

Board, Committee and Director Evaluation

March 2, 2015

The primary outcome from a board evaluation is a shared understanding of what is important and how effective the board is on the most important factors. Unlike other board evaluation and feedback service providers, the Guerdon Associates method assists the board identify the factors that have most impact on shareholder value.

The identification and prioritisation of the gaps between what is important and where improvement is required enables an action plan at board and individual director level to improve and fill these gaps.

In addition, perception of gaps can vary with those doing an evaluation. While our basic approach relies on director assessment, we can also incorporate the assessment of other stakeholders, including executives and institutional investors.

The typical process involves:

- A chairman interview: using actual events that had a material impact on shareholder value to identify areas of board and director effectiveness, deficiencies, and importance
- Optionally, and preferably, director interviews: again using critical value impacting events
- Optionally, executive interviews: again using critical value impacting events
- Questionnaire development: modifying a core questionnaire to add the board factors found to have a material effect on value
- Data collection: usually via an efficient, confidential and on-line questionnaire completion process
- Data analysis: identifying and rank ordering what is important, and where there are opportunities for improvement
- Chairman summary report: An overview of results for the board, each committee and each director
- Board summary report: summarises the outcomes for the board as a whole
- Committee summary reports: summarises the outcomes for each board committee

- Director summary reports: Confidential reports for each director, including “on the record” but comments made by other directors
- Optionally, but preferably: A board effectiveness review meeting, where results are discussed and plans for development and monitoring progress are agreed.

In response to specific development needs, a cut down on-line “5-minute” questionnaire can be developed for director completion after each meeting, with semi automated reports providing rapid feedback on the aspects identified as most important.

The board and director evaluation process can be tailored to meet each board’s needs. This may range from a quick “pulse check” on-line questionnaire to a more engaged and in-depth process to discover what is critical to focus on for incremental value creation and preservation.

Contact us for more information.