



THE BOARD'S ROLE IN REINVENTION

Speakers at Criticaleye's Chair & NED Retreat discuss the Board's integral role in leading successful transformation, and how to maintain the relationships that are crucial to the process



An effective Board will support a management team in strategic discussions around large-scale transformation. The Chair and NEDs will draw on their knowledge and experience to ensure the right questions are asked about investments levels, timeframes and the overall impact of a transformation on the organisation and key stakeholders.

Given the focus on performance improvement, leadership capability and technology in businesses at present, it wasn't surprising to hear transformation being discussed by attendees at Criticaleye's recent Chair & Non-executive Director Retreat 2024, held in partnership with Accenture.

Devyani Vaishampayan, NED at Saitta Group and a Board Mentor at Criticaleye, said: "Transformation is no longer a big project which happens because of a single event. Today, transformation is more a continuous process and can be a result of a number of factors, such as expanded customer services, reduced funding or the integration of new technology."

The ability to innovate and adapt requires Boards to have both the right skills and mindset to orchestrate change.

Jonathan Keane, Senior Managing Director for Strategy Consulting Lead for the UK & Ireland and Global Luminary Network Lead at Accenture, stated: "Where Boards are reinventing the business, we're seeing significantly different returns – in terms of revenue growth – because they're thinking about the business in a very different way, not just transforming the company but reinventing the very heart of it."

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Devyani Vaishampayan

Matthew Blagg, CEO of Criticaleye, described how the attention of a Board will shift depending on where an organisation is positioned in terms of strategy, stakeholders and leadership. "The Chair and NEDs should be able to take that longer-term view. You almost need to have counter-cyclical skills between the management team and the non-executive directors: if you've got a very growth-driven CEO, you probably need a Board that is able to challenge harder around that. Conversely, if you've got a CEO who is more conservative, then you probably need to be pushing them from a growth agenda."

"There is a different leadership challenge to when you're in 'business-as-usual'

mode. It's very hard to do, but a good Chair and Board will know how to get the balance right."

Investor Relations

The Chair and NEDs are there to support the management, but clearly they're also there to represent the interests of shareholders, which is another key consideration when exploring large-scale transformation.

Steve Pateman, NED at Bank of Ireland, told the audience: "The job of the Board is to be the custodians of the organisation for all the stakeholders, including the shareholders. You've got to ask yourself: 'Is this how the shareholders would want us to be spending our money? Is this going to create value for those shareholders in future?'"

It's up to the independent directors to be thinking through how changes relate to the overarching strategy.

Steve gave the example of introducing new technology, where he said it's important for Boards to ask the basic questions around whether or not new processes are effective and the impact of those potential changes on the customer experience.

This is where the skills of a Board can make a real difference. **Devyani** said: "Given that technology is a driver of transformation, a key challenge that Boards have is digital literacy. We all assume that anyone who should be on a Board needs to have some basic knowledge about balance sheets and financials, yet when it comes to digital and AI, the urgency is less well understood." >



Interestingly, in a poll presented to attendees during the Retreat, a resounding 70 percent of respondents to the question ‘what do you see at the biggest driver of transformation at present?’ answered with ‘technology (e.g. AI)’. This indicates that Generative AI and other recent technological advances are at least front of mind for Boards, in the context of business model transformation.

The responsibility for any transformation sits with the management team, but the Board ought to ensure the right questions are being asked, providing support and applying pressure where need be. As **Jonathan** of Accenture put it: “Pace remains important. The Board and executive team set that pace collectively – they are the metronome of an organisation. Set too fast, you burn. Set too slow, you risk disappointing shareholders.

“Getting the pace right and understanding your combined role as ‘conductor of the orchestra’ is pivotal.”

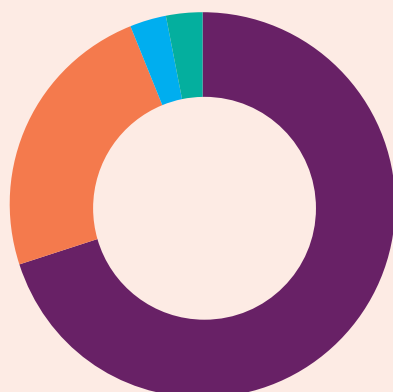
At times, it can feel like there is an ever-increasing number of considerations for independent directors around obligations

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Jonathan Keane

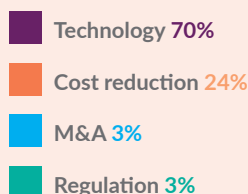
to various stakeholders within the businesses they support, and these factors can intensify when a business is undergoing a transformation.

However, a successful non-executive team sets the tone during a phase of reinvention, provides a critical lens to the leadership team and broadly keeps the transformation project in check. ■



Source: Attendees polled at Criticleye's recent Chair & Non-executive Director Retreat

What do you see as the biggest driver of transformation at present?



UPCOMING NED EVENTS

The CHAIR & NED VIRTUAL ROUNDTABLE

How to be an Effective Chair of an Audit Committee

24TH APRIL 2024 // 08:30 - 10:00

[Click here to register to attend](#)

NED CV CLINIC

7TH MAY 2024 // 08:30 - 11:00

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The CHAIR & NED FORUM 2024

4TH JULY 2024 // 08:20 - 12:00

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Featuring commentary from:

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