



Evaluation of the composition, dynamics, and cooperation of the BoD and EM

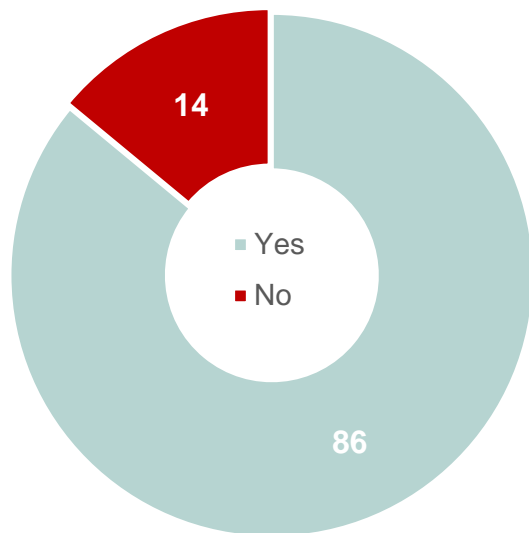
Competency-based and team-oriented boards
bring more competitiveness and sustainable value creation

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Initial situation: 86% of Boards of Directors conduct an evaluation of their own board.

Is such an evaluation carried out by «your» Board of Directors?



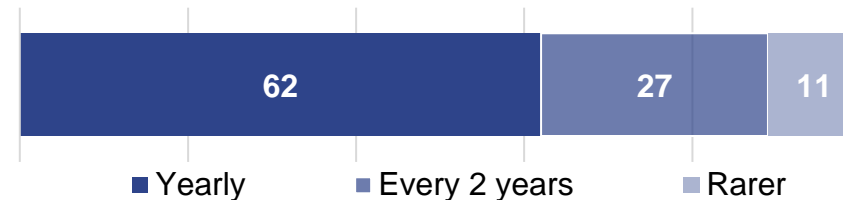
Is this evaluation conducted as a self-evaluation, with external & independent support, or both alternately?

n=170



What is the frequency of this evaluation?

n=170



Does this evaluation assess the board as a whole and/or each member individually?

n=170



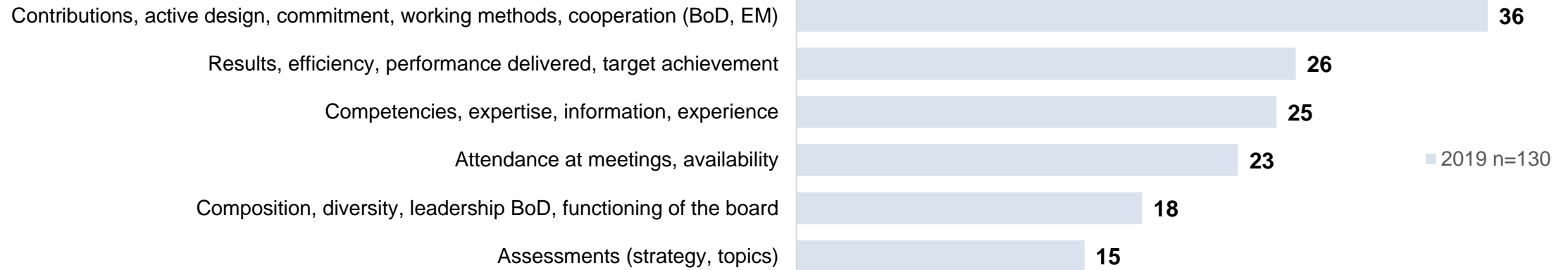
14% do not carry out any evaluation. Of the 86% that do conduct an evaluation, 66% do so without external support. 62% carry out this evaluation annually, with the majority evaluating the BoD as a whole and each member individually.



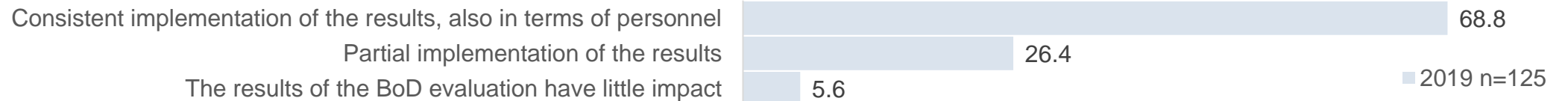
Initial situation: The BoD evaluation criteria are pragmatic but still not systematic enough.

What are the contents or the topics of this BoD evaluation?

Percentages, multiple answers



How consistently implemented are the results of the BoD evaluation?



The open-end responses to this question suggest that no standard has yet emerged regarding BoD evaluation criteria, otherwise individual categories would be mentioned by more than 36% of respondents.





Benefits: The evaluation creates a shared understanding of goals and collaboration.

When evaluating the composition, dynamics, and cooperation of the BoD and EM, the requirements are defined to optimally master the strategic, management-specific, and entrepreneurial challenges as a team.



Strategic fit: The board's competencies are more aligned with the company's strategic challenges so that the company is fit for the future.



