

VCAdventure

Hi, I'm Seth Levine, a Boulder, CO based technology investor and managing director at Foundry Group. While I love technology I'm also a husband, father, avid cyclist, snowboarder and outdoors guy.

[Subscribe](#)

Search November 1, 2018

Archive **Designing the Ideal Board Meeting – The Board Meeting**

About

Legal

This is the 4th post in my [Designing the Ideal Board Meeting series](#).

I hope this series so far has helped you think a bit differently about how you approach the lead-up to your board meetings. By the time you walk into the meeting you should have a clear agenda that everyone has agreed to, one or two areas of the business that you plan to dive more deeply into, prepared materials that are of a style, length, detail and consistency that efficiently and effectively brings your board up to speed on the business and have been communicating with your board regularly so that there aren't any big surprises in store for them when they get to the meeting. Here are a few things to consider in setting up the meeting itself:

Discussion

1 Comment

Categories

Designing the Ideal Board Meeting Series

Share



Subscribe

How long should your meeting run? This is one of the most common questions I get with respect to board meetings. CEOs are obviously sensitive to the time commitment their board (and their team) has made in preparing for and traveling to a board meeting. And as a result they want the meeting to be substantive and feel like the length is sufficient to have justified everyone having come out for it. That's understandable but to me the *key here is quality not quantity*. Substantive board meetings aren't measured by time in the board room and I think a CEO's first and highest priority should be to create a meeting that is high on substance and information and low on filler. As a general rule for most companies that are reading this something in the 3-4 hour range makes sense for how long your board should be meeting. In my experience meetings that run longer than that (and I've been in plenty of 7 hour board meetings over the years) ramble, are not focused, are actually light on substance (much of which gets missed because of all the filler) and tend to devolve into the Exec Team meetings that I warned against in [my last post in this series](#). Less than 3 hours feels too short to cover substantive issues. Obviously there are times when it's important for a board to meet for a longer period of time. Similarly, as companies grow they often need to add a little time to their

board meetings due to the sheer complexity of the business and volume of what needs to be covered.

Include your team. Another common question is whether the exec team (or others) should participate in board meetings. My general view is that it's positive to have the executive team in the board room. It helps establish a relationship between the team and your board, allows the board to see you in action a bit as a CEO interacting with your team and allows for clear communication back to the team on the board discussion. I'll talk below about reporting and it's important to talk to you team ahead of time about what their role is in the board meeting. It's also important to note that just because an exec is in the room, doesn't necessarily mean they'll be asked to give an overview of their functional area. Along the same lines, I generally don't suggest that teams roll in and out of the meeting and only participate in "their" section of the board discussion. If your team is going to join the meeting they should be there for the full general session (and likely, but not always depending on the topic, participate in the deep dive sessions as well).

Board business first or last? The blunt answer here is that it doesn't really matter (assuming you can stick to the agenda and time table). Some CEOs (I'd say most) like to get the board

business out of the way at the start of the meeting. Some prefer to start with the team in the room for the operational review and reserve the end of the board meeting for board business. The former is nice because you won't be rushing to approve minutes, option grants, lease approvals or whatever else it is that you need done as "official business." The latter is nice because there are often other topics that are board business related that you'll save for the end of the meeting (say an HR or legal issue) that you don't want to talk about prior to the business update. Keeping to your agenda and time schedule is important here. So is understanding priorities. If you have a messy legal issue you need to talk about and that's the most important piece of board business, make sure you don't short-change it by either leaving too little time at the end of your meeting or by letting the business portion of the meeting run long. It's always better in my view to sacrifice reporting for items that don't lend themselves well to virtual meetings. Be smart about how you organize your meeting and be sure you have time to cover the most important material. This sounds easy, but I've watched it go wrong many, many (many, many, many) times. This typically manifests itself with a CEO wanting every member of their executive team to have air time in the board room, not taking control of the agenda

and timing and subsequently letting things run too long thinking they need to cover everything in their board deck vs. prioritizing key items. There are times in a board meeting when the CEO (or board chair if that's a different person) needs to step in and say "we're going to have to push the engineering discussion to next meeting; I need us to stick to the schedule."

Discussion item or decision item. If you take nothing else away from this series, I hope you'll remember this paragraph. Boards are fiduciary bodies and have authority over a number of key decisions made by a company (for a venture backed business many of these are outlined in the company's governing and investment documents, in fact). BUT the reality is that the vast majority of topics covered in board meetings aren't ones where the board is making the decision. One of the key functions of a board is to hire and fire the CEO. Most decisions are delegated to the CEO and management team. **Boards are not operating bodies – they don't run your business.** In my experience both boards and CEOs consistently mistake the board's role. You operate your business. If the board isn't happy with the decisions you're making they can fire you. But they don't run the business through you. One way to help you avoid mistaking the board's role is to be clear from

the outset of a topic whether the item you're talking about is a discussion item or a decision item. Often in a board meeting I'll stop early in a discussion and ask that question – are you asking us to make a decision here? – in an effort to clarify this. It's best if you do this from the outset. There are, of course, some items that the board has specific decision making authority over (buying another company, increasing the option pool, signing leases of a certain size, etc.). There are other items that are important enough to the business that you may want to come to a group decision as a board (including you) but where board approval isn't explicitly required (expanding into a new market, making a critical product decision, etc.). Be clear when you're asking your board to help you decide something, vs. wanting to have a discussion and take input from the board but where the goal isn't to cede your decision making authority.

