


LIVE  
WEBINAR



# Exceptional Board Governance



The Foundational  
Knowledge Elements of True  
Governance Experts



M. A. Pfister  
Strategy Group

with **Mark A. Pfister**  
November 25<sup>th</sup>, 2020

# — YOUR WEBINAR HOST —



**Mark A. Pfister**

CEO &  
Chief Board Consultant

M. A. Pfister  
Strategy Group

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- Governance & Strategy expert, Board Director, & Board Consultant having worked with hundreds of public, private, and nonprofit organizations with focus in Strategy, Governance, and Technology/Cybersecurity.
  - I am known as “*The Board Architect*” for my work in defining the structural components of effective Boards.
  - My book, ‘*Across The Board: The Modern Architecture Behind an Effective Board of Directors*,’ is a bestseller with circulation in over 70 countries.

# — WEBINAR REMINDERS —

*answering frequently asked questions*

- Purpose: My approach is to share knowledge on the **foundational governance elements** required for successful leadership, especially at the Board level. This is a repeatable roadmap for you to leverage.
- Questions: Write your questions in the Q&A section - if time allows, I will answer questions at the close of the presentation. Otherwise, I will follow-up with you via email afterwards.
- Materials: Yes, the entire webinar is being recorded and you will receive a link via email a day or two after the webinar ends. This will also include the presentation deck in a separate file.

# GOALS

*what to walk away with from today's discussion...*





# MODULE 1



## Governance Background

1



# — G O V E R N A N C E   B A C K G R O U N D —

*what exactly is the definition?*



Definition: Governance is the unification of policies, systems and structures that aligns leadership to take effective action with accountability.

# GOVERNANCE BACKGROUND

*the word's usage and history*

Meaning to  
steer –  
derived from  
the Greek word  
*kubernáo* -

370 BC - Plato

Applied to  
ruling a country -  
early modern  
England's  
“governance of the  
realm”

16<sup>th</sup>, 17<sup>th</sup>, 18<sup>th</sup> Centuries

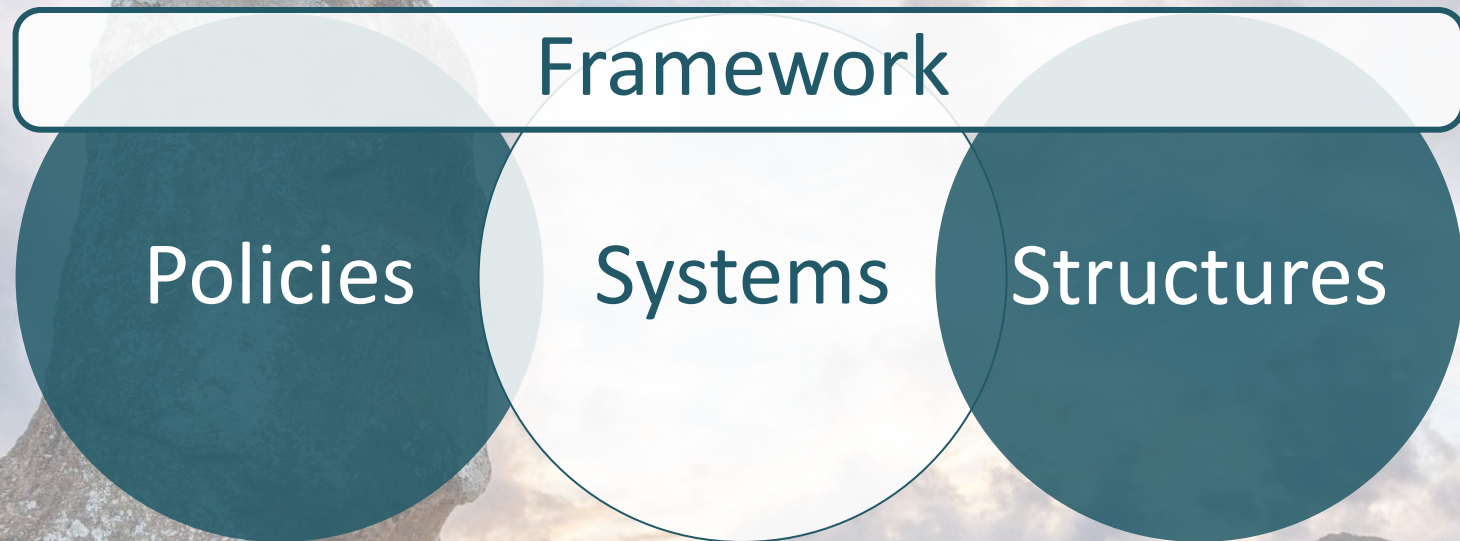
Adopted to a  
broader business  
sense in the 1990's by  
economists and  
political scientists

