



Effective decision making for your board of directors: Three easy steps

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How to make the best decisions for your board

Every board meeting requires the board to make decisions. Making good decisions is tough. Most boards of directors are Many non-profit boards create committees to share the workload of the board. Larger condos and homeowner associations sometimes create committees too. Committees allow the board to expand its work. Meeting this expectation require considerable thought into developing a positive working relationship between the committee and the board.

Setting the scene

Has a scenario like the following ever happened to your board? Chris, the Chair of a Special Committee, brings their final recommendations to the board for approval. At the board meeting, the directors aske a lot of questions regarding the committee's recommendations, and the discussion drags on. Chris is surprised; she had expected the board to approve the committee's recommendation quickly. Instead, the board proposed several changes to the recommendations and asked the committee to review them and come back to the board at a later date. Chris gets frustrated; the committee has been working hard for several months.

No one likes to be surprised

So, what went wrong in this scenario? Directors don't appreciate tons of information dropping on them. It is not the most effective way to get things done. Typically, directors need time to review, evaluate and offer input before arriving at an informed decision. Chris, the Chair, had not communicated the committee's recommendations to the board in advance of the board meeting. It should not come as a surprise that the directors could not accept the recommendations. Never try and rush decision-making. If you do, as the example with Chris clearly shows, it will backfire and bring the entire decision-making process is to a halt. To prevent this situation, I suggest using the three-step process described below.

Let's get started.

I first want to outline the decision-making process, and then we can get into the “nitty-gritty” of each step.

The three stages of effective decision-making:

- Introduction to the scope of work
- Review round table and question period
- Final presentation and proposal

First meeting: Introduction to the scope of work

Every good movie, first date or story starts with an introduction. Good introductions lay out the plot for the story. Similarly, first meetings cover the objective of finalizing specific tasks and determine of who or how the work will be undertaken, i.e. by staff, managers or a committee. Agreeing on the scope of work and establishing tentative dates for the next meetings sets up the project for success. Brainstorming during this first discussion can help surface new ideas. Try to bring up any potential hurdles and how to overcome them so there are no surprises further down the road.

Second meeting: Review round-table and question period

There's nothing more frightening than being unprepared for a presentation or getting asked a bunch of questions you don't know the answer to. Don't let this be you. At a second meeting, the the board's objective focuses on reviewing the progress that the committee has made on the project. Make sure to include all known information, draft options, and any remaining questions to be investigated or researched. Ask for input from directors and take notes of any questions or requests for more information. In other words, be prepared. The tentative date for final recommendations is updated if needed as well.

Third meeting: Final presentation and proposal

Much like at the end of a college course or trying to sell a product or service to a group of potential customers, the final presentation is the most important step in the decision-making process. It is the closer, the final act. With the proposal, project or issue in a final format, with options and recommendations can be presented to the board (where possible). There are no surprises.

Preparation is the key to success

The board already knows what is coming. In most situations, changes at this stage would be minimal, and acceptance would be expected. But of course, it is always the board's prerogative to vote against or postpone their decision if they feel further clarification or background is needed. Be prepared for all possible questions. Thorough preparation will result in the board making an easy decision.

The less shocked, the better

Following these steps will help to eliminate any last-minute surprises, 'table drops,' or rushed decisions. Much like when you are shocked by an impromptu party on your birthday, no board likes to be surprised. Nor do boards want to be thrown into a situation where there is an immediate need for a decision, particularly if it is packaged as a final product that they know nothing about. If these steps sound familiar – they are! Parliament functions using a similar three-step process; 1st reading, 2nd reading, and 3rd reading. This process accommodates discussion, exchange of views, and participatory decision-making. Applying these same principles during board meetings will move your board toward a more inclusive approach.

Technology always makes decision-making easier

If your board is using BoardSpace – board management software – you have automated help with organizing agendas, minutes, documents and scheduling; features that make the three-step decision-making process so much more manageable.

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