



Test Company

30 November 2020

Report produced by Thinking Board Evaluator



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This report reflects how the Board of TBE Demonstration Company views its own performance. As the results are based only on self - assessment, it cannot be described as an independent review of board effectiveness.



About this report

This report has been prepared by Thinking Board® Evaluator based on your feedback. The purpose of the report is to help the Board work better in future.

2 of you were asked to provide feedback on the Board’s performance. Those who responded are listed at the end of this report.

You scored the Board’s performance using the Independent Audit model of board effectiveness. Based on many years’ experience of helping boards work better, this distils the main factors underpinning board effectiveness into twelve categories:

| What the Board does | How the Board does it |
|---------------------|-----------------------|
| Strategy | Board composition |
| Management team | Board dynamics |
| Financial oversight | Board information |
| Risk management | Meetings |
| People and culture | Board Committees |
| Stakeholders | Development |

The most important thing for any board is to have consistently good judgement. That’s hard to measure, and anyway the past is no guide to the future. But a board which keeps trying to do its best in these twelve areas will give itself the best chance of exercising good judgement, and therefore of making good decisions.

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As well as scoring the Board’s performance in these areas, you were asked to think about a short list of things that good boards usually do in relation to each. These are activities that, if done well, will improve the Board’s performance. You identified those where you thought the Board should do better.

This report uses your feedback to identify **the priority areas for development** of the Board. It also identifies what you see as the Board’s **main strengths** , so that you can protect them.

The report does not provide a pass/fail score against an arbitrary measure of effectiveness. It is a basis for the Board to discuss how well it is working and to agree what are the most important things it might do to make its work more effective, more efficient or more enjoyable.

How to use this report

Usually, a Board will get the most value from its self-assessment if it goes through the following steps:

- All Board members should receive a copy of the report.
- Arrange a time for the Board to discuss it. The objective is not to decide whether or not you are a good board, but to agree what you can do to make yourselves even better. This can be part of a normal board meeting, or you



can arrange one just for this purpose. It depends on what and how much there is to discuss.

- Be sure to allow enough time for a good quality discussion, so that by the end everyone is aligned on the main changes that are needed.
- Start the discussion by acknowledging the things you do well. Think about how you can ensure they stay that way, and how you can keep challenging yourself to avoid complacency.
- Move on to the areas that have been identified as priorities for development. Explore the different aspects of these, agree how important they are, and decide what you are going to do about them.
- Look at the main points that some of you feel strongly about but others are happy with. Why do you have different levels of comfort, and what could be done to get everyone better aligned?
- Look at the specific, practical things that a third or more of you would like to see improved. If there are reasons not to address these, discuss them; otherwise put them all into the prioritised plan.
- Ensure you end the discussion with a practical action plan, including responsibilities and timetable.
- Review your progress at regular intervals.

Thinking Board® Evaluator will have identified additional opportunities to help the Board work better. They are not included in this report since they are not priorities for the Board to discuss. However, you should not lose track of them, especially as some might be very straightforward “quick wins”. They are contained in the detailed output available to your self-assessment administrator, connor.walker@independentaudit.com.

How this report is organised

The first section below gives an overview of the Board’s performance and summarises the areas of relative strength and weakness.

This is followed by sections on the areas of strength, the priority areas for development and the other areas the Board should look at, for example where there is significant divergence of view. These sections provide the material for the Board discussion that is recommended above.

Towards the end of this report are two charts showing the individual question scores which, together with your other feedback, have been used to identify the priority areas.

The final page lists those whose feedback has contributed to this report and explains how your administrator has access to additional output from Thinking Board® Evaluator.

Overview

This is the **overall picture** of the Board’s performance, under the two headings of **What the board does** and **How it does it**.

The colour ratings derive from two factors: how many people felt there was room for improvement and how strongly they felt about it.



The average question score for the topic **What the Board does** was low. This suggests that you have significant concerns about how the Board is fulfilling many of its main responsibilities. While the mean scores of most questions fell within a broadly similar range, there was still some variation or at least one significant outlier which is worth a closer look. Use the commentary below to help you identify the most important areas to address.