U.S. – M&A Activity



# GOVERNANCE BACKGROUND

*governance model framework*

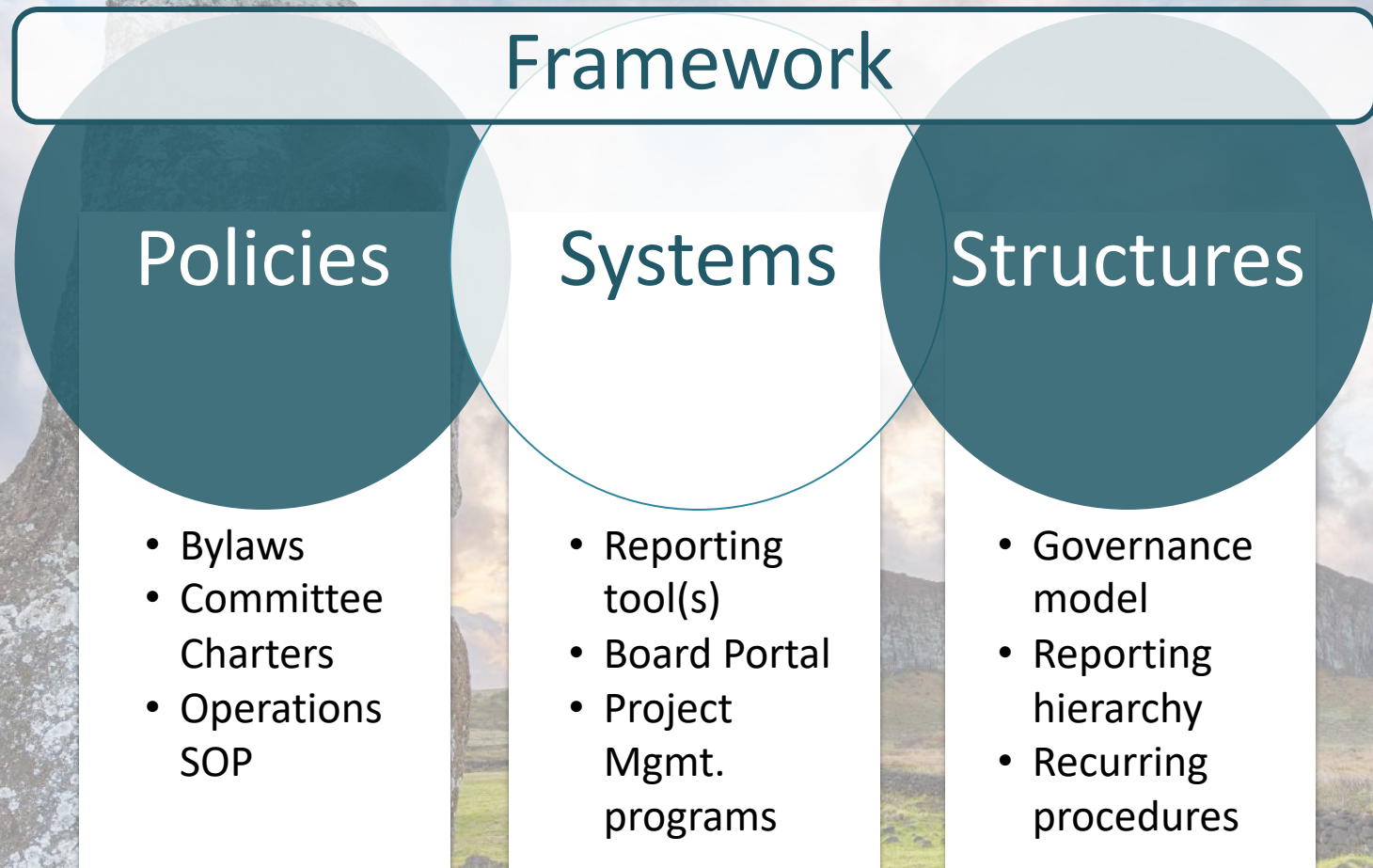


- How do they interface with each other?
- Responsibility of entire Board or individual Board members?



# GOVERNANCE BACKGROUND

*governance model framework*



*why the need?*


Operating a business today is increasingly complex and full of risks

Business  
Complexity

Ever-  
Changing  
Economic  
Climate

Elevated  
Demands on  
Companies





## 2 Governance Prerequisites



# GOVERNANCE PREREQUISITES

*understanding what makes a great board*

## Expectations of Boards:

- ✓ Remain Strategic (90% strategic / 10% tactical ideal balance)
- ✓ Keep organization on track to core Values, Vision and Mission
- ✓ Oversee a clear and viable strategic company roadmap
- ✓ Leverage knowledge and relationships to further organization





# GOVERNANCE PREREQUISITES

*understanding what makes a great board*

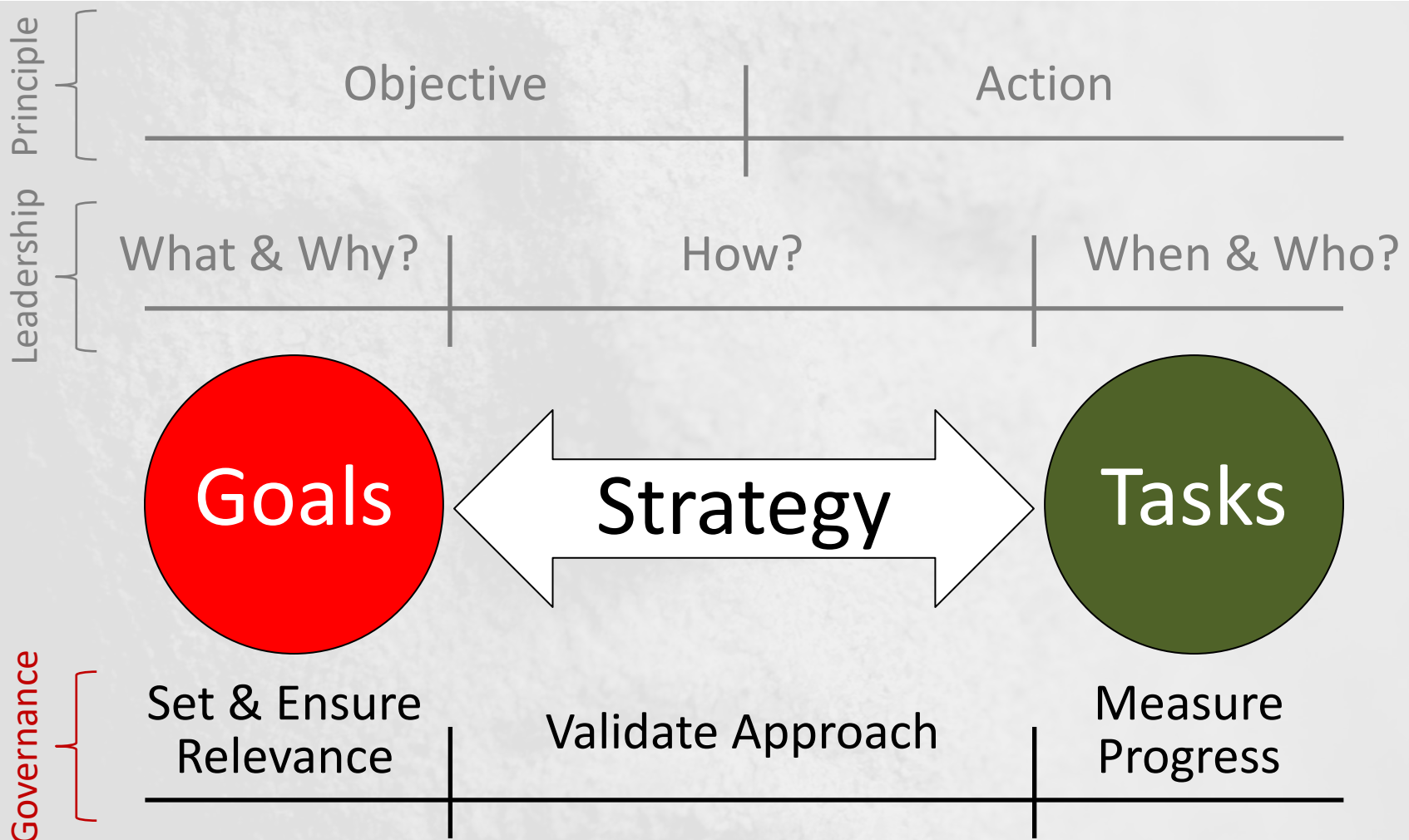
## 11 Traits of a Great Board:

