

Effective BOD Qualities

Effective Board of Directors (BOD) need to have very knowledgeable people who –

- A. have very high competencies – in business, with technology / digital services, Innovation, specific domains, etc.
- B. are excellent at collaborating and asking insightful questions
- C. facilitate creating a forum for pro-active leadership
- D. learn fast
- E. think strategically
- F. are not afraid to challenge
- G. have strong look ahead insights
- H. are cognisant of the changing nature of risk
- I. can contribute to creating new value to meaningfully improve outcomes
- J. are results oriented



Further, from Reid Hoffman who has participated in + 1,000 BOD meetings at Microsoft, Airbnb, LinkedIn, PayPal, etc., has learned that Boards of Directors need to –

For ALL BODs

1. **Be Inclusive**
While many board meetings are dominated by one or two board members, the best boards seek out the insights / knowledge / advice of everyone in the room, not just the loudest.
2. **Invest in Relationships**
While common perception is board meetings as the place where crucial decisions are made, truth is the best ideas, collaboration, and feedback occur in informal 1:1 meetings outside the boardroom.
3. **Tap into Individual Superpowers**
Everyone has a superpower — a unique combination of skills, experiences, strengths, and networks. The best boards leverage the superpowers of individual board members, to help the company navigate threats and unlock opportunities.
4. **Think Big & What's Possible**
With the best boards being the CEO's biggest cheerleader, this includes inspiring the company to stretch the limits of what's possible. An example of this was Airbnb designing an 11-star experience for guests.

To be an Entrepreneurial BOD, the above + the following qualities are important -

5. **Hire for a cofounder mindset**

The best boards understand this secret to hiring great executives. People with a cofounder mindset are willing to take risks when success isn't guaranteed.

6. **Advise, don't pilot**

The worst boards can break a company by dictating priorities. The best boards take a hippocratic oath of "do no harm". They aren't pilots. They're front-seat advisors.

7. **Fundraise proactively**

Most boards reactively raise money when the company runs out of cash.

8. **Send personal emails**

How would you feel if you got a personal email from someone on the board of the company ? The best boards send personal emails to help the company sell, hire, and raise money.

What does this mean ?

While there are similarities in the thinking and responsibilities with all BODs, the additional items associated with Entrepreneurial BODs are about driving disruption and enabling greater risk taking - to create new wealth.

While typically not a concern to Enterprises in the short term, over time this type of thinking plus the significant number of startups and many small businesses results in disruption with new – products, services, markets, expectations, opportunities, etc. that are game changing. As evidenced by Uber, Airbnb, Amazon, Netflix, Spotify, Shopify, Google, Apple, etc. – has resulted in established industries being disrupted and transforming as well as new markets being created. This is why for enterprises to have a future they need to become more entrepreneurial and be able to innovate for impact. For this to occur it's essential enterprise BODs demonstrate new thinking and greater competencies to have options to move the organization forward - by having all of the above qualities.