

# CREATING CONFIDENCE DURING UNPRECEDENTED UNCERTAINTY: ADVICE FOR BOARDS

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On. Off. On again. Off again. The first 100 plus days of the US presidency have been uncertain, to say the least. This uncertainty, on top of the existing macroeconomic and geopolitical situation, is challenging Boards' long-term focus in the face of short-term volatility.

Boards are leading through some of the most turbulent times in the past 80 years, with major shocks accelerating in frequency. When the external environment feels unpredictable, Directors may tend to increasingly focus on 'getting all the facts' as they strive to understand the impacts in order to create a sense of certainty. This can spark a cycle of requesting more information and diving into the weeds, where Board meeting agendas, Management materials, and discussion time are increasingly spent in a reactive mode instead of being focused on top-level corporate priorities. While organizations may benefit from their Boards leaning in more closely with Management to navigate the turbulence, Boards need to stay focused creating, preserving and protecting sustainable value creation. Here are five actions we have observed Boards taking over the past three months that are helping them increase their effectiveness.

## 1. **Re-ground on three dimensions: Values, business model, and strategy**

Boards have a duty to stay elevated and focused on long-term strategic imperatives. To assess whether the latest headlines require a reaction, Boards can ask one key question: "Does this warrant us to question our values, business model, or strategy?". If "yes", Boards can partner with Management to conduct a timely re-assessment on the most critical changes.

## 2. **Assess a range of scenarios to find most critical first and second steps**

Boards are conducting more scenario planning with Management to find the surest path to achieve the strategy in the current turbulent environment.

## 3. **Support taking action**

Regardless of the scenario, Boards are helping Management nimbly align around the 'no regrets' next steps forward toward achieving the strategy. Committing to these steps can break through any Board or Management analysis/paralysis tendency. Aligning on metrics to monitor progress helps Boards understand when there is the need to pivot.

## 4. **Remain alert to opportunities**

Uncertainty and change is yielding opportunities for businesses. Boards need to encourage Management to scan for growth opportunities through the turbulence.

## 5. **Engage with Directors as the Chair**

By acting as a steady and measured force of calm, Chairs can help Directors build their own capacity to navigate uncertainty. High-performing Board Chairs are taking a balanced and engaging stance: this may involve more individual conversations ahead of Board meetings, coaching Directors who are less comfortable with ambiguity, and retrospective in-camera sessions to discuss how the Board can enhance its impact.

High-performing Boards practice these five actions. Their Board Chairs are disciplined in keeping Boards elevated and focused on sustainable value creation. They are a calming force to help their Boards and Management focus on strategy and longer-term success, avoiding the noise of daily headlines. Boards, in turn, can guide their Management teams to act decisively, including spotting opportunities amid uncertainty.