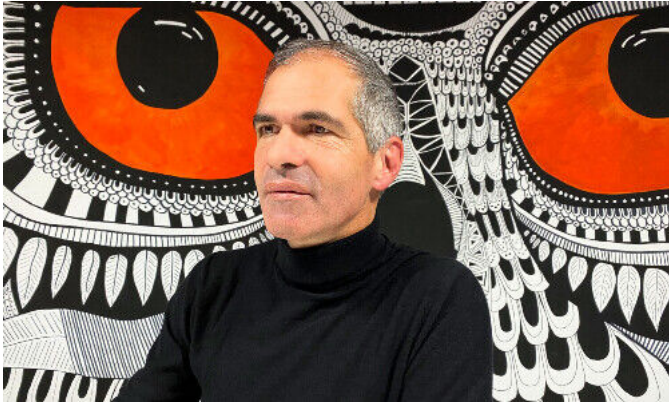


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Reto Jauch (Image: zvg)

Reto Jauch: «How to be a successful board member»

«In my experience, the work a board member does is both hyped up and downplayed at the same time», writes Reto Jauch in a piece for *finews.first*.

This article has been published on finews.first, a forum for authors specializing in economic and financial topics.

Board members don't run companies. Management does. But when it comes to culture or in times of change or crisis, they have a fundamentally important role.

One of the key challenges a board faces is ensuring that agendas and discussions are kept at the appropriate strategic level. That can be difficult in and as much that the members often want to lend their own perspectives and experiences.

«I was sure that my experience in e-commerce was going to revolutionize the company's strategic direction when I joined the board. I thought it would only take a few meetings to suggest technological innovations and get them implemented within the space of a few weeks. I thought it was my job. It turns out, that wasn't the case. Management had its own plans.»

Board member of a media group

It is important to recognize that members of the board of directors can offer industrial expertise but that they are more effective when they work as sounding boards and as a forum for good questions. It is not at all helpful when board members delve into daily decision-making. The boardroom is one of the few places and opportunities for long-term, strategic thinking.

It is always better to avoid falling into the dilemma of telling management what they need to be doing on a micro-level and instead steer conversations toward larger issues.

«I will never forget the board meeting that discussed the design of the new dress collection together with ten of members and eight executives, most of whom were men. It would have been far more useful to spend the time talking about the future of the sector and changes in consumer behavior»

Female board member of a retail fashion group

It is still very rare that board members meet employees outside of meetings, although it is something that always pays off. I always say that board members should proactively take the opportunity to have a coffee with the chairman or arrange to meet management together with other board members. All new roles bring a measure of uncertainty with them, and it is always helpful to build relationships around them.

«Maybe it was because I specifically traveled to Switzerland for the board meeting. But I had agreed at the outset with all members that we have a separate 30-minute meeting. One member of the board told me that it was the first time that he held another meeting with other members of the board. The short conversation we had helped me to better understand the individual motivation of each member and I learned a great deal.»
Board member of an insurance company

The tasks of board members have become harder in the last ten years, not least given the changing expectations of corporate governance. That is fitting. The responsibilities should be seriously considered and worked through extensively. All the best board members that I know have read the board submission papers carefully, dealt with the challenges facing the team and are always prepared to listen and learn.

One can best serve the company by preparing for the role, being flexible, and being available beyond planned meeting times, particularly when one's presence is required. Board members lose trust and influence when they are absent. Committee work requires ample time and board members inevitably become part of unplanned events, such as the sudden exit of a CEO, or the outbreak of a global pandemic. It is critical for board members to be engaged in such times of change and crisis. The executive leadership team needs to know that they are on their side regardless of the highs and lows they are facing.

«When the crisis started, we held extraordinary meetings practically daily. Everyone had to move their planned vacations, travel and other professional commitments.»
Board member of a bank

The best board members that I know of recognize that they are members of a team. They are there to serve clients, employees and shareholders. Occasionally, they will have to make difficult decisions, such as having to replace a CEO. But most of the time they are there as a critical friend, one who is challenging yet constructive, and never egotistical in their views.

Reto Jauch runs the board & CEO practice at **Schulthess Zimmermann & Jauch**. He regularly hosts and moderates roundtables for board directors and decision-makers from politics and academia on governance and leadership topics. He is a managing partner of Schulthess Zimmermann & Jauch, a board advisory and executive search firm with offices in London, New York, and Munich. Jauch was previously head of Europe for board advisory and search practice at A.T Kearney, where he was a partner from 1995 until 2002.