- ✓ Respectful = Constructive = Effective
- ✓ Deep experience & focus on strategy and governance
- ✓ Accountable & Results-oriented
- ✓ Passionate about the company Values and Mission
- ✓ Proper foundational structure of Board & Committees
- ✓ Entrepreneurial spirit
- ✓ Communication, communication, communication!
- ✓ Transparency
- ✓ In-person meetings
- ✓ Wide range of backgrounds, industries and expertise
- ✓ Proper preparation for all Board meetings



# GOVERNANCE PREREQUISITES

*governance / strategy linkage*





## Traditional Model

Legal  
responsibility to  
the collective  
Board

Board speaks as  
one voice on all  
matters

- Oldest model for corporate governance
- Somewhat outdated by today's standards

Source: #1 - #5 Adapted from Board Effect's "Board Governance Models: A Comprehensive List" by Jeremy Barlow

## Carver Model

Places its focus  
on the “*ends*” of  
the organization’s  
*purpose*

Organization  
actively works  
towards what it  
needs to  
achieve

- Works for non-profit & for-profit organizations
- Within defined limits, the board gives the CEO the bulk of the responsibility for using the means to get to the ends



## Cortex Model

Focuses on the value that the organization brings to the community

Board defines the standards, expectations and performance outcomes

- Clarifying and setting outcomes to achieve success become the primary duties of the board under this model

## Consensus Model

A form of the '*Cooperative Model*' that many non-profit organizations use

Gives all Board members an equal vote, equal responsibility and equal liability

- Appropriate for companies without major shareholders
- Sometimes called the '*Process Model*'

## Competency Model

Focuses on communication, trust and relationships to improve Board performance

Organization's bylaws do the work of outlining practices and strategies

- A company Board that is interested in developing the knowledge and skills of the Board members will benefit from this model





“It’s common for boards to adopt a **combination of board governance models** that cater to the features of the organization and the composition of the board...”

# GOVERNANCE PREREQUISITES

*my preferred governance mix...*

## Competency Model

Focuses on communication, trust and relationships to improve Board performance

## Cortex Model

Board defines the standards, expectations and performance outcomes

## Carver Model

Organization actively works towards what it needs to achieve

## Traditional Model

Legal responsibility to the collective Board



# MODULE 3



3

## Values & Governance

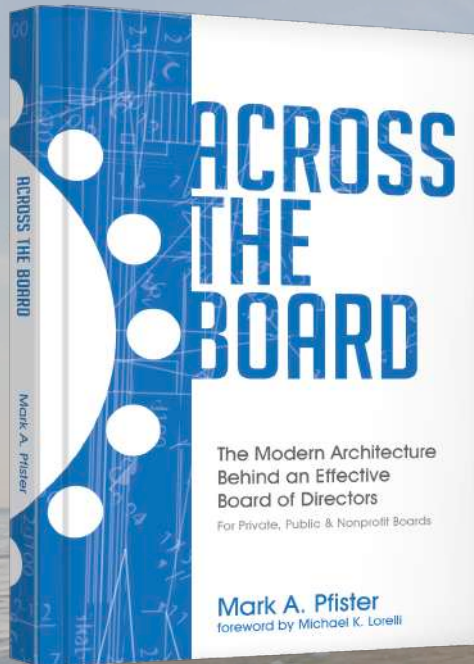
# VALUES & GOVERNANCE

*attracting & retaining great Board Members*



“Effective **Board Directors are attracted to companies** with meaningful Values, a strong Vision and a resonating Mission statement.”





