



RESEARCH FINDINGS

Governance Challenges & Opportunities in 2021

LEATHWAITE



BOARD
INTELLIGENCE

THE DISCIPLINE OF FOCUS

 **ADDLESHAW
GODDARD**

Introduction

2020 might be over, but the challenges last year brought are very much still with us.

From reduced headcount and budgets through to increased public expectations, leading in the aftermath will demand a lot from decision makers.

We asked board members and governance professionals what they view as most critical in 2021, how confident they are that they'll reach their goals, and what's keeping them awake at night. Here's what they said...

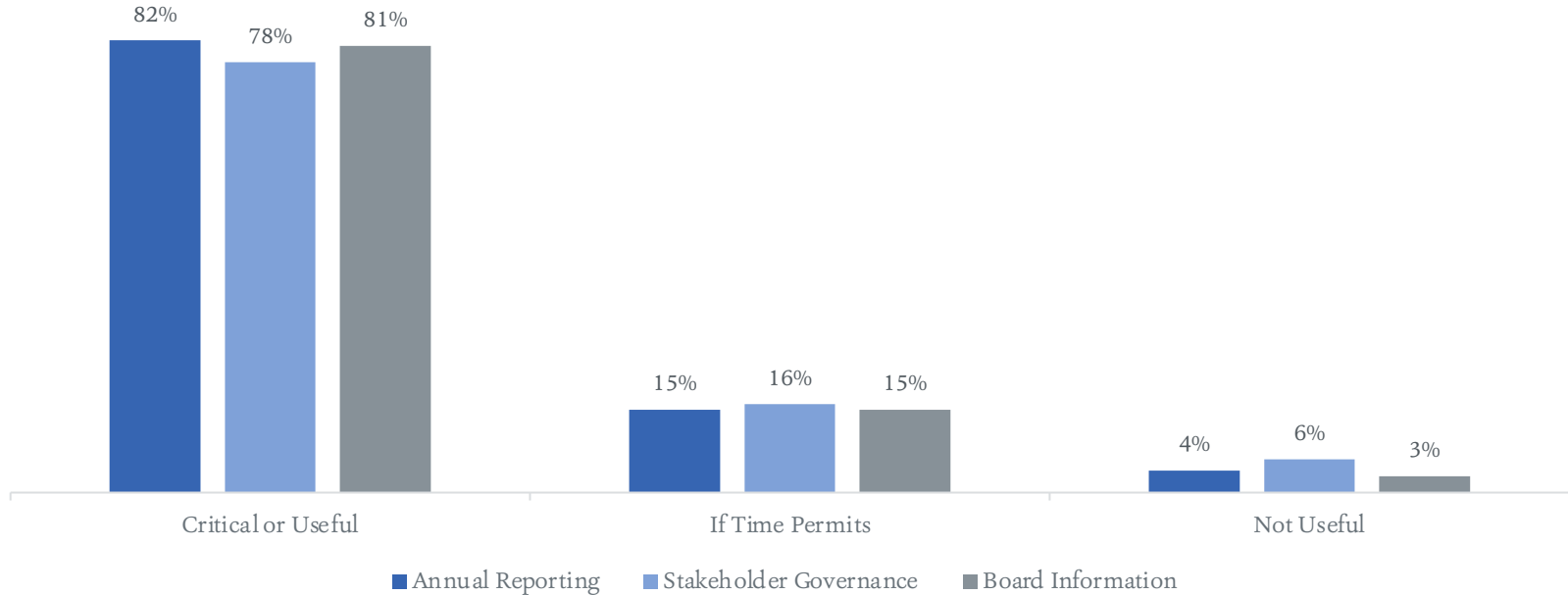
Key Takeaways

1. Governance professionals rank stakeholder governance alongside annual reporting and board information as the most critical areas of improvement in 2021.
2. Yet, these are the improvement objectives they feel least confident they can achieve.
3. Combine this with growing external pressure from regulators, investors, and the public to get these things right, alongside budget and headcount reductions, all amidst uncertainty in the aftermath of Covid-19 and Brexit, and you have the perfect storm. How can governance professionals deliver on these critical improvement areas?
4. 2021 will require governance professionals to work smarter and with more transparency than ever before to demonstrate the change needed.