The average question score for the topic **How the Board does it** was reasonable. This suggests that, in general, things are going OK, but that there is certainly room for improvement in how the Board fulfils many of its main responsibilities. The mean scores of individual questions differed significantly, with some questions rated very positively and others very negatively. Use the commentary below to help you identify the most important areas to address. It may also be worth discussing the reasons behind such a varied picture.

The next section of this report sets out the most important areas for the Board to discuss, based upon analysis of your feedback.



Areas of Strength

These are the questions where you gave yourselves the highest scores:

Management team

How well does the Board make sure a high-performing management team is in place?

Evolution

How well does the Board make a conscious effort to stay relevant and effective?

For each of these you should ask:

- Is our confidence justified? Are we guarding against complacency?
- What do we need to keep doing to maintain our strength in this area?

Priorities for Development

The top priority areas are highlighted here. This is where you would most like to see the Board perform better.

Risk management

You were asked:

How well does the Board make sure that risk is being managed effectively?

Strategy

You were asked:

How well does the Board oversee the development and implementation of strategy?

Your answers show that you think it is a priority to improve the Board's performance in this area.

To do this, start by looking at some specific things where a significant proportion of you think that the Board could do better:

- Giving enough time and attention to shaping strategic direction and to monitoring progress on delivering the agreed strategy (50 %)
- Reaching a shared view of our purpose and values, and how they drive the strategy (50 %)

If you can improve these, it should help to improve the Board's overall performance on Strategy. What can you change so that you do these better?

And are there any other useful things you could do, in addition to these points?

Financial oversight

You were asked:



How well does the Board ensure that the finances are well-managed and reliably reported?

Stakeholders

You were asked:

How well does the Board understand and address the needs of our various stakeholders?

Meetings

You were asked:

How well does the Board make sure board meetings are efficient, enjoyable and useful?

Board Committees

You were asked:

How well does the Board ensure the Committees add value and support the Board in fulfilling its obligations?

Areas where you aren't aligned

These are the areas where your views most diverge. Some of you have significant concerns, while others seem to be content.

Why are some of you more concerned than others?

What is needed to bring all Board members to the same level of comfort?

No responses met the requirements to be included in this section

Some other specific points

These points were highlighted by more than one-third of you. The areas to which they relate are not included as priority areas, but nonetheless these specific points are likely to be worthwhile opportunities for improvement.

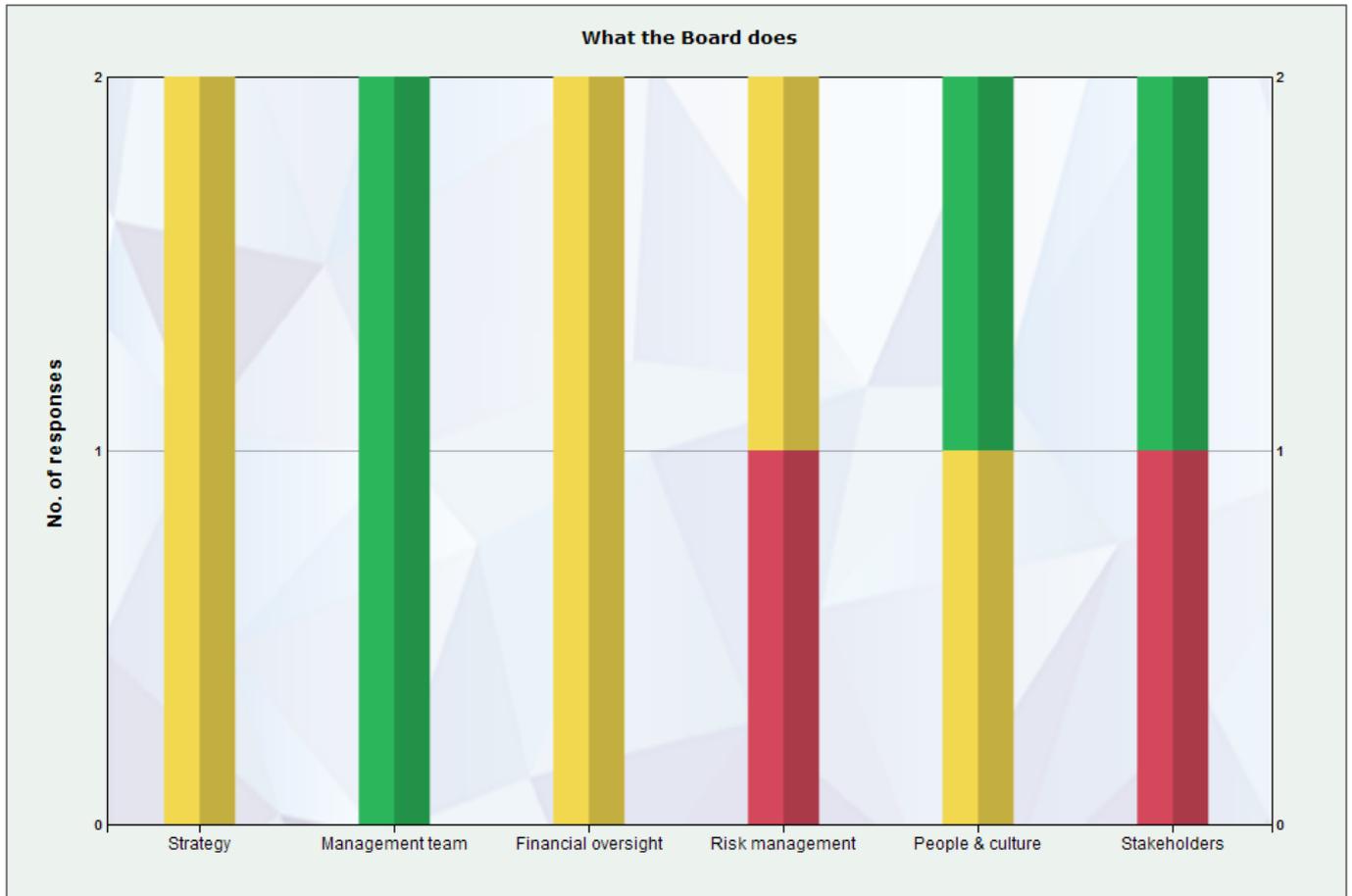
No responses met the requirements to be included in this section

