

Successful Board Retreats

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BOARD RETREATS PROVIDE A VALUABLE opportunity for boards to deal with issues that cannot be fully addressed during regular meetings. The duration of most board meetings is 1 ½ to 2 ½ hours¹—barely enough time to cover the routine issues that need board discussion and action, and definitely not a sufficient amount of time (or the right setting) to deal with topics that need more reflection. And yet, the IRS, the Joint Commission, the Senate Finance Committee, attorneys general, bond rating agencies, and other legal, regulatory, and accreditation agencies are counting on boards to carefully consider critical strategic, quality, and financial decisions.

Retreats are the optimum forum for the intensive, candid discussions that boards need to provide effective oversight in today's environment of heightened scrutiny. A well-designed and facilitated retreat can help both the individual members and the board as a whole to have a clearer picture of the organization's strategic vision and a better understanding of their role in helping to realize that vision. Retreats can also strengthen the relationship between the board and CEO, build a more cohesive board, and energize board members.

Suggested Topics and Formats

The most effective board retreats are focused on the organization's strategic issues and/or the board's own performance. Typical board retreat topics and formats include:

Education and implications discussion: An internal or external expert makes a presentation on an important topic such as physician-hospital alignment strategies or the board's role in quality and safety improvement. The educational session should include at least 30 minutes of facilitated discussion regarding the implications of the information for the organization; total session time should be two to three hours.

Mission, values, vision, or strategic plan development: The board and perhaps other key stakeholders (such as physician leaders and senior managers) engage in discussion and preliminary decision making about the organization's future. They might revisit the mission and values to ensure they articulate the organization's fundamental purpose, identify the critical strategic issues facing the organization over the next three to five years, or develop a longer-term vision and/or shorter-term strategic goals. A strategic planning retreat can include an educational session on issues facing the organization. This



"Our annual retreat is a key factor in our board's effectiveness. The educational component keeps us appraised of new governance issues, the social time helps board members get to know each other, and the working session results in board development goals for the coming year."

—Patrick Garrett, President & CEO,
Battle Creek Health System

retreat generally requires at least a full day and is most effective over 1 ½ or 2 days.

Board self-assessment and action planning: The Joint Commission *requires* that hospital and health system boards conduct a self-assessment every year. Once the board completes a written self-assessment, it should convene a retreat focused on improving its own performance. The retreat should begin with a presentation of governance best practices followed by a discussion of the gap between these practices and the board's performance results. Develop three to five goals for board development over the next year. This retreat requires a minimum of three hours—six hours is ideal.

Challenging issue forum: These retreats enable the board to discuss difficult topics in an open forum—topics such as employing physicians, developing stricter conflict-of-interest policies, the performance appraisal for an underperforming CEO, or clarifying the board-management relationship. The format will vary widely but requires at least half a day and most likely a full day.

Critical Success Factors

The following critical success factors for a board retreat were gleaned from the Governance Advisors' combined experience of designing and facilitating successful retreats:

- Custom-design the retreat based on interviews with the CEO, board chair(s), and perhaps a few other key board members.
- Focus on achieving three to five clearly stated objectives.
- Develop an agenda that allows sufficient time for each topic and carefully balances full-group versus small-group work.
- Send preparation materials to participants one week prior to the retreat.
- Err on the side of discussions (versus presentations).
- Select an objective, third-party facilitator who is skilled in group dynamics and knowledgeable about governance practices.
- Hold the retreat at an off-site location conducive to privacy, free-flowing conversation, creative thinking, and informal relationship building.
- Include plenty of time for informal socializing.
- Schedule the retreat a year in advance, so all can attend.
- Evaluate the retreat using a written instrument.
- The retreat should result in a written action plan that is monitored on a regular basis.

¹ Meeting duration for seventy-seven (77) percent of boards, according to *Boards x 4: Governance Structures and Practices, 2007 Biennial Survey of Hospitals and Healthcare Systems*, The Governance Institute.