KEY PRIORITIES FOR 2021

Improving board information, annual reporting, and stakeholder governance is critical in 2021

How important is it to improve the activities below (through technology, outsourcing or process change) in 2021?

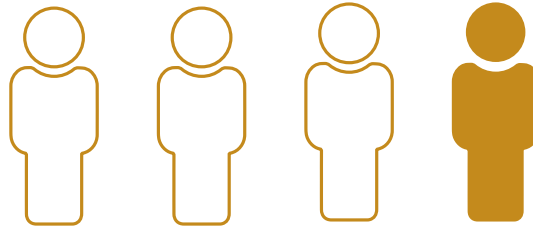


CONFIDENCE TO ACHIEVE GOALS

Governance professionals aren't sure they'll achieve their objectives

1 in 4 governance professionals are not confident they will achieve their improvement goals across board information, annual reporting, and stakeholder governance.

Unsure / Not Confident



24% Board Information

26% Annual Reporting

26% Stakeholder Governance

COMPANY SECRETARY, UK

“I’m concerned about the need to be more responsive to stakeholders, the increased volume of work, and the heightened operational risk arising from lots of manual tasks leading to inconsistent practices, outcomes, and less time to spend on value-added activity.”



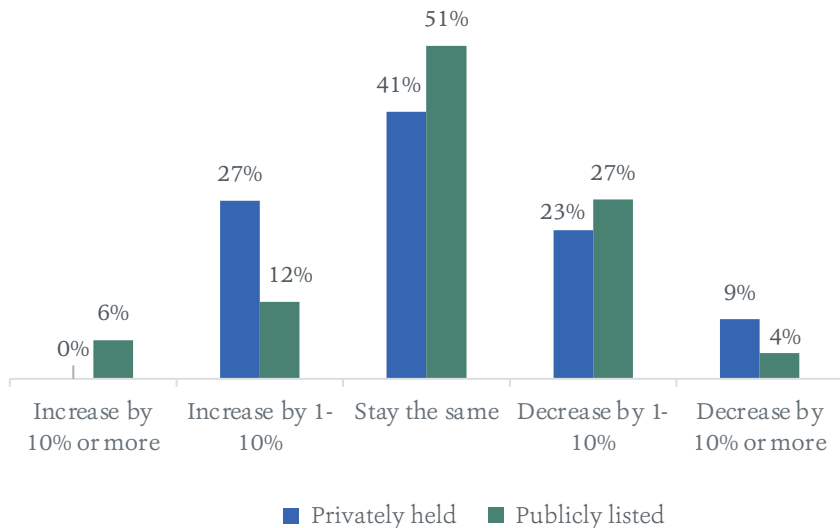
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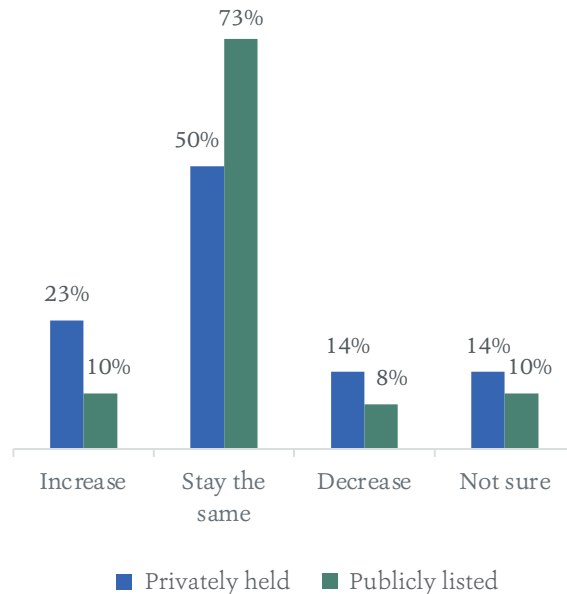
BUDGET CUTS

Publicly listed organisations are more likely to face budget cuts

How will your budget (secretariat + governance) change in 2021?