**Values = Culture = Lower Organization Risk**

Chapter 6: The Role of Governance

Across The Board: The Modern Architecture Behind an Effective Board of Directors  
<https://www.pfisterstrategy.com/books>

# VALUES & GOVERNANCE

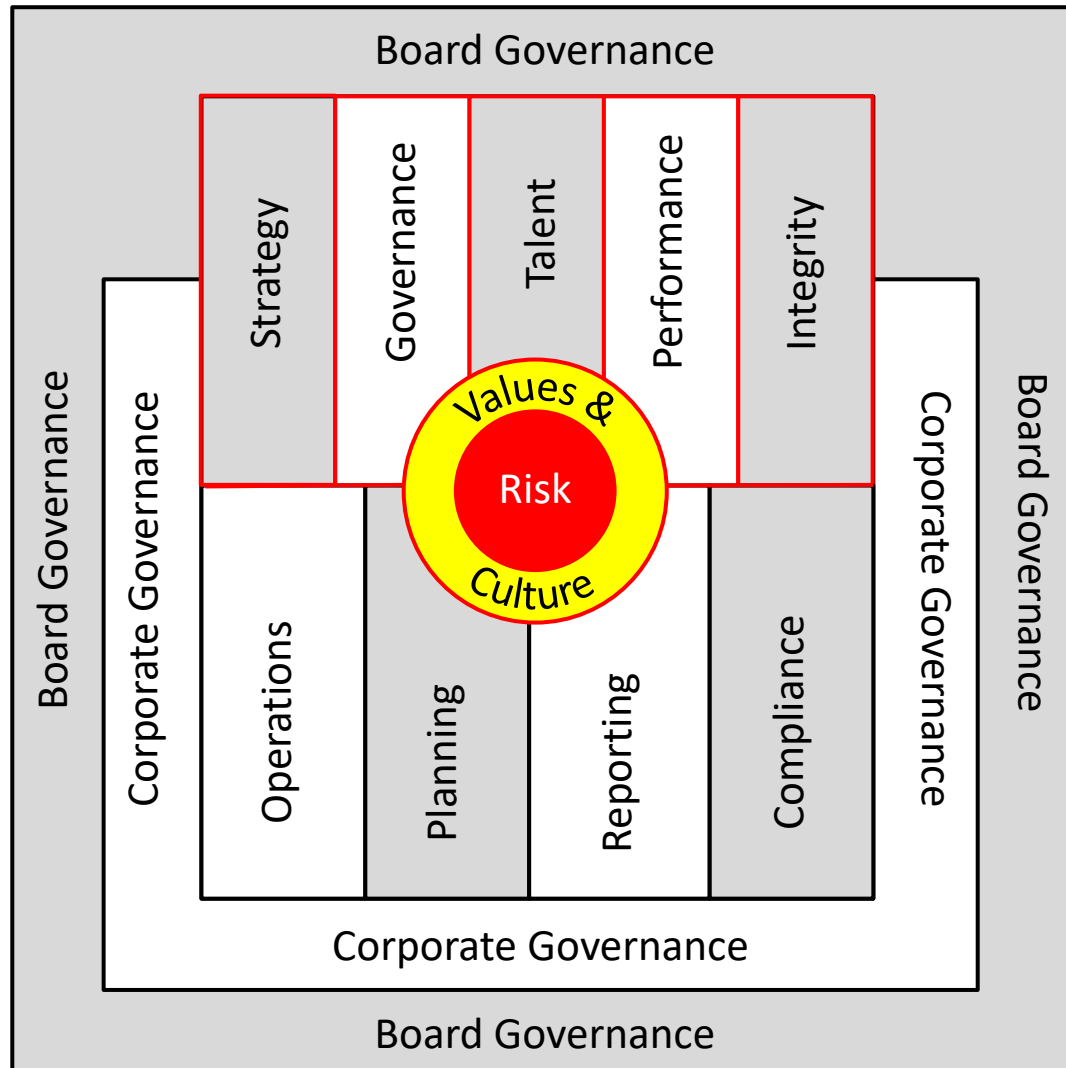
*an organization's core beliefs*





# VALUES & GOVERNANCE


## *Board governance framework*



Read my article,  
['Why Do Boards Continue To Struggle With Strategy?'](#)

# — V A L U E S   &   G O V E R N A N C E —

*evaluating your company's values, vision, and mission*



*“It’s not hard to make  
decisions when you know  
what your values are.”*

*- Roy E. Disney*



# VALUES & GOVERNANCE

*decisioning, filtering, & prioritization model*

## Board Decisioning Flow



*decisioning, filtering, & prioritization model*

It starts with the Values!

## Board Decisioning Flow



The Board should ask themselves:

*“Does the proposed decision or initiative align with our organization’s Values?”*

**Doing the right thing is good business**



*decisioning, filtering, & prioritization model*

## Board Decisioning Flow



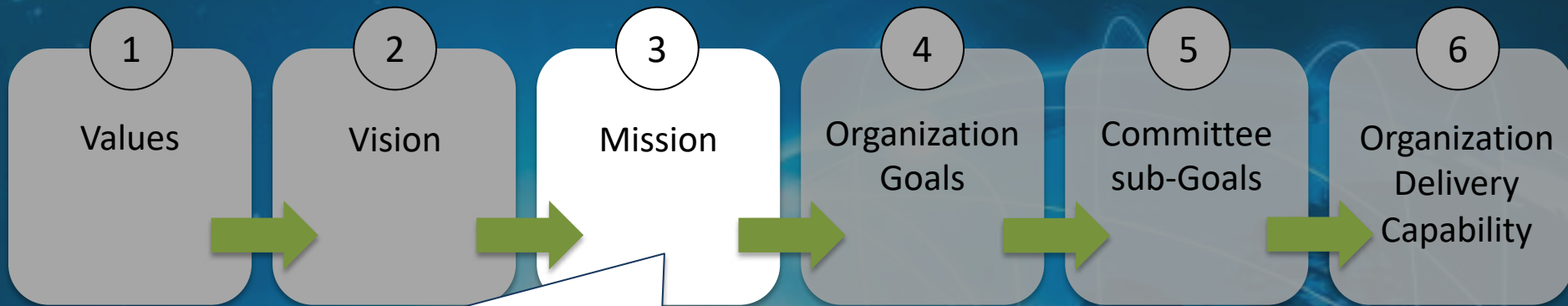
The Board should ask themselves:

*“Does the proposed decision or initiative align with our organization’s Vision?”*  
(what we want to be, or enable, in the future)

