

# How to Be a Good Board Member



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I have been writing [a series on how startup boards](#) get selected, who sits on them and what to avoid. I will also delve into how to prepare for them, how to make the meeting effective and how to best follow up to make sure people take action.



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In response to one of my posts I saw this great Tweet by Bilal Zuberi and it resonated. I started this series in part to help entrepreneurs but also to help newer investors because I've know with so many new companies you have so many new board members and many people are trying to figure out there respective roles.



**Bilal Zuberi**

@bznotes

Replying to @msuster

Many investors don't know how to be good Board members. One of few ways to learn is by doing (or observing your own partners, or other senior investors).  
But many pretend to know what they are doing

So I thought I'd offer some high-level advice on how to be a good board member.

## BEFORE THE MEETING

### 1. Read the materials in advance

A really large portion of directors clearly haven't read and mentally processed the materials before the board meeting. You can hear it in the questions they ask or the lack of knowledge they have about the business. This is often management's fault because a long-deck plus financials that arrive the night before a board meeting don't allow for directors to properly review them. Materials should always be 72 hours in advance. But often the problem is also just that directors think they can "wing it" but skimming materials and then debating during the meeting. The best directors I know really process the information and think about the business in advance.

### 2. Speak with the CEO before the board meeting

I am a strong advocate for CEO's sending materials early and scheduling calls with directors before the meeting. Some find this to be an added layer of process. I view it as essential. If a conversation happens between the CEO and each director then each side knows what we're trying to achieve with the in-person meeting. We can agree mutual concerns, we can agree scope, we can discuss controversial topics and the director can let you know if he / she feels something is missing from the agenda. A director who hasn't had a pre-conversation with management will not be as effective in the board meeting.

### 3. Read the tea leaves on CEO / Founder psychology

The job of running a startup is incredibly stressful and as an industry we've started to note the importance of mental health / wellness in our industry. I always try to establish my sense of "founder psychology" between board meetings. At times a founder seems very confident and energetic and at other times you can sense stress or self doubt. There are times where you can sense a founder is having some issues at home (with a spouse or a child) and when they are feeling the pressures of the financial burdens of startup life. There are signs when founders are fighting and even signs when a founder might be dealing with depression. As a board member it is your job to know this. You have to have a read on whether carrot or stick is a better motivator at this point in time or when the founder may even just need a hug or a friendly ear to vent to. This is a large part of the job of a board member and why it takes a degree of maturity and experience to truly be a great board member.

#### **4. Have calls or emails with other board members before the board meeting**

Equally I spend a lot of time talking with other non-management board member prior to the board meeting. I find this critical in learning what is on their minds and how they perceive the critical issues of the company. I also find it critical as a way to build stronger relationships with my other directors. I think the best functioning boards are groups of individuals who all know and trust each other—even if they don't necessarily agree on every topic. It is very healthy for non-management board members to talk directly and founders should encourage this. There is no better way as a founder to get your board to take hard decisions than if they all have strong working relationships. By building "outside the board meeting" relationships I find that I can more easily resolve difficult issues when they arise. I also find this as an invaluable source of future deal flow, future recruiting and future decisions about whom I want to co-invest with.

#### **5. Be thoughtful about time management before the meeting starts**

I often look at the deck and financials, think through the agenda and think through "what are they key things we as a board are trying to achieve at this meeting?" For some reason I find most boards are bad at prioritizing the most important things and also bad at time management. If I see tons of "update slides" and know that we don't

have an important board decision I might just bite my tongue. On the other hand, when I know we're trying to make a hard decision I will often encourage the CEO not overwhelm the board with too much time spent discussing less critical items. In my experience boards often are rushed on critical decisions because too much time is wasted updating and at the end of the meeting everybody is thinking about his or her next appointment. A good board member cares enough to weigh in BEFORE the meeting starts. I often do this both 1-1 by calling the CEO and at the start of the meeting with everybody in the room.