Invite opinions and don't be afraid of disagreement. Early in my venture career I was on the board of a company run by a CEO who was very command and control oriented. Our early board meetings were reporting heavy and, frankly, pretty boring and generally a waste of time. We finally ended up in a meaningful and heated discussion about product direction debated for about an hour.

No conclusion was reached but it was by far the best discussion we had as a board to that point. I stayed after the meeting to debrief with the CEO. He was extremely uncomfortable and told me that it was the “worst board meeting” he had ever had. As we talked, I realized that he had a specific outcome for that conversation he was trying to forcefully guide us to (this wasn’t entirely lost on me in the meeting itself) but more importantly he was totally uncomfortable with the idea of a free form discussion in the meeting (he was also the kind of CEO who called each board member before the meeting so he could have the meeting in advance and control/anticipate the actual meeting itself – something I wrote earlier about not doing). Don’t be that kind of CEO (unsurprisingly, he didn’t last long as CEO of that business). Your board should have opinions. They certainly have different experiences to draw from. Conflict is good and you should seek out board members who won’t be shy with their opinions, who are up for rigorous debate, but who won’t hold grudges if what you ultimately decide isn’t what they advocated for (more on that last point in my next post).

Why, not just what. Going into the board meeting your goal shouldn’t be to simply report what’s happened since your last meeting. It should be to interpret the data

you're showing and describe why the numbers are how they are and what you think that means for the business. This is critical to pass along to your management team as well but was hopefully set up already by the pre-materials you've put together where you've prepared a board letter (and perhaps your management team has as well) that talks about exactly this question. This is one of the reasons I didn't like the trend to send around board decks in Google Doc, answer questions in the comments to the doc and then start board meetings with: "does anyone have any further questions about what we sent around?" This is a poor way to ramp into a meeting, doesn't invite any discussion and absolves you and your team of the important exercise of analyzing and interpreting the company's progress as part of a group discussion with the board. To be clear, it's not that all reporting in board meetings is bad. Of course you are going to repeat some key reporting items – to make sure everyone understands the numbers; to highlight a key trend you're seeing but may not have been obvious; etc. But by focusing on the why you'll have a much more substantive conversation with your board than if you simply report on the what.

Take a few planned breaks. This should be obvious except that it seems like in many

cases it's not. Include in the agenda specific breaks. For lots of reasons people don't like to sit in a room for 4 hours straight, focused only on your board discussion. I actually once sat through a 7 hour board meeting with no planned breaks. We were on our own to step out and take a restroom break (presumably offending whomever was talking at the time). It was ridiculous. It's nice to include these in your agenda so everyone knows they are going to happen, when they're going to happen, and that the time for them is baked into the agenda. They should be long enough for people to go to the restroom or do a quick check of email, but not so long that you lose flow (5-10 minutes is appropriate here).

Every meeting should have an executive session.

It's helpful to plan time in every meeting to have the non-executive board members meet. 15 minutes is typically sufficient. This is a chance for the board to talk without the CEO or executive team members present. It's important to have this as part of every meeting – when it's ad hoc it sends the wrong message to CEOs. After every meeting someone from the board should be tasked with following up with the CEO so there's feedback from this session every time (which can range from: “sounds like things are going great; we don't have anything critical to follow up on” to something much more

substantive). This last part is key – no CEO should be left without feedback from the closed session.

Take notes on follow-up items. Ok – last item as this post is getting a lot longer than I anticipated. Be sure to take clear notes on any follow-up items that come up in the meeting. Ideally you'd review these just before you step out for executive session and make sure everyone is in agreement as to what they are. These aren't board minutes – these are your private notes/to-do list post meeting. This will help make sure you actually follow up on what you've agreed to, keep your board in the loop on specific items they've asked for more information on and to do so in a thorough and timely manner before you get distracted by the next 100 things that come up in your role running a fast moving business.

Ok – next up will be board meeting conduct: some thoughts on how board members should comport themselves in your meetings and what expectations you should have for their engagement and follow-up.

Previous Post

Next Post

Designing the Ideal Board Meeting – **Designing the Ideal Board Meeting –**

Your Board Package

Board Conflict

Comments

Community

1 Login ▾

♥ Recommend

🐦 Tweet

f Share

Sort by Best ▾

Join the discussion...

LOG IN WITH

OR SIGN UP WITH DISQUS ?

Name



Joe Mandato • 2 months ago

Good series, Seth, thanks! FWIW, I'm writing up my series of conversations and case studies with top-notch board directors. Here's a link to the latest conversation transcript—my conversation with Karen Zaderej, who chairs a public board (previously venture-backed). She runs some of the best board meetings I've attended and offers up some good ideas: <https://medium.com/@joemand...>

1 ^ | v • Reply • Share ›

ALSO ON SETH LEVINE'S VC ADVENTURE

BREAK THE INTERNET TO SAVE

1 comment • a year ago

James Sandberg — We're shocked by

The Feature -> Product -> Company

10 comments • a year ago

Tracy Lloyd — I'll be sharing this post

All Rights Reserved © 2005 – 2019 VC Adventure • [Legal](#)

☺