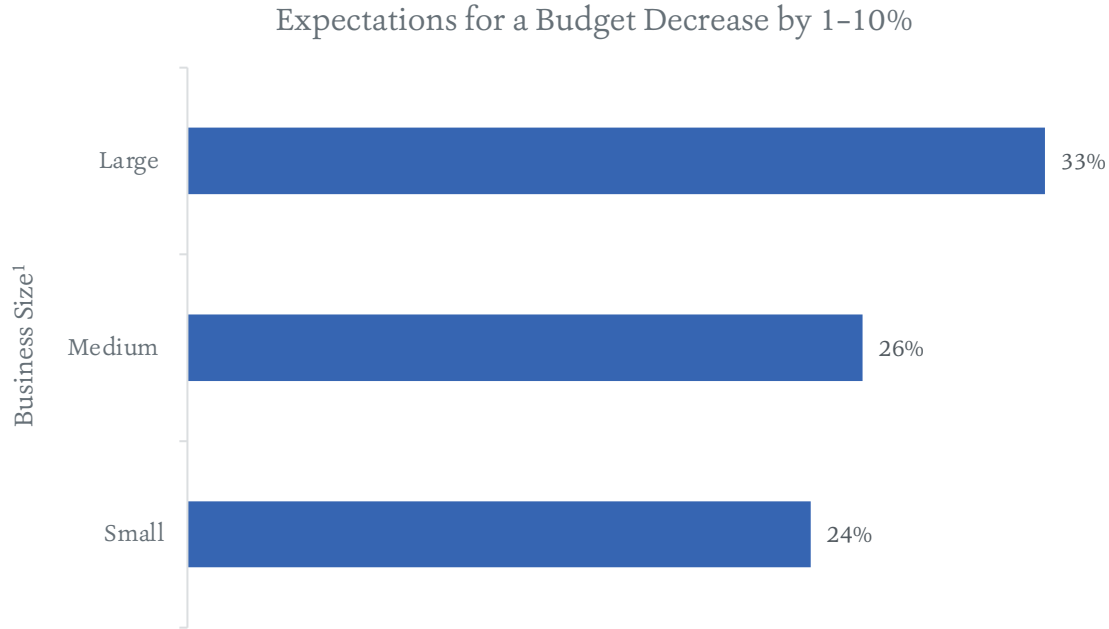


How will the headcount in the secretariat and governance team change in 2021?



BUDGET CUTS

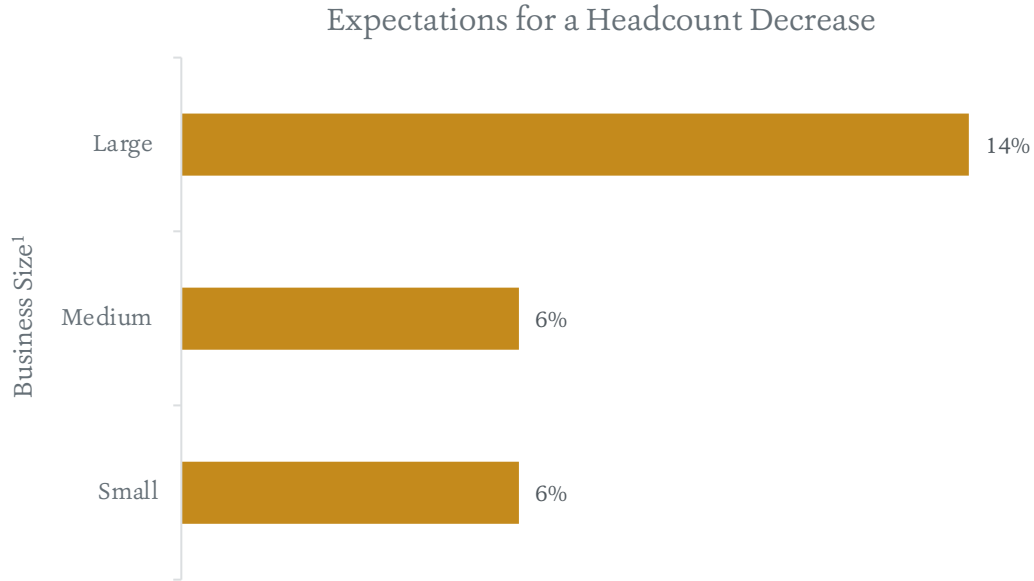
Large organisations are going to be worst hit by budget cuts



