

TRANSCRIPT OF ONE QUESTION PODCAST

EPISODE:	7
TITLE:	How can the Secretary support the Board in contributing to strategy development?
DESCRIPTION:	The strategy should drive the business of the organisation, but sometimes it's not as helpful as it might be. In this episode, we talk about how the Secretary can support the Board's effective oversight of strategy development.

Will ([00:00](#)):

Welcome to the One Question Podcast from O'Brien Governance Design, who specialise in corporate governance for the public and not-for-profit sectors. I'm Will Francis, and in each episode I ask Trish O'Brien a different question about corporate governance. So for this episode, we're spending some time on how the Board of an organisation engages with strategy. And the question we're trying to answer in this episode is: How can the Secretary support the Board in contributing to strategy development? Is that right?

Trish ([00:31](#)):

Yeah. So we've touched on this topic before, in episode 5, when we talked about, you know, keeping the Board strategic, keeping its head up and out of the operational. This episode is really more about the formal and published strategy of an organisation. You know, it's often for a three year or five year period, and it's about the Board's relationship with that strategy.

Will ([00:54](#)):

So presumably strategy is something that's very important to how the Board operates.

Trish ([00:59](#)):

Well, as we talked about in previous episodes, one of the big roles of a Board is to provide direction to an organisation and to provide corporate governance oversight. And the strategy, it brings those things together really, because it formally says where the organisation is trying to go. And that also requires thought about resources, you know, human resources, financial, and otherwise, that are going to be needed to deliver on that strategy. So the Board needs to assist in ensuring that that picture has been thought through by the executive and it then needs to oversee that things are progressing as intended.

Will ([01:31](#)):

Right. So let's take the strategy part first. How involved does the Board normally get in the development of a strategy?

Trish ([01:39](#)):

It sort of depends really on the approach that's taken in different organisations. In some organisations they're very involved from the outset, in others, they don't get, or maybe they don't request, the same

opportunity to engage with the strategy. And that can kind of lead to a situation where the strategy isn't actually as much of a reference point as you might think that it should be.

Will ([02:01](#)):

Oh, right. Okay. So how involved do you think they should be?

Trish ([02:05](#)):

Well, the chief executive and the senior management team, or equivalents, they usually manage the development of the strategy and of course they use their expertise to consider where things should be going next. And that's perfectly right, and it's perfectly appropriate. But when you're committing to a direction for a three or five year period, I really think the time has to be made to discuss that with the Board. And this is where the externality that the Board can bring is really important. You know, they should be given the opportunity to inform the strategy and then to challenge and debate the direction from different perspectives.

Will ([02:40](#)):

I see. So do you think they should have a series of opportunities to contribute over the course of the development of the strategy?

Trish ([02:48](#)):

Yeah, I, I think so. I think it's important that the Secretary and the Chair of the Board agree those opportunities as well, you know, at the outset and they discuss them with the CEO and those managing the strategy's development, so that it's clear.

Will ([03:03](#)):

And so what might that very first involvement look like?

Trish ([03:07](#)):

Well, I think where I've seen it working best the Board is invited at the outset to kind of discuss what it sees as being the priorities for the term of the next strategy. And it gets to do that without constraints. And that stage, I think, is really important because it's one of the few times they get to do some blue skies thinking as it were and it can really kind of rejuvenate their interest in the organisation and lift them out of the detail. And often that kind of open conversation is facilitated by somebody internally, sometimes by somebody externally and often, you know, structures or tools will be used to help to organise the thinking. So it might be a SWOT analysis or something like that. And there's also just to mention, I suppose, one of the early stages where that linkage with risk needs to happen, that we talked about in the last episode, what uncertainties are there that might influence the future priorities that the Board is seeing?

Trish ([04:07](#)):

I think coming out of that conversation, there's going to be a mix of ideas. Some of them will be good and interesting and, you know, some might be a little bit wide of the mark, maybe not very realistic. But I think that's okay, because it's at the very early stages and the Board at that point, it's really just contributing to consultation. It's expressing its views almost as a stakeholder and those views are going to get moderated as you go through a wider consultation process to as the strategy is being informed.

Will ([04:39](#)):

Do you think the Board are a kind of better representative of the stakeholders in that process?

Trish ([04:48](#)):

Well, I mean, Boards are made up for different reasons. Sometimes they're made up because they represent stakeholders. Sometimes they're made up because they represent specialisms, you know, that they are specialists in HR or in legal matters or whatever else, but I think they're all there for a reason and for a purpose. So to not take advantage of their perspectives and their experience and their knowledge of the business, to sort of express to each other and to the executive, how they see things going, I really think that is very much a missed opportunity.

Will ([05:25](#)):

Yes, I see that. So after they've had that opportunity to contribute, when do you think the Secretary and the Chair should be looking for an update on what's happening?