# VALUES & GOVERNANCE

*decisioning, filtering, & prioritization model*

## Board Decisioning Flow



The Board should ask themselves:

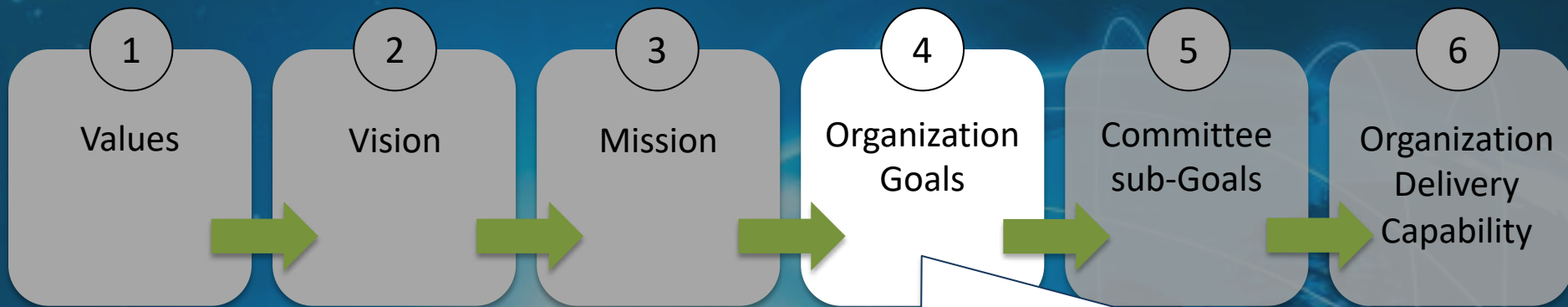
*“Does the proposed decision or initiative align with our organization’s Mission?”*  
(what we do well now)



# VALUES & GOVERNANCE

*decisioning, filtering, & prioritization model*

## Board Decisioning Flow



The Board should ask themselves:

*“Does the proposed decision or initiative align with our organization’s Goals?”*

# VALUES & GOVERNANCE

*decisioning, filtering, & prioritization model*

## Board Decisioning Flow



Each Board Committee should ask themselves:

*“Does the proposed decision or initiative align with a specific Board Committee’s sub-Goals, as well as the overall Board’s and organization’s goals?”*

# VALUES & GOVERNANCE

*decisioning, filtering, & prioritization model*

## Board Decisioning Flow



The Board should ask themselves:

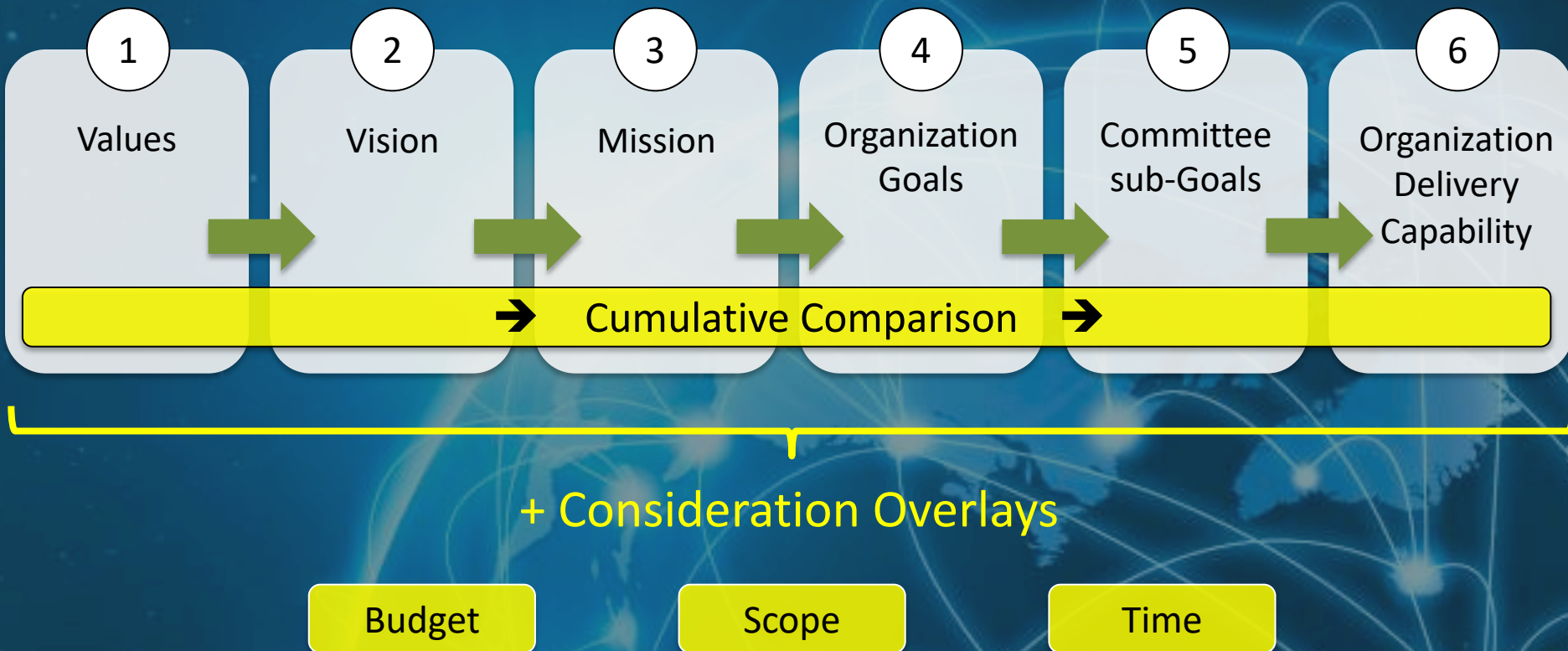
*“Do we have the expertise and resources to effectively and efficiently meet this goal?”*



# VALUES & GOVERNANCE

*decisioning, filtering, & prioritization model*

## Board Decisioning Flow



# — MODULE 4 —



4

## Governance Thought Leadership



*best practices*

A HBR study concluded that effective Boards consistently focus in 4 areas of decision-making...



