

# Board Governance for Results

How to maximize value for your Board of Directors?

The Founder CEO has the loneliest job in the world. That's why savvy entrepreneurs surround themselves with accomplished peers and seasoned mentors to help them succeed. A founder's BoD presents built-in allies that can play a critical role in the startup journey.

1. **Frequency** - Routine BoD meetings should be held every 6-8 weeks (more in times of crisis), even if they only last 2-3 hours. Frequency is more important than the length.
2. **Keep it Simple** - Presentations should not exceed 15 slides (with the remaining in Appendix) and should be sent out a few days prior to the BoD meeting. You want the most out of your BoD, so have them prepped and ready to offer insights.
3. **OKRs** (Objective Key Result) present an excellent framework to create board & management alignment on value creation objectives. To get the full benefit of the process, OKRs must be shared, discussed, and coordinated. Obviously, OKRs must be SMART (Specific, Measurable, Achievable, Relevant and Time-bound).
4. **Demonstrate accountability** - Show progress against value creation objectives and performance versus plan/budget.

Outlining your meetings and having a consistent BoD deck is crucial. Agendas should include:

- **5-10 min** - Start with the big picture: share highlights and lowlights from 50,000 feet.
- **60 min** - Dive in to your reporting segment, and measure against objectives:
  - Key annual objectives (keep this short, centered around achieving product market fit and/or generating a repeatable sales motion) - Use color code to send a simple message about what is on track and what is off track.
  - Key metrics (funnel, engagement, financial, performance vs plan) - Use waterfall format (at least on revenues and cash). Cash burn projection is a critical datapoint to share, so board members are clear on your runway for operations.
  - Key personnel changes, updates on tech, growth, marketing & operations.
- **60 min** - Deep Dive part 2 - Pick 1 or 2 key business topics you'd like to focus on. Don't forget to bring in your executives to participate in Board meetings based on the agenda. For example, your CTO should share the Product Roadmap, and your CMO should unveil your new branding campaign.
- **15 min** - Summary & Closed Session - This segment is used to discuss administrative topics and set the next meeting (i.e. Stock option approvals, BoD meeting schedules, etc.)

While it's important to follow best practices, it's equally important to avoid common pitfalls, such as:

- **Not sharing failures and challenges** explicitly with your Board - If you don't discuss these sensitive issues while you are in the room together, then the Board will discuss them when you are out of the room.
- **Disengagement** - If you spend too much time on reporting side, you risk their disengagement. Make as much of the reporting happen outside of the meeting as possible, so you can leverage your time together to brainstorm on strategic and leadership issues.
- **Unbalanced Composition** - Don't try to keep all founders as Board members to maintain control. The BoD of a typical Series A startup is composed of one Seed Investor, one Series A VC investor, two co-founders, and one Independent Director.

Assembling an effective board is a delicate task that should be handled with care. When done effectively, it pays off exponentially in the long-term. BGV can help guide you in this process, but, as CEO, you need to be the principal architect of board dynamics and board effectiveness.