## **DURING THE MEETING**

### **1. Put your electronics away and be present**

Yes, it is obvious. Yes, we're all guilty from time-to-time. But many, many board members are completely distracted for good portions of the meeting. The best board member puts his or her phone away. It's best in a bag that is zipped and where you won't feel the urge to "just quickly check" when you're bored by somebody's update section. Phones are bad habits like all vices and you simply WILL NOT be as effective if they come out. Equally, put away your computer, your iPad or whatever other electronic device you use unless it's 100% in note-taking mode and you're using a stylus to write. I know there are many people who like to use their computers to type notes and will disagree with this advice. The thing is—no amount of note taking is worth it relative to your truly being present and focused on the conversation. Very few people can resist the temptation to "just quickly check" email in the down moments. And importantly—even if you ARE disciplined the electronic devices become a distraction for everybody else. Nobody can seriously argue that a team that is all 100% off electronics, 100% paying attention, 100% engaged in the dialog isn't more effective than one that isn't. I promise you that electronics are the single biggest drag on board productivity. And yes, sometimes when I'm truly bored at a board I am guilty of it. I try not to be.

### **2. Understand the role of listener, enquirer & sparring partner**

Your job as a board member is to listen, ask questions and debate when appropriate. You don't have to speak during every session. You don't have to have an opinion on every topic. You don't have to constantly tell management how many people you know and whom you can introduce

them to. I'm sure it's true but consider writing yourself a note and telling them after the meeting. My advice is to listen intently, think about what you're being told, ask hard questions when what is being said doesn't make sense and don't be afraid to debate when you don't agree. It is not your job to simply be a cheerleader even though that role feels safer. Our job as a board is to make sure we're really thinking through the hardest decisions the company must make and making sure that management has a sounding board.

My ADD sometimes takes over at board meetings and I find myself also in the role of "time manager" trying to push along a meeting when we're stuck in the weeds on something unimportant. I know this shouldn't be my role as a non-exec but I find myself doing it nonetheless. I think about my role as making sure we spend our limited time together on the most important topics.

### **3. Avoid micro-management of non-essential items**

Along with your role as listener, enquirer and debater it is important to know that your role is one of board member and not functional manager. If we're talking about a PR strategy then everybody can have an opinion because it's the topic at hand. If we're debating product features, it's an invitation to opine on your views and also bring experiences you've had elsewhere. In fact, the beauty of a board is to make sure management can learn from the experiences of people who aren't mired in the details of your specific business problems so management can gain more context for their decisions.

But I often find board members wanting to dive in to the details of a business and "problem solve" every detail when it isn't warranted. If it is something you're passionate about as a board member then consider following up with management after the meeting.

We all have experiences that are relevant to our boards so the trick is balancing how much input to give and then when to stop talking and either say, "that's for the CEO ultimately to decide" or "this is a super important topic but I don't want to waste too much of my fellow directors' time so I'm going to bring this up 1-1 on a separate occasion."

### **4. Push for others to speak**

At every board meeting you have talkers and listeners. Sometimes you have "over talkers." When this person is the most experienced and also

gives good advice the room tends to tolerate it. I also find that many rooms hate to speak up even when a person dominates a conversation and ISN'T adding value.

I sometimes view it as my role to drag other people into the conversation. At times this is because I truly value their opinions and want to hear what they think and at times it's simply to make sure that everybody's voice is heard on a topic.

I try to do this by politely saying, "Susan, this is a hard topic. Where do you stand?" or something similar just to bring more people into the conversation and make sure that the room isn't dominated by somebody just because they are a more forceful speaker. I try to do this in a way that doesn't make the over-talker feel like he or she is being silenced.

## **5. Don't audition for smartest person in the room**

One thing I dislike about board meetings is that they often descend into "who is the smartest person in the room" or "who knows the most people." I guess it's human behavior. But when it descends into this I start to tune out and think about other things and if too many board members feel this way I think management loses. When I have sat in boards that feel this way I tend to keep my mouth shut and try to spend more time with management outside of the board construct.

# **OUTSIDE OF THE MEETING**

## **1. Understand that most of the value comes outside of the boardroom**

If you think about the span of a 5+ year board working with a company you begin to realize that a board meeting isn't the real value driver so much as what happens outside of the board meeting. A board meeting should be the place where we take the legal decisions we have already discussed and debated as a group. A board meeting should be where we get the benefit of the braintrust of the company in one room to have a full debate. A board meeting should be a process by which management and non-execs begin to think about the performance of the past period and the goals of the next period. By a process I mean all of the time spent preparing for the meeting and the follow-ups after the meeting.

