especially on those harder-to-evaluate metrics—for upcoming board vacancies. Thinking long term about these relationships is vital to ensure a sufficiently robust source of diverse talent into the future. The governance and/or nominating committee should challenge itself to look beyond the next few years when thinking about recruitment.

Finally, consider your organization's value proposition to potential candidates. The best board members are typically high in achievement or impact motivation structures,⁶ so consider your ideal board member and why they would be inspired to give their time and talents to your organization.

Term Limits and Board Refreshment

Many organizations use term limits to ensure that the board is refreshed over time. Consider implementing formal reappointment processes at the end of each term as well, as recommended by Governance Institute Advisor Marian Jennings. There is no doubt that it is difficult to consider not reappointing directors when it has historically been an

⁵ Kathryn Peisert and Kayla Wagner, *Transform Governance to Transform Healthcare: Boards Need to Move Faster to Facilitate Change*, 2019 Biennial Survey of Hospitals and Healthcare Systems, The Governance Institute.

⁶ McDermott Will & Emery, *Governing Health Podcast: New Approaches to Board Composition and the Role of the Nominating Committee*, July 12, 2018.

expectation, but this is one true way to expedite your move to a more diverse, competency-based board. Begin by implementing a standard evaluation form to understand competencies and demographics amongst current and potential board members, then add in peer evaluation as part of your reappointment process. Once both pieces are in place, you have the framework to begin considering the full landscape of board talent and organizational need in a strategic way.

Closing

Commitment to diversity is a critical component of your board's culture that will make or break this work. The governance support staff can play a key role in helping to ensure that the board is aware of the importance of board diversity, and then assisting the governance/nominating committee in determining goals, creating a formal plan and process, and finding new ways and new places to uncover the ideal candidates.

Additional Resources

In addition to the resources below, The Governance Institute can provide members with a board competency assessment as well as a templates for tracking board competencies/diversity.

[Building a More Diverse Board](#) (Strategy Toolkit)

[Main Line Health Builds a More Diverse System Board](#) (Case Study)

["Finding the Right Talent: A Competency-Based Approach to Board Recruitment"](#) (Governance Notes Article)

["A Roadmap to Becoming a Competency-Based Board"](#) (System Focus Article)

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Practical Considerations for Holding Board Meetings during COVID-19

By Brad Dennis, Associate, McDermott Will & Emery LLP

Non-profit organizations and their boards of directors are facing unprecedented challenges as they try to adapt to every changing operational and financial challenge associated with the COVID-19 pandemic. As such, continuing to hold regular board meetings is a crucial element for keeping boards fully engaged and responsive to the changing conditions. This article provides practical guidance to non-profit healthcare organizations and their governance support staff about how they may manage board meeting operations and keep board members engaged under the current pandemic conditions.

Virtual Board Meetings

In response to current social distancing measures, boards may not be able to meet in-person to conduct business. However, unless otherwise prohibited by an organization's governing documents, most states allow non-profit corporations to hold board meetings electronically, so long as the participating board members can communicate live with each other and participate in all matters before the board. Options such as telephone conference calls and videoconferencing are generally permitted; however, time-delayed options such as email or media without audio, text messaging, and chat rooms are generally not permitted. Governance support staff should check with their legal counsel to confirm a given technology is permitted in their state before scheduling a board meeting.

Key Takeaways

COVID-19 has changed the way boards meet and requires a new level of diligence to ensure meetings are efficient and productive. To make the best use of virtual meetings, governance support staff should work with the board chair to:

- **Choose the right virtual meeting platform.** When deciding on a technology platform for meetings, check with legal counsel to ensure it is permitted by state law and consider what will be most accessible to directors.
- **Set the board up for success.** Give proper notice of meetings and provide board members with detailed information around how to participate and what to expect. This may require spending time with members beforehand to test technologies so that meetings run smoothly.
- **Continue to follow quorum and record requirements.** When not face-to-face, it can be more challenging to confirm and document quorums, have engaging discussions, and properly vote. Extra steps may need to be taken such as taking roll call and asking participants to announce themselves before voting or speaking. This will help board members and make it easier to take accurate meeting minutes.
- **Keep members engaged during meetings.** Make sure all board members are included in discussions and have the opportunity to speak up. Take measures to promote this environment by, for example, allowing additional time for important discussion topics, utilizing meeting platform tools where board members can "raise their hand," and stressing the importance of engagement beforehand.
- **Consider alternatives to virtual meetings when necessary.** Situations may arise where it makes more sense to rely on committee actions or put together a written consent, rather than holding a formal board meeting. Careful consideration should be taken when weighing these options over full board meetings.

Practical Tips:

- Organizations' governing documents and state law should be reviewed to identify authorization for and additional requirements applicable to conducting virtual meetings.
- If an organization's governing documents currently bar virtual meetings, consider amending the documents by unanimous written consent (as discussed below), to permit virtual meetings.
- Identify a platform that will be most accessible to your directors, noting, however,

that videoconferencing is often more conducive to member participation.