Gap analysis individuals and boards: Individuals are part of the team and must make optimal contributions. The gaps should be closed so that the team can function perfectly as a whole.



HR agenda / succession planning: Succession can be built by making the strategic challenges transparent and building new long-term competencies.



Gender diversity / talent management: A systematic approach creates the framework for attracting, developing, and retaining top female executives.



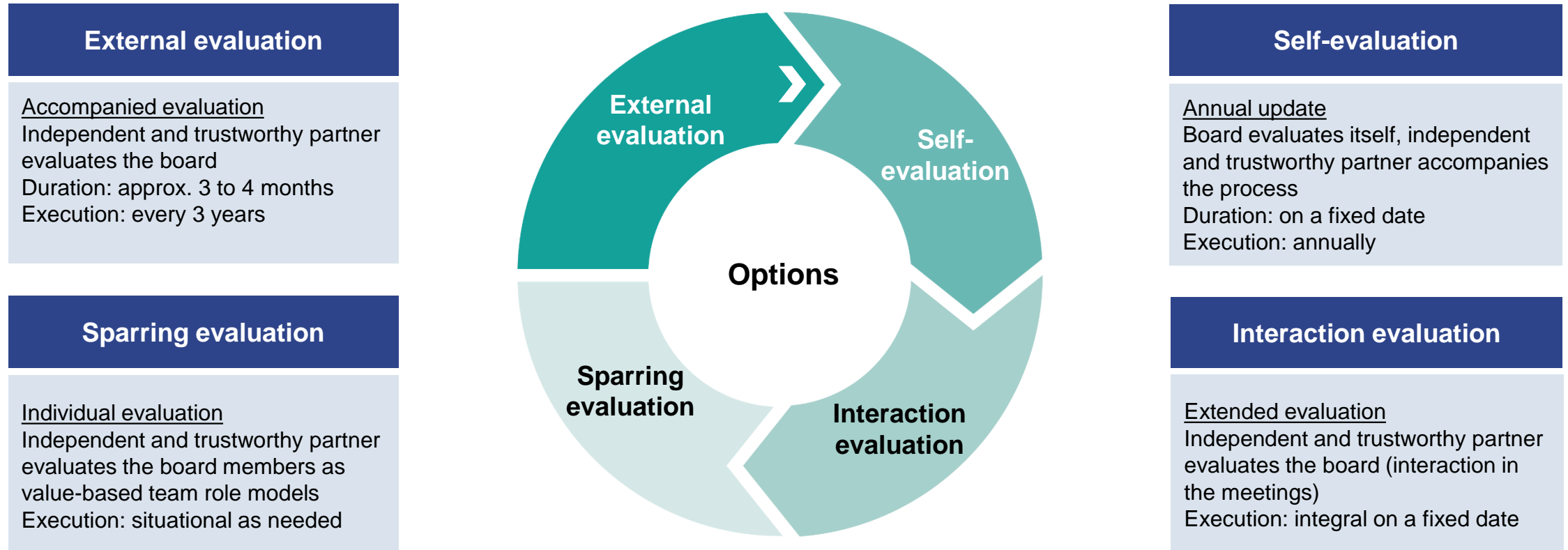
Shared understanding: The fact-based assessment creates an agreed-upon framework about the team's goals, composition, and collaboration. This makes it an effective tool for discussions and optimization.



Positive perception: Shared understanding increases the perception and reputation of the team externally (external stakeholders) and internally (own organization).



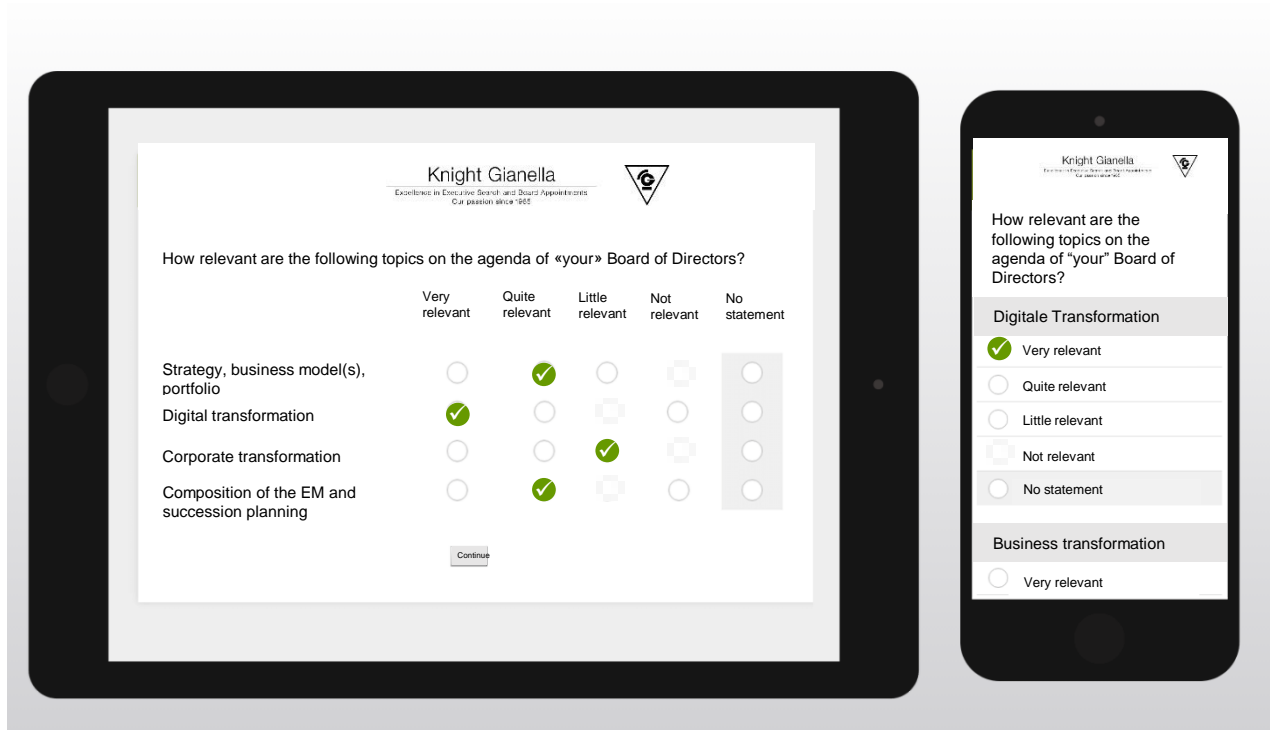
Options: The external evaluation (every 3 years) is the basis for an optimal (annual) self-evaluation.