Question scores

On the next two pages are charts which show the separate scores for each question. These will help you to understand what lies behind the averages used in the earlier parts of this report.



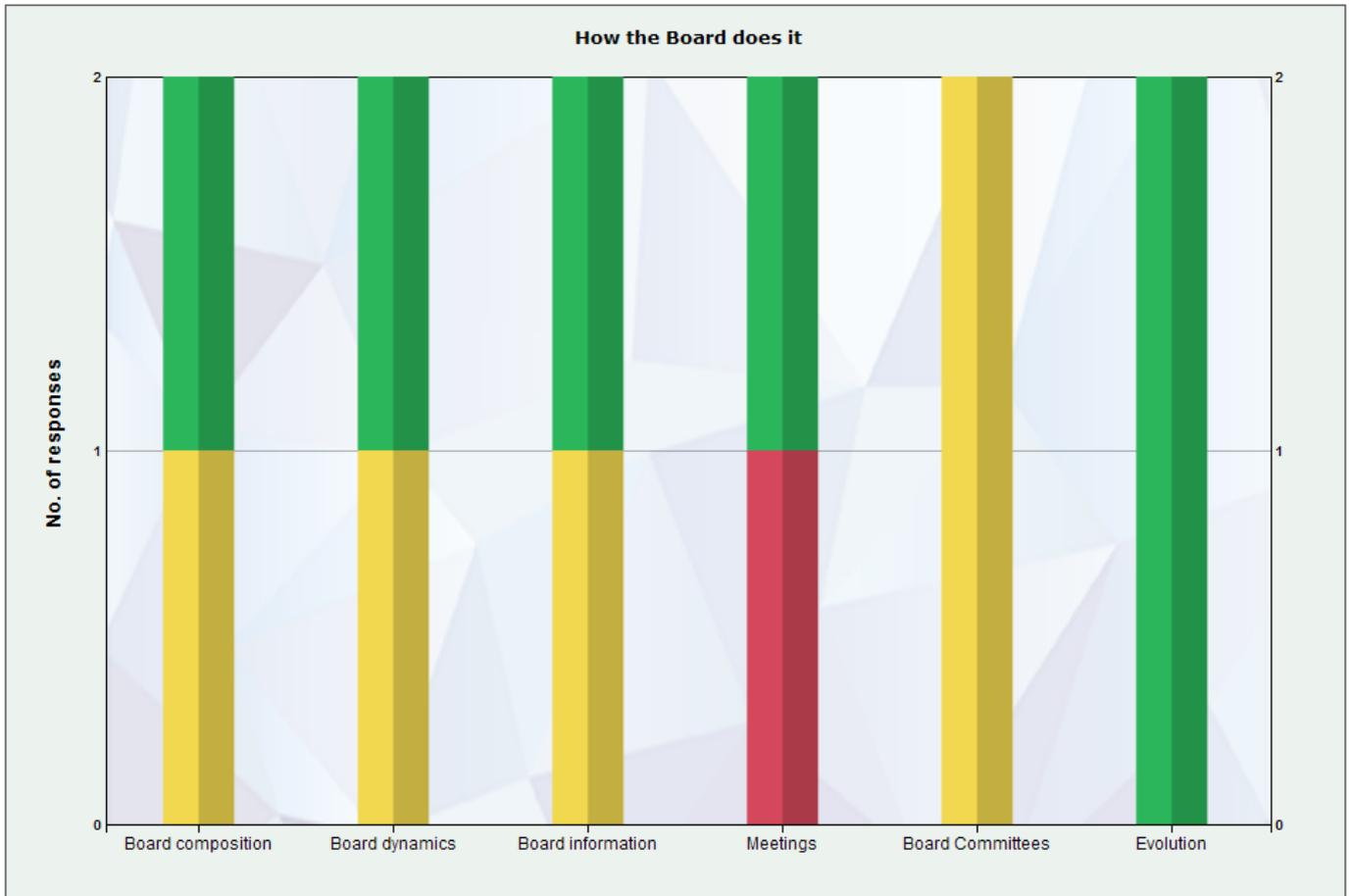
What the Board does



| Question | The Board could do better at... | Question | The Board could do better at... |
|----------------------------|--|-------------------------|---|
| 1.1 Strategy | How well does the Board oversee the development and implementation of strategy? | 1.4 Risk management | How well does the Board make sure that risk is being managed effectively? |
| 1.2 Management team | How well does the Board make sure a high-performing management team is in place? | 1.5 People & culture | How well does the Board look at the way our people and behaviours support the delivery of our strategy? |
| 1.3 Financial oversight | How well does the Board ensure that the finances are well-managed and reliably reported? | 1.6 Stakeholders | How well does the Board understand and address the needs of our various stakeholders? |



How the Board does it



| Question | The Board could do better at... | Question | The Board could do better at... |
|--------------------------|--|-------------------------|--|
| 2.1 Board composition | How well does the Board maintain the right mix of expertise, perspectives and personalities both for now and the future? | 2.4 Meetings | How well does the Board make sure board meetings are efficient, enjoyable and useful? |
| 2.2 Board dynamics | How well does the Board have thorough and balanced discussions leading to well-considered decisions? | 2.5 Board Committees | How well does the Board ensure the Committees add value and support the Board in fulfilling its obligations? |
| 2.3 Board information | How well does the Board make sure it gets the information it needs to be effective? | 2.6 Evolution | How well does the Board make a conscious effort to stay relevant and effective? |

Whose views are included?

This page lists all those who provided feedback

| User |
|------|
| CT |



Additional Information

Almost every board complains that the board papers are too long. Consequently, this report has been kept short. It focuses only on the priority matters identified by your self-assessment.

Your self-assessment administrator has access to the full output of Thinking Board® Evaluator, which includes possible areas for development that have not been included as priority areas in this report. This output can be made available to you by your administrator if you wish. However, we recommend that the Board should concentrate on the more important matters set out in this report. The company secretary and/or management should use the detailed output to identify lower-priority opportunities for development, and bring an action plan to the Board for approval.

Additional output includes points that were identified by less than one-third of you as needing improvement (any identified by more than one-third are included in this report). It is also possible for you to see the summary feedback split into the three categories of non-executive, executive and other. This information can be valuable but it needs to be treated carefully in order to maintain confidentiality. If there are fewer than four people in any category it is often possible to guess who gave which answers, so in these cases you should only use the segment analysis if participants have agreed.

When you use Thinking Board® Evaluator more than once you will also be able to obtain reports that show your progress over time.



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