¹Business size based on no. of employees: Small (0-1,000), Medium (1,000-10,000), Large (>10,000)

HEADCOUNT REDUCTIONS

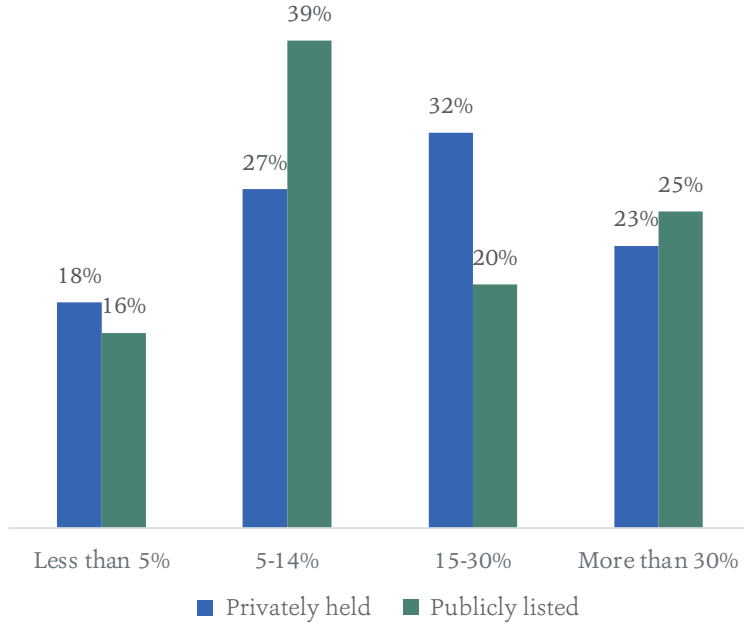
Large organisations are also going to be most impacted by headcount reductions



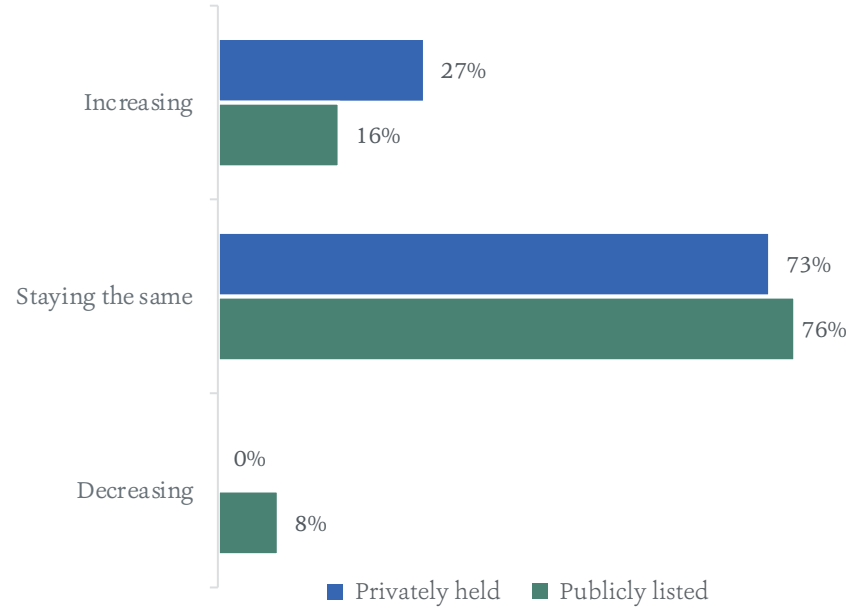
¹Business size based on no. of employees: Small (0-1,000), Medium (1,000-10,000), Large (>10,000)

