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Making the Most of a Board of Directors

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In Canada we see that both Advisory Boards and more formal Board of Directors members typically have fairly limited interaction with the executives on whose boards they sit. It may be monthly meetings; email of agendas then followed by in person one day presentations at board meetings, the infrequent board dinner, and perhaps the annual board strategy off-site meeting.

Even with this limited interaction Canadian companies place a great deal of power and pressure on their board members to make critical decisions about the company and also the key executives in place to guide the business towards increased shareholder value or in the case of the nonprofit, a better managed use of the monies raised and the best use of the cause in the community.

At times the board will need to also think and plan for succession. Who should become the next CEO? Who does the board believe can quarterback the next significant new venture? Many of our clients are looking to take the opportunity to have their board get to really know their team better with the Predictive index assessment management tool. The survey has been updated and only takes 5 minutes to complete and is extremely accurate. The objective data on the business personality of each leader is an excellent new source to assist a board in better decisions just as it does for some of Canada's best managed companies like; PCL Constructors, Microsoft, IKEA, UNICEF, Canadian Food Inspection Agency, Scouts Canada and Great West Life and now several Business schools.

With the recent new awareness that boards must be fully engaged the liability for each board member has been heightened and thus the need for better information. The leader and his team need to be understood by each board member. The CEO also needs to understand her/his board to gain credibility and for support if the going gets tough. Boards quite properly have begun to use more sophisticated processes to get greater insights on their pool of executive talent, including formal third-party assessments. Nonetheless, directors need to make the most of the opportunities they have to get to know company executives on a more personal level quickly.

We have seen the use of personality data as an important method to build effective boards whether they are non profit or for profit. The addition of how each member approaches decision making are they empathetic or objective? Will they make gut based decisions that may put our company at some risk? Will they make very slow decisions that are very "black and white"? The Predictive index survey gives the CEO and each board member a "sign language" on how each member will reach decisions behaviorally and this is a real advantage in the challenging times of 2009 and beyond.



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