Building and managing a board: lessons for last mile distributors

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A board should help to shape organisational strategy and ensure accountability; while also providing additional expertise, offering access to new networks, and bringing fresh insights to the table. However, running an effective board is hard – even for large companies with extensive resources. This guide brings together key insights from a two-part webinar series on governance for last mile distributors (LMDs), to equip LMDs with the knowledge to set up and run a successful board.

View the original webinar recordings here. The webinars were co-hosted by the Global Distributors Collective (GDC) and CARE Social Ventures and supported by GET.invest, a European programme which aims to mobilise investment in decentralised renewable energy, supported by the European Union, Germany, Sweden, the Netherlands and Austria.

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1. Building a board

What should you look for in board members?

• **Awareness** - both of the organisation’s current challenges and long-term plans, and of what it means to be an entrepreneur and the constraints you face.

• **Relevant skills/experience** – either relevant now, or that may become relevant in the future (eg. experience in manufacturing and R&D to offer insights into supplier relationships; experience in consumer financing such as via an MFI background; IT/software skills).

• **Commitment** of time and energy to support your organisation’s mission.
Willingness to support your organisation to grow, while also challenging you.

A strategic perspective with a good understanding of the future landscape.

Relevant experience/networks, to provide insightful analysis and make valuable connections for your organisation.

Self-awareness, ie an understanding of what value they bring (and when it is time for them to move on!) and the ability to listen as well as provide insights.

Avoid bringing an individual onto a board solely because of their profile, or the profile of their organisation: all board members should contribute to meaningful conversation.

How can you establish a strong board from the very beginning?

Seek diverse voices and perspectives.

Appoint board members loyal to the organisation/mission, rather than to its leaders.

Assess the skills and experience you need, whether that is fundraising, marketing or policy, and cultivate a board that will support you to address challenges and help build a roadmap going forward.

Set goals and expectations from the start, so that board members are clear on what is expected from them - and they know what to expect from you in return.

What is the ideal number and tenure of board members?

Aim for around 5-7 people, to create a constructive but still manageable group of advisors (an odd number is also useful for voting purposes).

As well as a formal board, consider creating a network of informal advisors to call upon for support with specific technical issues.

It’s important to set a specific tenure for board members (eg. two or three years). You can reassess this length down the line, to ensure your board is still beneficial for your organisation. Remember it’s much easier to invite a board member to stay longer than to ask a board member to leave early.

How much time should you expect from your board?

Board members should be willing to attend at least quarterly meetings, as well as having regular calls regarding specific projects and reviewing resources, reports and other ad hoc requests that you send their way.

You might also encourage board members to spend eg. one day per year diving into operations, so they can develop a deeper understanding of what you do ‘on the ground’.

Should you invite a funder onto your board?

It’s important to assess the intent of the individual. They must be interested in supporting the long term strategy and viability of your organisation, and not see a board position as transactional in nature (eg. by focusing on short-term contracts, delivery and results).
2. Managing a board

Start as you mean to go on: core board management principle

- Remember it’s a two-way relationship that you nurture over time; put effort into building relationships, and bring board members on the journey with you. Focus on building trust, which involves honesty and sharing doubts/questions, rather than being in ‘selling’ mode.
- Embed open and honest communication with board members about what value they can add, and when it’s time for them to move on. This will help to avoid a static board.
- The wider organisation/management should have visibility over board discussions and some engagement with board members, to remove dependency of the organisation on one or two individuals. Your board should be an integrating force among the wider organisation.

Shifting from a ‘yes’ board to a ‘do’ board

- Set tailored goals to guide the contributions of each of your board members; these goals will be dependent on their skills and your organisation’s needs.
- Consider ways to facilitate board members to reflect on their own and each other’s performance, eg. through a board member peer review process, or through an annual board survey which encourages board members to reflect on the value they bring.
- Get your board ‘working’ through eg. sub-committees or focused discussions that help to address specific challenges.
- Incentivise board performance by acknowledging the impact board members are making and the value of the time they are giving.

A proactive and engaged board member should...

- Help you break down and analyse problems you are facing – and help to find solutions.
- Support the CEO to bring up the next level of leaders and set a succession plan, and meaningfully engage with other staff across the organisation.
- Act as a ‘critical friend’; showing empathy, but also challenging the organisation to progress.
- Be consistent, present and available according to the needs of the business (within reason).

Managing an effective board meeting: top tips

- Schedule regular (eg. quarterly) board meetings and put time and effort into developing and sharing resources for review in advance.
- Cap board meetings at 2.5 hours to promote focused, useful discussion.
- Try not to go into too much depth on operational details - stick to your sales KPIs and impact metrics.
- Don’t be afraid to convene 1:1 or smaller group conversations with board members between meetings; it’s okay not to include your entire board in all conversations.
- Simply saying “thank you” to your board members goes a long way!