Planning, drafting & changing board agendas is taking an increasing % of team time

What percentage of their time does your team typically spend planning, drafting, and changing agendas for the Board, ExCo, and their committees?

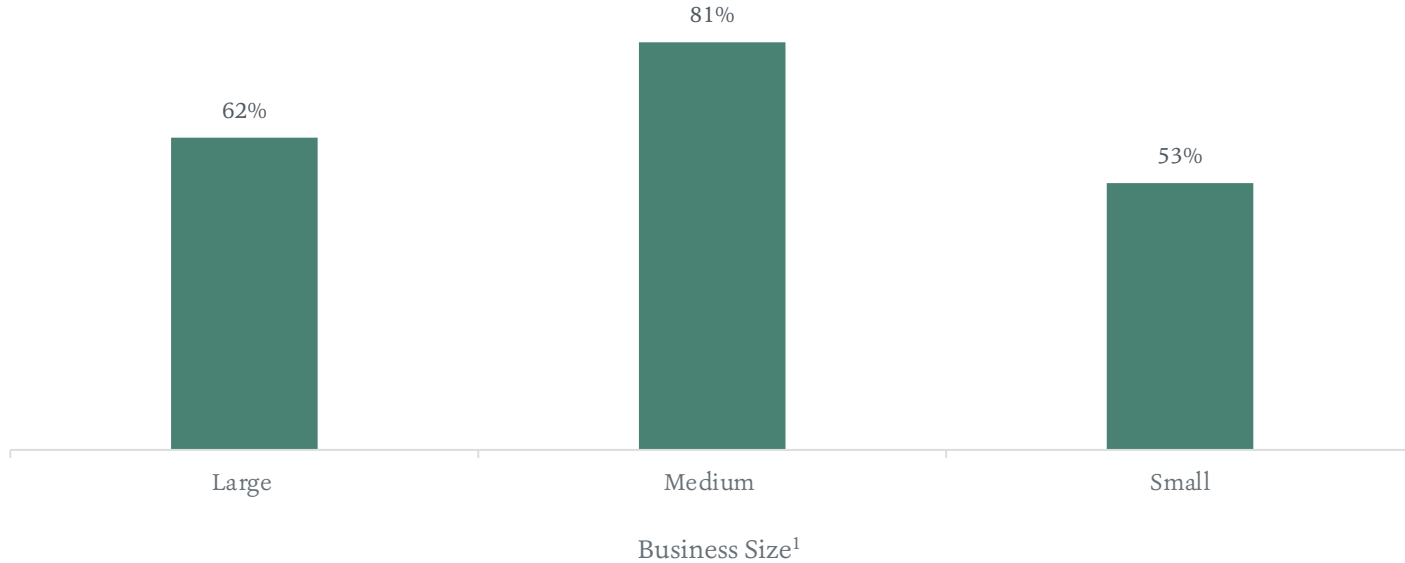


How do you anticipate this time commitment changing in 2021?



