

# GOVERNING AT THE APPROPRIATE LEVEL IN A CHANGING MARKETPLACE

## What Are Directors' Biggest Concerns Looking Ahead?

Board members who completed the National Association of Corporate Directors (NACD) 2023 Board Trends and Priorities Survey identified the following as the top five trends that will have the most significant impact on their companies in the next 12 months:



**64%**

Threat of economic recession



**59%**

Increased competition for talent



**57%**

Growing inflation



**37%**

Disruptions in the global supply chain



**34%**

Increased regulatory requirements and changing cybersecurity threats

## Why This Matters:

As companies focus on combating the threats of economic recession and continue to compete for top talent, there will be greater emphasis on operational priorities and risk management, especially in the areas of Finance and Human Resources. Leadership teams will likely spend more time on these operational matters and bring regular updates to their boards. It may be tempting for board members to ask detailed questions about these management-led matters. While the board has every right to inquire after strategic progress related to Finance and HR goals, it is imperative that boards “stay in their lane” and provide governance-level oversight. Provided below are sample questions to help your board, committees, and senior leadership team conduct a deep-dive conversation about these topics while maintaining appropriate governance-level focus:

- Does our strategy adequately anticipate these new trends and any related impacts on our business priorities?
- Given our refreshed strategic direction and plan, do the board and management agree on the metrics by which we will measure success?
- Do we have the appropriate board committee structure to oversee the implementation of new and necessary strategic priorities?
- Would we benefit from establishing an ad hoc committee or task force to provide any needed support to the senior leadership team?
- Is this committee’s work adding value to the board’s decision-making, or is it causing more work for management?
- Do the board and management agree on how the metrics should be reported (e.g., included in the CEO’s update or the committee report)?
- Do we as a board have the relevant capabilities to provide adequate oversight of new priority areas? If not, what is our recruitment strategy?
- Is management responding proactively to the changing dynamics in the marketplace?

To learn more about how to create high-value boards, please contact us at [info@boardfirstconsulting.com](mailto:info@boardfirstconsulting.com).