Improved Board decision-making can be generative as well as protective.

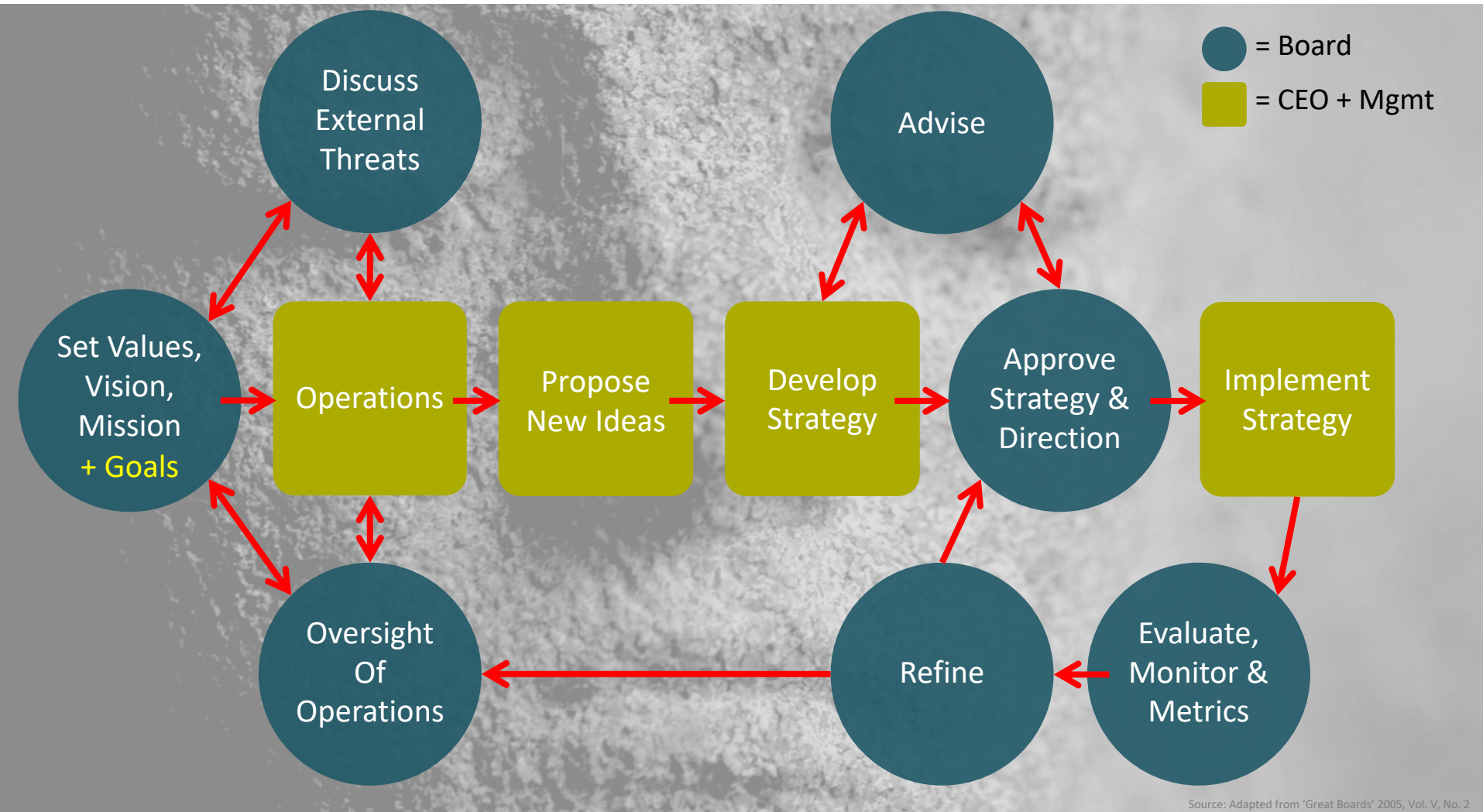


*decision-making & responsibility*



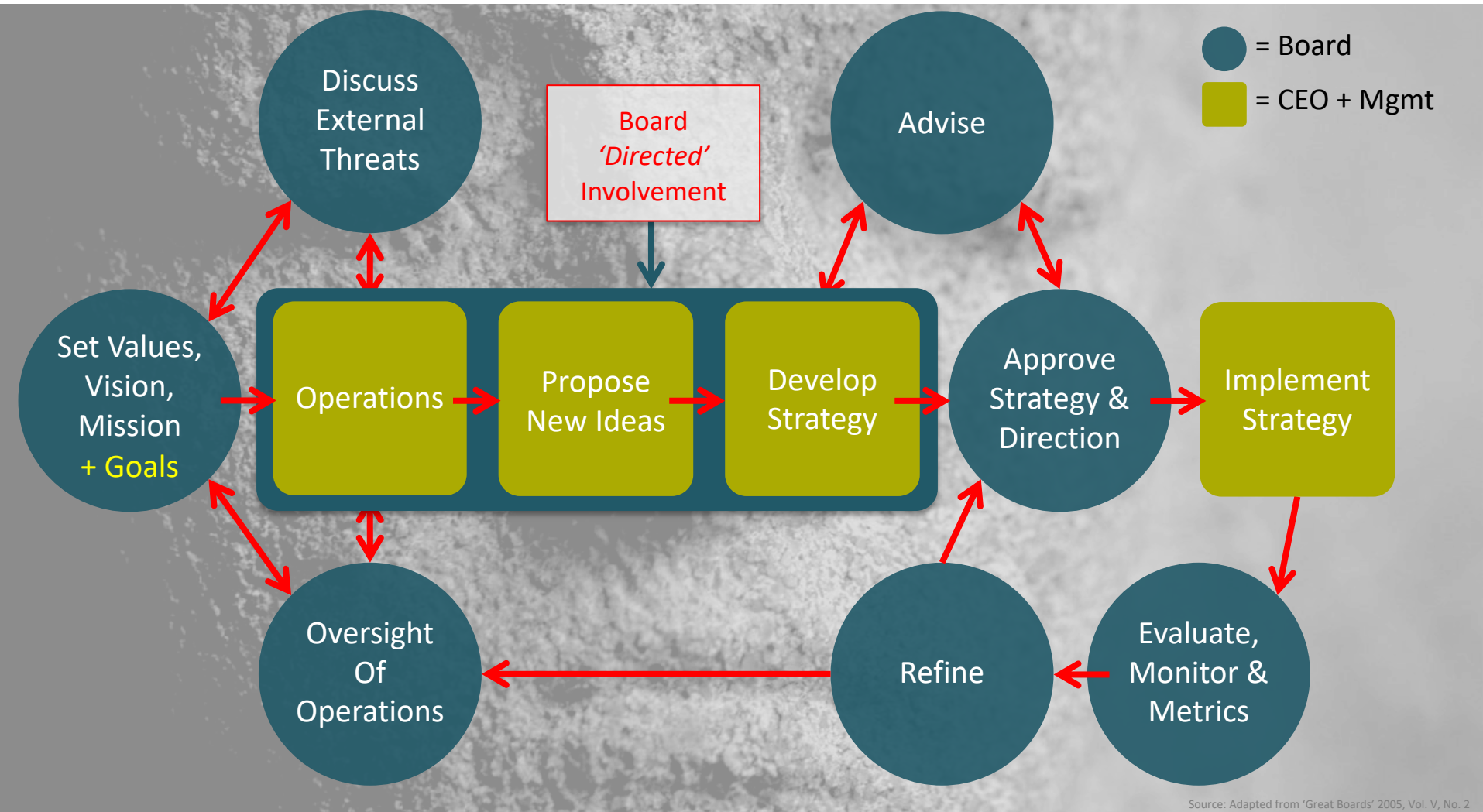
Many Boards miss the important correlation between decision-making, responsibilities, and goals. This mismatch is a common underlying governance derailer for Boards and their organizations to achieve success.