Improving agenda planning is most critical for medium-sized organisations

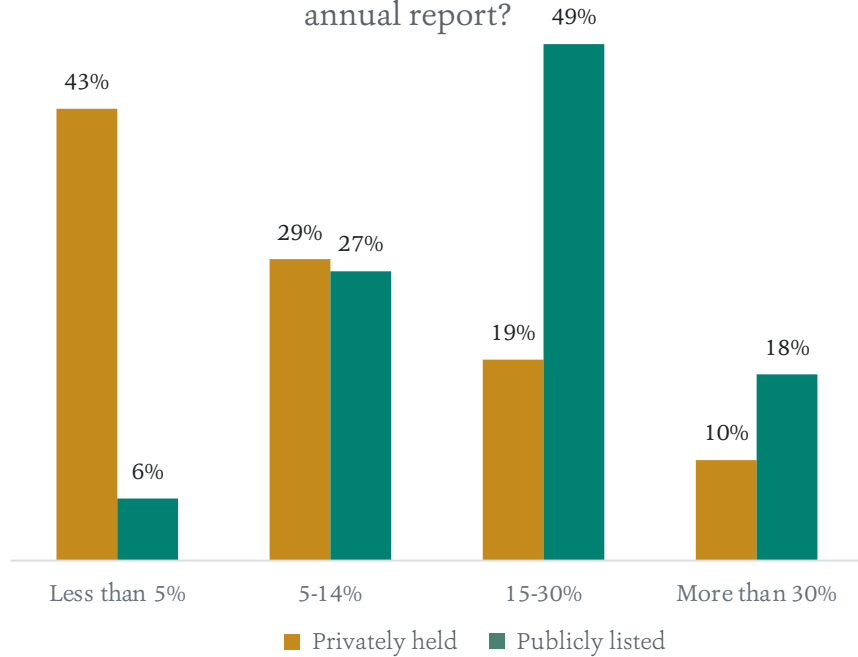
% That Feel It's Critical or Useful To Improve Agenda Planning



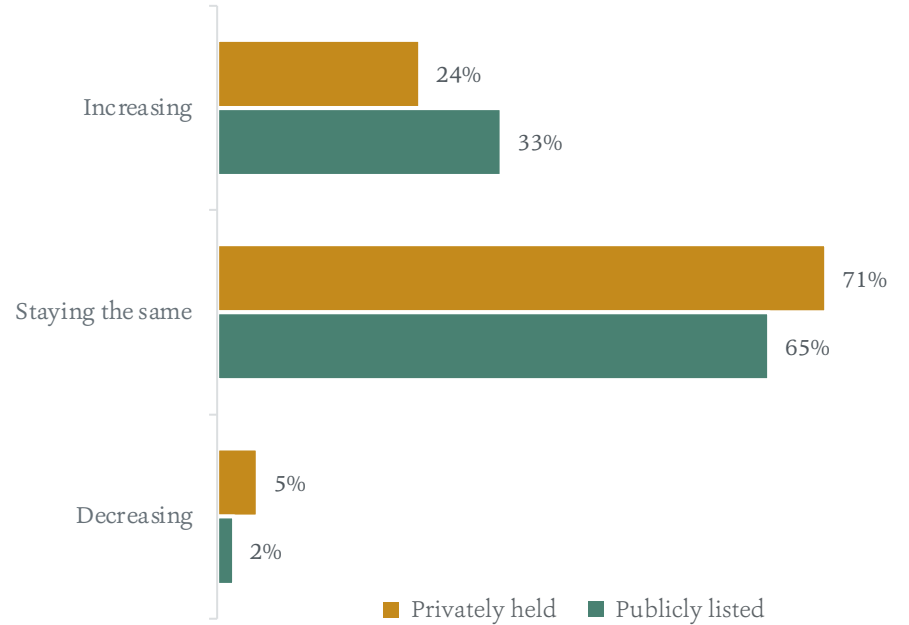
¹Business size based on no. of employees: Small (0-1,000), Medium (1,000-10,000), Large (>10,00)

Annual reporting remains a huge and growing burden for publicly listed companies

What percentage of their time does your team typically spend planning, drafting, verifying, and finalising your annual report?