Proper Procedures Still Matter

Despite the inherent informalities that come from participating in a board meeting from your living room, meeting procedures must continue to be followed as though the meeting is being held in person, including:

- Appropriate notice
- Quorum
- Recording of meeting minutes

Organizations that are moving to an electronic meeting format should follow their normal notice procedures, including timing and form (printed, electronic, or both). In addition, the notice should include a clear description of how to participate in the meeting (for example, dial-in telephone numbers, passcodes, links, or instructions to access videoconferences). Governance support staff should work with board members to ensure that they understand how to access the new format and have downloaded and tested any technologies that they will need to use in order to participate in the meeting. It is also a good practice to have a back-up method for accessing the meeting, such as by providing a secondary telephone number of a governance support staff member who can conference the director into the meeting if they have difficulty accessing the line through the normal access process.

Similarly, boards must ensure that they continue to follow quorum and record requirements. Electronic meetings can present new challenges for what were otherwise routine tasks. For example, determining whether a quorum is present is no longer as easy as looking around the boardroom and may be difficult on telephone conferences where only telephone numbers are displayed. As a solution, boards should be prepared to take a few additional steps to confirm and document the quorum, such as by taking roll call and enabling “chime” features to signal to the board when a participant enters or exits a meeting. Similar practices are also helpful to implement during board discussions and votes, where it may not be as clear to the participants who proposed a motion or who is in agreement during a voice vote. Asking participants to announce themselves before speaking each time and having formal roll call votes will help ensure meetings

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run smoothly and are accurately recorded. Although tempting given the electronic format of the meetings, it is not recommended that governance support staff record the board meetings in lieu of preparing meeting minutes.

Practical Tips:

- Test the system being used for the meeting before notices are distributed to directors.
- Appoint someone to help people who have difficulty joining the meeting and have back-up options for accessing the meeting. Keep records of anyone who attempted to join the meeting but was unable.
- Determine ahead of time the method for taking attendance, confirming that no uninvited attendees are on the line (especially important during closed sessions or otherwise privileged sessions), and taking and recording votes.

Keeping the Board Engaged

In light of all the various issues facing organizations currently, it is as important as ever for board members to stay engaged during meetings. Unfortunately, electronic meetings—especially telephone conferences—present a number of challenges for maintaining active participation from all members. Board chairs should actively take steps to make sure all board members are included in the discussions and have ample opportunity to comment and voice questions and concerns. Board chairs and governance support staff can prepare a list of best practices to be implemented during meetings and distributed to participants in advance, including, for example, reminders to announce yourself before speaking, not interrupt someone speaking, allow a five-to-10-second pause before starting to speak, and allocate additional time for each discussion topic. Some virtual meeting platforms also have

Considerations around Confidentiality

- **Duty of confidentiality.** Board members have a fiduciary duty to maintain the confidentiality of corporate information, and to protect that information from unauthorized disclosure, including to family members who may be sharing workspace at home with the board member. Board chairs should take time to remind board members of their continuing duty and, to the extent a board has one, consider recirculating the board’s confidentiality policy for reference.
- **Confidentiality is critical for board engagement.** Maintaining the confidential nature of board meetings is also important to keeping the board engaged. Board members may feel less willing or able to engage in robust discussion when they are unsure of who may be listening.
- **Executive or privileged session.** Consider having a separate dial-in number for board members to use for confidential portions of the meeting to ensure only the appropriate participants are present.

options to “raise your hand” to indicate you have something to say when the current speaker is finished. Virtual meetings also present the temptation for participants to multi-task during meetings, and therefore the board chair should remember to stress the importance of full engagement and discourage silent lurking in the background.

Alternatives to Virtual Board Meetings

Even with the flexibility virtual meetings provide, there may be some situations where a formal board meeting may not be practical. Whether these situations arise because of limited resources or situations requiring immediate action, boards can continue to rely on committee actions and procedures for taking action without meetings. Executive committees are often authorized to take certain actions without a full board vote. However, the board and governance support staff should review the organization’s bylaws and committee charters

carefully to confirm the scope of actions the executive committee and other committees are permitted to take. As we continue to adapt to the current times, this may be an appropriate time for the board to consider whether to expand the executive committee’s authority, at least temporarily.

Boards also often have the option to utilize actions by written consent in lieu of a meeting. A written consent is a written board resolution that is signed by board members without holding a formal in-person or electronic meeting. The organization’s bylaws will often dictate whether such approach is permitted, but generally require unanimous consent by all board members. In addition to confirming such actions are permitted by statute and the organization’s governing documents, governance support staff should confirm any applicable requirements for the board members’ signatures, including whether there are any restrictions on PDF signatures or electronic signatures (e.g., DocuSign). The

board and management should also consider, even if such written consent is permitted, whether the action to be taken is appropriate for a written resolution, including whether the board has had an adequate opportunity to learn about and discuss the action to be taken.

Practical Tip:

- Remember that just because you can, does not mean that you should. In trying times, it is important to have robust board engagement, which may not always be possible when committee actions and written consents are used.

In order to weather the current storm, non-profit organizations and their boards must remain fully engaged and in ongoing communication. Governance support staff can help support this effort by ensuring that board members have the tools to schedule and effectively hold virtual board meetings.

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