## *the board's role in strategy & governance (practical view)*



Source: Adapted from 'Great Boards' 2005, Vol. V, No. 2

## *the board's role in strategy & governance (practical view)*

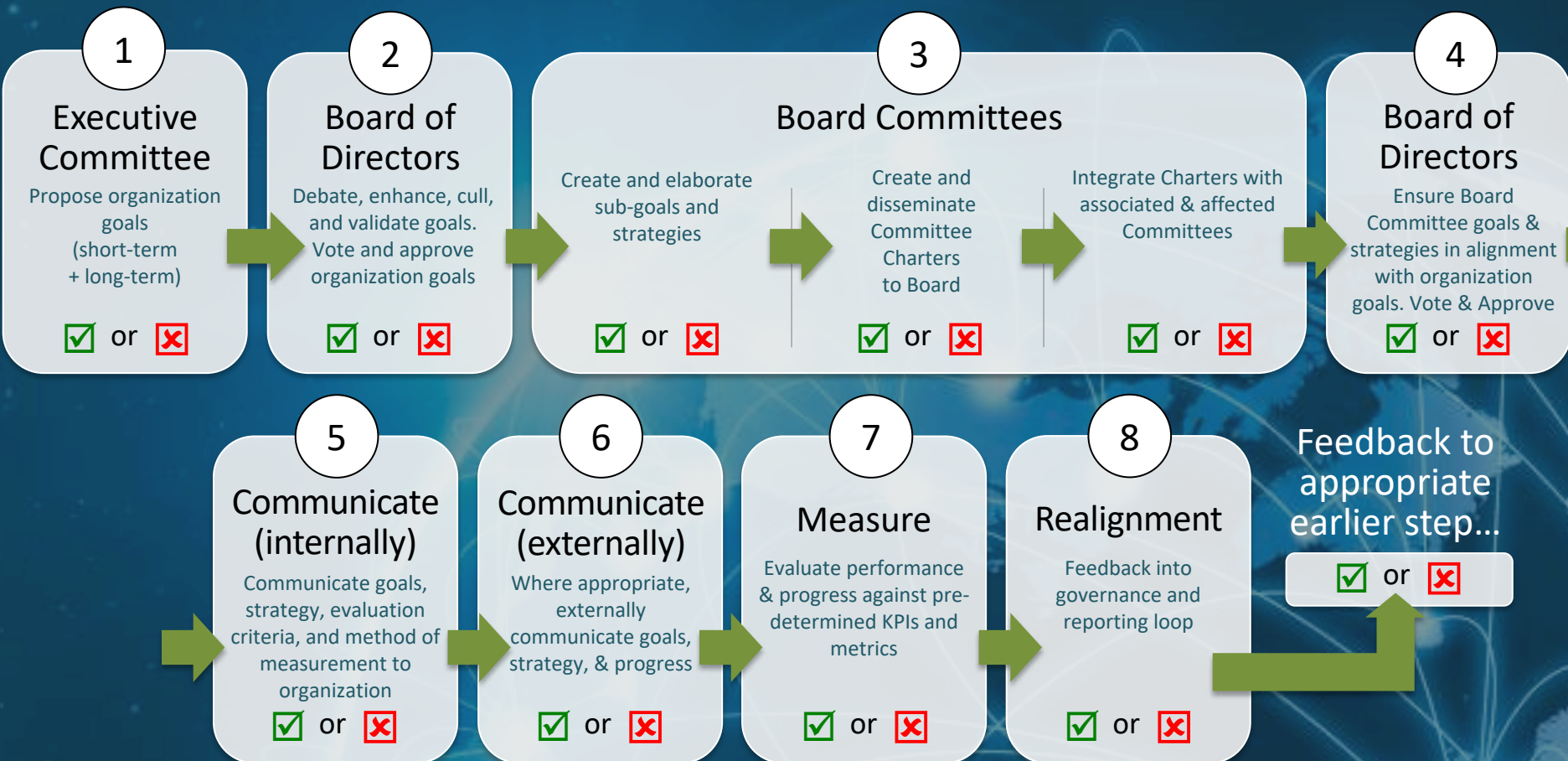


Source: Adapted from 'Great Boards' 2005, Vol. V, No. 2



*goal setting & governance model*

# How does your Board measure up today?



## *organization decision lanes & escalation model*



One of the easiest ways to kick-off good governance within a Board is to implement a systematic approach for transparency – through structured and consistent **Committee Reporting**





## Committee Reporting Frequency

During normal operations, many Boards adopt a **quarterly** Committee reporting schedule

During transitional times, many Boards adopt a **monthly** Committee reporting schedule

## Components of a great Board Committee Report

- Key Message
- Previous Board Committee meeting date
- Upcoming Board Committee meeting date
- Overall Committee RAG\* Status
- Committee Scope / Timeframe / Budget / Risk & Issue / Resource RAG\* Status
- Accomplishments (milestones) since previous reporting cycle
- Planned accomplishments (milestones) in upcoming reporting cycle
- Short descriptions of accomplished work and/or challenges in reporting cycle
- Risks & Issues correlated to reporting cycle
- [Some reports continuously reiterate the Committee's Goals]

\*RAG = Red / Amber / Green

# Governance Modeling & Implementation

After discovery, planning, and implementation efforts supporting Strategy sits another important determinant of success - **Governance**.

This offering can be applied to overall company approach, specific initiatives & projects, or professional / personal aspirations. Designed for all organization types - public, private, & nonprofit.



M. A. Pfister  
**Strategy Group**



# — E M B R A C E   G O V E R N A N C E —

*go forth and conquer*

1

Focus on your  
governance  
model and  
process!

2

Have your  
'go-to'  
path

3

Embrace  
change!



Share with me how you plan to conquer your governance challenges!

Mark@PfisterStrategy.com

See what's happening at [www.PfisterStrategy.com](http://www.PfisterStrategy.com)



With a strong focus in Strategy, Governance, and Technology / Cybersecurity, Mark A. Pfister is CEO & Chief Board Consultant of M. A. Pfister Strategy Group, an executive advisory firm that serves as a strategic advisory council for executives and Boards in the public, private, and nonprofit sectors. He is also Chairman & CEO of Integral Board Group, a specialized Board services and consulting company. Mr. Pfister is a *'Board Macro-Influencer'* and his success has been repeated across a wide range of business situations and environments. He prides himself on being a coach and mentor to senior executives and directors. In Board Director circles, Mr. Pfister has earned the nickname *'The Board Architect.'*

The overarching theme throughout his career has been his aptitude in leadership positions, passionate focus on people, unique governance models, and ability to create value for stakeholders through innovative business strategies and operational excellence. Michael Lorelli, Executive Chairman of Rita's Franchise Company, has said, *"Mark's unusual combination of excelling at a macro and micro grasp of business, genuine interest in Governance, and ability to coach and mentor a Management Team make him a terrific Independent Director."*