How do you anticipate this time commitment changing in 2021?



COMPANY SECRETARY, UK

“I’m concerned about the ongoing and long-term impacts of Covid-19 and a no deal Brexit. I would love to invest in technological solutions to deliver long-term business efficiencies and move the CoSec function up the value chain.”

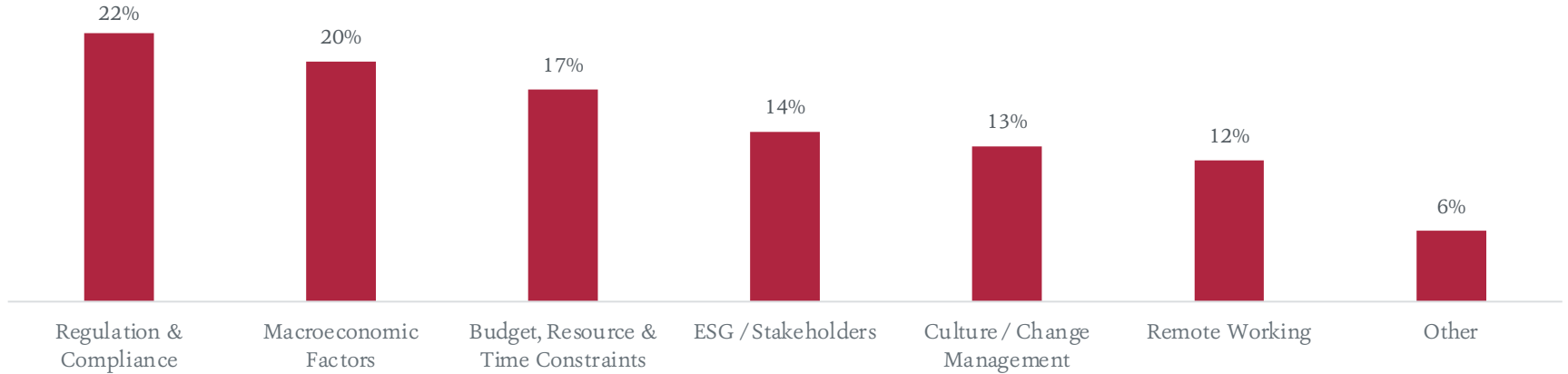


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What's keeping governance professionals awake at night?

What's keeping you awake at night – these could be challenges you know you'll have to face in the next 12 months or something more pressing?



In what is shaping up to be another year of learning and adaptation, the job of governance professionals will be tougher and more important than ever.

To deliver real value, they need to achieve the following:

- Create balanced board agendas that drive the right discussion in the boardroom without the endless hours of admin work.

- Cut the fluff from board reports and give board members the straight insight they need to make decisions faster.
- Ensure the board considers the interests of all stakeholders in decisions and can evidence this to regulators and the public.

However, it's clear from this research that governance professionals' resources will be stretched and there is a need to work smarter to use their time where it matters most in 2021.

WORK SMARTER IN 2021

Join our free online workshops for actionable advice and insights from peers on how to tackle key governance challenges:

High-Impact Board Packs

Get practical guidance on how to “cut the fluff” and ensure your board pack delivers real value to your board.

[REGISTER NOW](#)