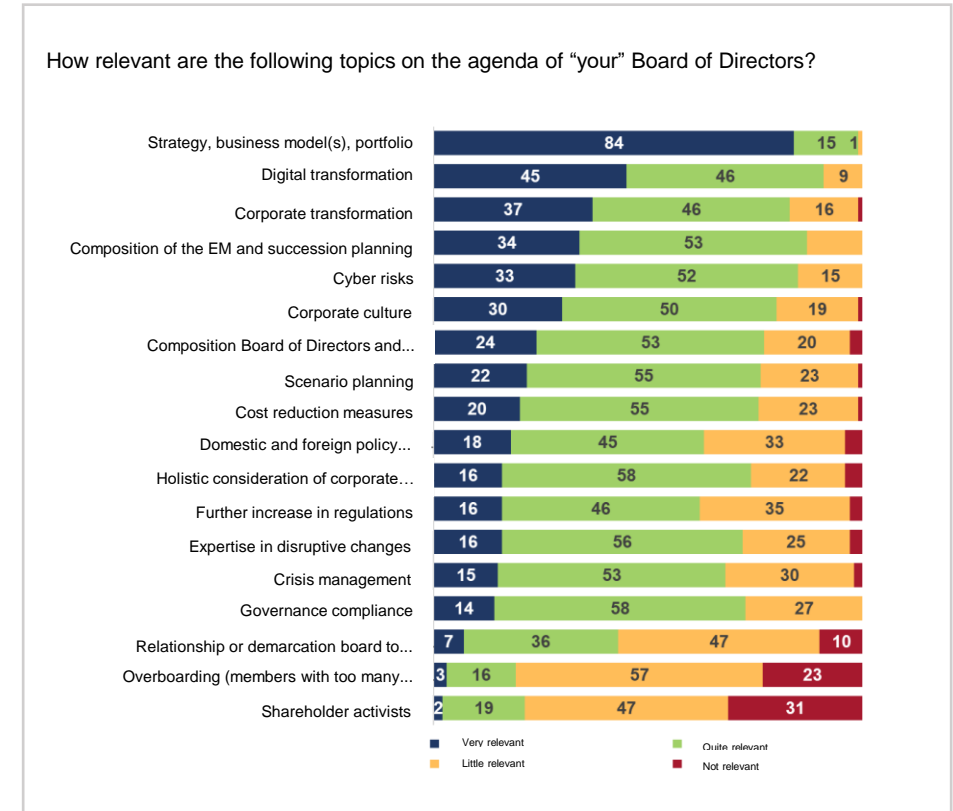
Each of these options can be performed independently of the others.



Self-evaluation: Knight Gianella's questionnaire is provided cloud-based.



Fictitious sample





Opportunity: Systematic evaluation leverages the strengths of the team.

A (systematic and customized) external evaluation is useful if ...

- ... the succession process is to be restarted, jointly discussed, and validated at BoD and / or EM level;
- ... a new Chairman / Chairwoman wants to get to know the Board Members better;
- ... a new CEO wants to know the key members in his/her management team better;
- ... the dynamics and cooperation of an existing team are to be improved;
- ... effective framework conditions for implementation are to be ensured following the strategy process;
- ... a company is acquired, integrated, or outsourced to reposition the boards;
- ... the effectiveness and efficiency of the BoD and EM team are to be ensured in preparation for an IPO or if the management team is to be reconstituted or supplemented.



We look forward to sharing thoughts with you!



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