



Course attendees Zoe Griffiths, Anthony Little, and Joanie Wilson.

SO, YOU WANT TO BE A DIRECTOR

If you are thinking about stepping up to a director role, Adrenalin's publisher Cathy Parker recently attended the Institute of Directors' company directors course, and one of her key take-outs was that the closing question of any board meeting should be: "Did we add value?"

The Institute of Directors' company directors course, which is pretty much a prerequisite for anyone seeking to become a director, is for a full five days and can be done in a variety of centres on either a residential or non-residential basis. People who had done the course, uniformly recommended the residential version as there is quite a bit of evening activity and it helps reduce distractions.

Some may plump for the more exotic locations – Waiheke Island or Queenstown, but I chose Auckland city for convenience. The course I did was based at the Pullman Hotel and we were pleasantly surprised that we were located in the old Top of the Town so had some scenic views during the breaks.

You arrive Sunday night and there is a welcome and introduction session followed by an informal dinner, the course proper starts at 8.30am Monday.

The IOD's description states: "The

company director's course provides a comprehensive understanding of the role, duties, skills and knowledge required to perform competently as a director."

There were 24 people on the course I did and the backgrounds and reasons for doing it were quite varied. Some, like me, were looking at moving on into governance roles, some already had board roles in small or family businesses whilst others were in management and were looking at how they interacted with a board or had an overseas board where some normal board roles were delegated to local management.

At the start of the course participants are put into "board simulation" groups of six people, these boards take part in the two board meetings during the week (Tuesday evening and Friday afternoon) complete with extensive board papers to pre-read. Seating is allocated each day and participants are mixed up so you get

to know everyone well over the week.

The course is broken up into several broad topic areas and each has a presenter/facilitator who runs it. Day one is best practice corporate governance; day two, strategy in the boardroom; day three, finance and the board's role. Day four includes both directors' and the law and board dynamics and culture while Friday morning covers risk governance with the afternoon being the second simulated board meeting and a closing session.

IOD has a range of around 50 facilitators and certainly, for the course I did, they were all excellent, most had board experience and/or experience working with boards. Rather than being dry lectures the presentations were very interactive with lots of opportunity for questions and answers, discussion and break-out group case-study work so the days seem to go very quickly – even on the law and finance days.

The two board simulations were quite realistic – they are for the same company but in real time set around four months apart, so you can see some progression and the results of previous decisions and events.

The same company is also used for some of the in-session case studies so, for instance, in the finance session you work with their annual accounts and in the risk management session use them as an example. The company has a range of issues and some curve balls are thrown in the second meeting to test the board dynamics. One of the group gets to play the CEO (I did that in my group), which is fun as you get questions where you have no idea of the answers, so have to use your knowledge and experience to give plausible improvised feedback to your board.

Selection of a good chair for the group makes a big difference just as with a real board. Our chair, in a masterstroke, called a board dinner on Thursday night before the final meeting which helped the board gel,

apart from being a nice relaxing evening.

There are official dinners Monday and Tuesday and a second set of board papers to read Wednesday night plus some reading to complete. The presenters also offer extra reading or videos that you can watch after the course to further your learning.

Some key take-outs for me were:

- A key attribute for a board and a director is adding value: The closing question of the board meeting should be: "Did we add value?"
- Conflict of interest: The best test is: "How would it look in the media?"
- Ethics is about doing the right thing when no one is looking.
- Culture eats strategy for breakfast – Peter Drucker.
- The importance and depth of the chair's role – especially as the main management/ board conduit.
- Strategy and risk are key areas for boards to focus on and should be on every agenda.

I found the course very valuable, some of this was in revisiting things I knew but hadn't actively used, or thought of, for a while and I also got a much better feel for what a director and board should do and focus on.

Some of it was affirming in terms of how much of the basics I knew but also valuable as it put this knowledge in perspective and demonstrated how it could be applied in a board setting and in terms of adding value.

I would certainly recommend the course for anyone looking for a board role or for recently appointed directors. I can apply a number of the learnings to my own business and also to the association and not-for-profit boards I already sit on. **M**

Cathy Parker is the publisher at Adrenalin Publishing, the owner of *Management* magazine. She paid for her course independently. More info www.iod.org.nz/cdc

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