Trish ([05:36](#)):

So I suppose a strategy, it can often take nine to 12 months to develop. Consultation, takes a long time, you know, writing it up, it all takes time. So in Board terms, that's maybe four to five meetings. And I think, again, this is where, you know, we've talked so much about the role of the Secretary, how important that is. So I think the Secretary needs to keep an eye, first of all, that the Board is being provided with the plan for the development of the strategy, and that they can see what the different stages are and the intended timelines. I think the Board needs to get the opportunity to provide their opinions at that early stage in the way that we've just discussed, and the Secretary should be making sure that happens.

Trish ([06:18](#)):

They then I think need to get updates at each meeting on the progress against that plan for the development of the strategy. So they're kind of the basics. And then I think at the point where the objectives ...so normally strategies, you know, they include objectives or goals, that kind of language, I think when they're becoming more solid which is normally as a result of the kind of combined views of management and the Board and the consultation that takes place outside. So when that language, when those objectives and goals are getting more clear, I think then you need a second session with the Board to really discuss those objectives, to test them with Board members. And I think, you know, that that session needs to explain to Board members where the objectives or goals have come from. And also what kinds of types of actions are they going to accommodate, to drive the business.

Will ([07:15](#)):

So if you are receiving draft objectives or goals as a Board member, what do you think you're going to be looking for? Like what kinds of questions might you be asking?

Trish ([07:25](#)):

There's a few things I think that are worth thinking about at that stage. And I think if we put ourselves in the place of a Board member, who is looking at some text coming in and some objectives coming in I think you'd want to be satisfied that there's a decent rationale for the objectives. You know, that they're based on good reasoning, because sometimes you can do an awful lot of consultation and still end up

back with the very early stage thinking and maybe things haven't adjusted or shifted much. So you just want to make sure that good thinking has happened around these objective, because they are going to set the direction for the next three to five years. I think you want to make sure that the objectives have been informed by consultation and that the consultation has been extensive enough: the right people have been asked their views.

Trish ([08:17](#)):

I think you also want to know that the objectives have been informed by the work the organisation is already doing and that it's kind of building on that, because sometimes you see strategies and they seem to think that they're starting from a blank page, but that's not the case. Resources are always tied up with current activities. So you just want to make sure that everybody's kept that in mind as those objectives are being drafted. Again, that last episode we talked a lot about risk. This is really again where the Board can start trying to embed this thinking around risk, and asking the questions, finding out has it been actively factored into the thinking of the executive? What have they thought about the uncertainties that might influence the achievement of those objectives?

Trish ([09:08](#)):

And then, you know, obviously the organisation might have legal responsibilities or constitutions. You want to make sure that the objectives fit with that, but also most places also have a mission, vision values - do these objectives fit with that? Are they aligned with it? Is it all adding up? So I think they are some of the things it's just important to look with the language and the content of the objectives. Sometimes when you read objectives, they're not terribly clear and they're not very tangible. And I think that can be a bit of a problem. So, is the text, is the language that you're seeing, is it saying something tangible about progress that is expected within the next period of time? And I think it's also just important to understand how those objectives are going to get fleshed out in the strategy.

Trish ([10:08](#)):

Again, objectives, goals, they're quite high level, are they going to be fleshed out in the strategy? Are there going to be specified actions? Are there going to be key performance indicators? Because sometimes, quite often actually, strategies avoid that kind of specificity, which is understandable. Sometimes you don't want to commit and there's so much uncertainty, but the Board is responsible for the delivery of the strategy, and so it kind of needs to satisfy itself that it's going to be able to recognise progress when it's made, and also recognise when progress isn't being made.

Will ([10:43](#)):

Well, that step is obviously important in terms of setting the strategy up properly from the start, so that the Board can oversee its implementation. And as you say, track and measure and be able to identify success.

Trish ([10:57](#)):

Yeah, exactly. And you know, in the final stages, the Board then needs to see a developed draft of the strategy. And at that point you'd be expecting obviously that it's reflecting the agreed priorities, that it has enough detail to communicate internally and externally what it wants to achieve, and how it's going to achieve it, and I suppose if the Board is satisfied about that, it will approve the strategy and the executive will then normally publish it and communicate it as part of an agreed plan.

Will ([11:27](#)):

Okay. So the strategy should set the agenda for the work that the Board and the CEO and staff want to pursue for a given period of time. But in a way that's just the start, isn't it?

Trish ([11:39](#)):

Yeah, it really is. And I think that's why it's just so important for the Board to take the time to be properly involved in the development of the strategy, because if it's done properly, it really should be influencing a whole series of further decisions that are made by the management and the Board, you know, including how staff and other resources are going to be used to best effect. And in the next episode, just to tease that out a bit further, we're going to talk about how the Board might engage with the strategy after it's been developed and how the Secretary - again, that's such an important role - how that Secretary can support the Board in making sure that it gets useful reports on progress towards achieving the agreed strategy.

Will ([12:20](#)):

Great. Thanks Trish. Well, look forward to following up on that in the next episode.

Trish ([12:25](#)):

Great. Thanks Will.

Will ([12:27](#)):

You can find out more, access resources, templates, and the full One Question Guides at obriengd.ie. Thanks for listening. Goodbye.