## 2. Build strong relationships with board members, stakeholders and key investors

I have often heard pilots discuss learning to fly as one of hours and hours of routine followed by a few moments of sheer panic. I think this is an apt metaphor for boards. We have hours and hours of conversations and then go through many board meetings of no real consequence only to find a few key moments of absolute panic.

- Founders are fighting and can't work together—how do we resolve this?
- Somebody puts in an offer to buy the company—should we sell?
- A new investor wants to finance the company—is this a good outcome for the company?
- A lawsuit has been filed—how should we respond?
- We're running out of cash in 60 days—what are our next steps?
- A founder wants to put a whole bunch of debt onto the company—should we accept this?

When critical issues come up you sometimes find yourself out of sync with other board members. This could be because you legitimately see the world in a different way or it could come down to the different incentives you have. In either case I have always found that by building strong relationships with each board member I have an easier time working through complicated issues. There are times we vehemently disagree but by knowing the other party you can at least understand where they're coming from and their intent. This is also vice versa. The hours you put into knowing your fellow board members will earn you the right to advocate more forcefully for things you're passionate about because they, too, understand you.

I also wrote “stakeholders” & “key investors” because as a board member you are there to represent all stakeholders—not just management and VCs. Knowing and understanding any angels can be important if they have material ownership. Having a relationship with investor groups that don't have a board seat helps keep relationships strong with the investment community. Your company's bank may seem like the CEO's job but if they've lent money to the company it will be

important that you have a relationship if the company is ever in financial duress.

### **3. Help the executive team to prioritize and execute**

It's one thing to hold management teams accountable for their commitments and results, it's another thing to roll up one's sleeve and help them achieve their goals. We've all been to a board meeting where investors criticized a fund-raising deck or investor list but you should be the person who follows up and helps. It's one thing to tell an executive team that Sequoia, A16Z or Greylock are great investors and another to craft personal introductions to the RIGHT investors for your stage / size / performance. It's one thing to push back against executive compensation but another entirely to help with benchmarking studies and help get board support for a plan. You can be critical of bonus structures or you can help create a plan that is both a stretch target and realistic enough not to be demotivating. Being a great board member is often about doing as much as it is about opening your pie hole.

### **4. Get to know the broader management team**

It's really hard to form more objective views on the business if your only filter is the CEO or co-founders. I wrote a post about my believe that the best leaders “dip, but don't skip” in organizations. By that I meant that leaders dip into multiple layers deep into their organizations to understand the situations of rank-and-file employees but they don't try to take action at a lower level- they act through their direct reports. I believe the same is true about boards. It is our job to “dip” into the organization and have signals coming out of product, engineering, sales, support, marketing, etc. If we believe we have a signal that isn't flagged by the CEO or executive team then we should raise it with them, test their opinion and if appropriate help them deal with the concern. The obvious corollary is that if you learn about an issue from an employee you can't burn them as a source or nobody will ever trust you. Knowing the broader team helps you to be more helpful to the CEO and helps you be a better mentor or debate partner.

### **5. Know when to be proactive**

A good deal of board directors are simply reactive and wait to be engaged by management or show up at board meetings. There are a lot of times where this is the right answer.

I do believe that you should think about every board assignment proactively as in, “is there anything I should be doing, even if I haven’t been asked yet.” An example includes setting up calls with non-exec directors to get aligned on issues before a board meeting. Another example is proactively reviewing executive compensation. You might proactively bring up the company’s cash runway and the need to start fund-raising earlier. You might also notice a missing executive function at the company.

Being a good board member is a combination of being responsive when asked to be and proactively thinking about what the company needs even sometimes when you haven’t been asked.

P.S. Thank you to my friend and former board member Rob Bailey for reading an early draft of this and providing input.

P.P.S. If you do want to read the works of the great Brad Feld he has written an entire book on Startup Boards!