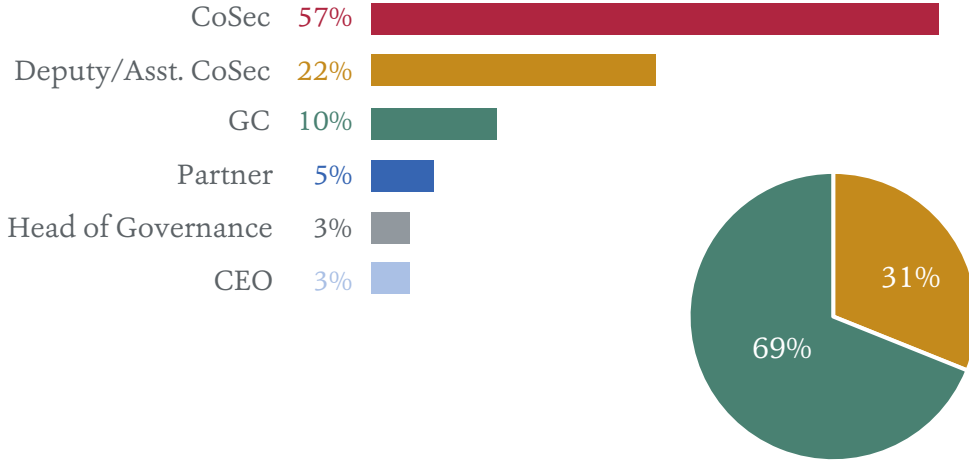
Stakeholders on Board

Find out how to embed your stakeholders in your strategy to minimise stakeholder blind spots, optimise stakeholder impact, and support Section 172 compliance.

[REGISTER NOW](#)

ABOUT THE RESPONDENTS

86 Survey Respondents



FROM 3 PARTNER NETWORKS: ■ Publicly Listed ■ Privately held



LEATHWAITE



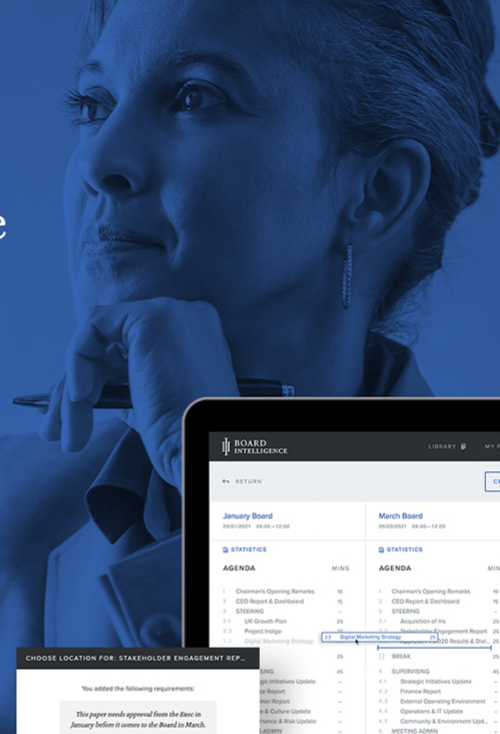
Companies Represented



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BOARD INTELLIGENCE

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RETURN CREATE AGENDA

Select the stakeholders considered in this paper

Search

- Employee
- Customer
- Shareholder
- Environment
- Community
- Supplier

CHOOSE LOCATION FOR STAKEHOLDER ENGAGEMENT REP...

You added the following requirements:

This paper needs approval from the Exec in January before it comes to the Board in March.

FORUMS THIS ITEM IMPACTS

Exec Committee

Are you sure you'd like to continue?

CANCEL MOVE AGENDA ITEM

AGENDA

AGENDA	MIN	SECS
1. Chairman's Opening Remarks	10	
2. CEO Report & Dashboard	10	
3. STEERING	10	
4. UK Growth Plan	20	
5. Project Update	10	
6. Strategic Initiatives Update	10	
7. Finance Report	10	
8. External Operating Environment	10	
9. Operations & IT Update	10	
10. Community & Environment Update	10	
11. MEETING ADVICE	5	
12. Minutes	5	
13. Actions Arising	5	

STAKEHOLDER PERSPECTIVES

Employee	61%
Customer	77%
Shareholder	77%
Community	94%
Environment	61%

SIX CONVERSATIONS

Steering	55%
Supervising	45%
Untagged	0%
Strategy	16%
Performance	39%
Governance	45%
Untagged	0%
Meeting length	3 hr

MAIN BOARD

FIND OUT MORE AT:
boardintelligence.com