

Should All of Your Management Team Attend Board Meetings?



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The age old question for every startup is whom to involve in the board meeting. The reality is that there are some board meetings in which having a broad set of management present is a great idea and there are some meetings where in can be a hindrance.



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The goal of the best run boards ought to be to balance information dissemination with using the brain trust of the company to guide critical decisions. If you've taken the time to assemble important people on to your board then you ought to use the scarce time you have together to pick their brains. In a perfect world the executive team solicits input into key strategic decisions but then the executives own responsibility for the key decisions post board meeting and delivering results.

The set up of every startup board meeting is some amount of time with management updating non-executive directors, some time for the

board to debate key issues, some time where there is voting and some time for non-executives. The key is figuring out how much time you have each of these functions and when. I've outlined the key functions in the graphic below.

Typical Startup Board Structure

- Some **time with non-executive board members getting updated** about the performance & key issues of the company by the executive board members (i.e. management)
- Some **time for the whole board to discuss key strategic issues with management** and the non-executive board to give input to management.
- **Time with just board members** where all other management leaves the room. This can be for controversial discussions but can also just be for procedural voting.
- **Voting.** 9 times out of 10 the voting is "administrative" such as approving the board meetings from the prior meeting, approving stock options grants, voting on a new 409a valuation. Occasionally voting is something most substantive and potentially controversial (equity financing, a big debt financing, M&A transactions, firing a key executive)
- The best run boards schedule "**non-executive only**" board time where the non-executives discuss the performance of the company and/or the quality of the board meetings amongst themselves.

Source: Mark Suster, Both Sides of the Table

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Reasons to Have a Broad Group of Management Present

From a non-exec perspective there are some obvious reason board members want to hear from the heads of sales, market, product, HR, engineering, finance and support. It is definitely a good idea to have your executive team at some board meetings and for some of the time of a board meeting.

- It is important to non-exec board members to get a feeling for each senior member of the team—how they think, how they present, what their key issues are, how they respond to tough questions. From this we develop intuition on the health of the team and the health of each function so we can act as a good long-term sounding board for the CEO and for other board members
- It is also important the CEOs give their executives visibility. It is a chance for management teams to get to know VCs and independent board members and this should be important to CEOs to develop one's team.
- It is also obviously more valuable to have a functional head present when the board is debating something that falls within

their purview.

Note: This is part of a series on [Startup Boards](#). If you want to see the full outline please click the link.

Objectives When You Don't Have a Broad Group of Management

There are some obvious and non-obvious reasons not to have the full executive team present during all board meetings (note the finance is usually always present).

- The obvious reason is that there are times when a CEO needs to discuss performance issues of a member or members of his or her executive staff and having any members present makes this conversation difficult. Conversely if board members want to express concerns about the performance of a business function it's harder with a broad team present.
- The non-obvious reason is this—when every executive function attends a meeting and when each person has prepared “just” 5–10 slides the entire meeting becomes more of an update meeting and less of a strategic debate about the most critical issues affecting the company. This is actually what happens at the majority of board meetings and these meetings become less strategic and more of an update.
- What starts out as a good intention for all involved (management to know the board and vice versa plus a real exchange of information) ends up cutting out some necessary time for board debates. I often call this “filibustering the board meeting” because the clock is run out on the meeting and the important decisions get rushed at the end. Sometimes this is intentional, sometimes it is unintentional—it is always short-changing the board's function and purpose.

Setting Precedence

If you always have your entire executive team present at board meetings it sets the precedence and then becomes awkward when you want to have a more limited meeting. There are different ways to handle this. If you do quarterly board meetings you could dedicate two

meetings to executives being present and two of them where management is not present. Or you could choose to deep dive on different functions at each board meeting so that 1 of 4 board meetings is a deep dive on sales then marketing then product / engineering then service / support.

Of course another option is to split each meeting into the session where the executives are present and another portion where they are not. The challenge with this is that board meetings then become 4-hour+ affairs and especially in early-stage boards it's hard to get this kind of time commitment from board members.

So What is the Answer?

As with everything there is no one right answer but it's a function of the stage of the company, the issues you're trying to resolve and the need for more or less management interaction.

If you're the CEO just be conscious not to err to the extreme on the side of:

- Filibuster meetings with all presentation and no debate
- CEO-only meetings where you do all the talking and the board doesn't get to hear directly from team members

The best boards are strategic debates where you present data & options and the board understands its role is to spar and get you to think but to let you own the ultimate operating decisions. The actual legal decisions a board makes should only be either administrative on one side or hugely strategic on the other side (like M&A).

If you want to learn more about [Startup Boards](#) click the link.

