

Guidelines for Improving the Advisory Board Process

1. Schedule meetings out over the calendar year – don't alter.
2. Morning meetings are most productive – should be kept to five hours with lunch.
3. Agenda should be time sequenced.
4. Nonexecutive chair should manage and direct the meeting.
5. Board process should include a “follow-up report” that reviews progress made on action initiatives and issues from the last meeting.
6. Highlights report can be utilized by the CEO to share with the Board the good, bad and ugly in his/her opening remarks.
7. Functional managers should report progress on action initiatives throughout the meeting year.
 - *What happened?*
 - *Why?*
 - *Financial impact?*
 - *What actions are we going to take?*
8. Forward agenda and financials five (5) days prior to the meeting. Board package should include an executive summary prepared by the CFO.
9. The financial report should include a profit and loss statement for the month and YTD – compared to prior year and budget, comparative balance sheet, cash flow statement (FASB 95) and key indicators – along with graphs and charts for drivers of the business. Financial reports should include the consolidated results as well as segment breakouts, if applicable, (SBUs – divisional, plant locations, vertical markets, product/service offerings, etc.)
 - *What are the financials telling us?*
 - *What changes need to be made?*
 - *After the fact, did we achieve the desired results?*

10. Financial report should also include a “Key Points Summary” to be used by the CFO/Controller to cover the crucial specifics and streamline the financial discussion during the meeting.
11. A brief description of new issues to be discussed at the Advisory Board meeting should be forwarded with the Board package. This process allows the members to be adequately prepared prior to the meeting.
12. The Operations Report should include updates on safety, quality, efficiency improvements, inventory reduction programs and organizational changes.
13. Business Outlook Report should include an industry overview, obstacles to making the plan, new business – closed, current projected pipeline with probability percentages and new vertical market opportunities.
14. Advisory Boards should designate an audit, compensation and corporate governance chairman. Chairman should report on activities when appropriate.
15. Yearly tactical/operating business plan should be reviewed with the Advisory Board at each meeting.
16. Strategic plan should include a “Strategic Map” reflecting the key initiatives that must be executed to reach yearly growth and profit goals over a 3-year period. Progress should be reviewed semi-annually.
17. Diversification Report should outline acquisition and strategic alliance opportunities with a brief description of their fit with a predetermined filter.
18. A 100-day rolling management plan should be reviewed and agreed upon at each meeting.
19. A list of key action initiatives should be prepared at the conclusion of each meeting and be the basis for the “follow-up report”.
20. Legal and Regulatory Report should have any pending or projected actions.
21. The meeting should be closed with an executive session to allow the Board to review and reflect on management’s progress. Chairman should review comments with CEO in a private session.