Mr. Pfister is a certified project management professional and frequently serves as an expert Project Executive, consulting on global projects in their initiation and operational phases, as well as programs requiring remedial focus to bring them back on track. He has deep knowledge and experience in Board design & operations, strategic planning, business transformation, technology implementations, decisioning processes, continuing education programs, executive coaching, and governance models.

Previously, Mr. Pfister was CEO of Pro4ia, Inc., an international consulting and professional services company specializing in a wide range of technology solutions utilizing formal Project Management as a proven and repeatable delivery method. With a Fortune 50 client list, Pro4ia was Citibank's Nominee for Crain's Magazine *'Entrepreneurship of the Year'* Award in 2005. He simultaneously served as CEO of Onit, Inc., a national sourcing company specializing in placements for all levels of technology skill sets. Mr. Pfister was also the National Program Office Leader for American Express leading some of the largest technology transformation initiatives in the company's history. He served as a Licensed Engineering Officer in the U.S. Merchant Marine, holds a B.S. from the State University of New York Maritime College in Facilities Engineering, and completed Harvard Business School's Executive Education Program for Board Directors.

Mr. Pfister is the creator of the *'Board as a Service'* (BaaS) engagement model, an industry he is credited with inventing. He is a Master Speaker and conducts national speaking tours, lectures, and seminars focused on effective leadership, strategy, Board architecture, becoming an exceptional Board Director candidate, professional project/program management, and entrepreneurship.

His popular book, *'Across The Board: The Modern Architecture Behind an Effective Board of Directors,'* an Amazon best-seller with copies in circulation in over 70 countries, has influenced an entire new generation of Board Directors.

Mr. Pfister is a proficient Board Director and CEO with experience across multiple industry verticals. He is typically the Chair, or a member of the Strategic Planning Committee, Governance Committee, Technology & Cybersecurity Committee, and Nominating Committee. Mr. Pfister's experience as a renowned Board Consultant, having guided and coached hundreds of Boards, Board Committees, and Board Members, additionally offers up unique and informed viewpoints to the companies he serves.

He holds an *Executive Masters Professional Board Certification* through the American College of Corporate Directors (ACCD), is a member of the National Association of Corporate Directors (NACD), is a certified *Project Management Professional* (PMP) through the Project Management Institute (PMI), is a Global ESG Certification candidate (anticipated completion November, 2020), and holds a *Certified Cyber Intelligence Professional Board Certification* (CCIP) through the McAfee Institute.