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Trustee Leader

Information, policy developments, and educational opportunities for health care trustees

HOW TO MAKE A BOARD RETREAT PAY DIVIDENDS

By Peter McGinn, Ph.D., Founder, Leadership Impact



Introduction

Why do we call a leadership conference a *retreat* when we expect to go forward? It sounds like a question Jerry Seinfeld would ask: "Isn't it a bit unnerving that doctors call what they do *practice*?"

The answer, of course, is that there is a long history of groups making positive progress by withdrawing temporarily from day-to-day pressures. By giving themselves the luxury to look at the big picture, they create new opportunities and the energy to leap forward.

However, a board or management retreat is a costly undertaking. I once had a chief financial officer begin his report on organizational finances by calculating the total hourly salary cost for all of the managers participating in the meeting. His message was compelling. It sharpened our focus just as he intended. For me, one enduring lesson was that to achieve a good cost-to-benefit ratio for a meeting, retreat, or conference, the results must be valuable and quantifiable.

As I have led meetings and retreats, I have observed carefully to identify the factors that account for success. I have also reflected on my experiences as a participant to determine the features that led me to value a retreat as contrasted to those that left me dissatisfied with the process or outcome.

In the following article, which appeared in the May 2007 issue of *Trustee Magazine*, I speak specifically about board retreats. In these instances, management does not need to consider direct salary costs in most cases. However, management is dealing with two costs that are, if anything, more significant: the value of a board member's discretionary time and the opportunities lost if a board retreat does not live up to its potential.

These costs should not dissuade us from holding board retreats. Rather, they should drive us to ensure that the retreats are a good use of time for all participants.

Look inside for a reprint of an article authored by Peter McGinn and published in *Trustee* magazine directly related to this important issue.

For more information,
please contact:

Sue Ellen Wagner
Executive Director

(518) 431-7837 / swagner@htnys.org

www.htnys.org

HOW TO MAKE A BOARD RETREAT PAY DIVIDENDS

By Peter McGinn

My dog Riley got loose on the beach the other day. He raced straight toward a woman asleep on a lounge chair and leapt onto her chest. Startled, she awoke to find 25 pounds of muscle and fur burying her face in kisses. I could relate to her experience; he has done that to me so often I call him the “stealth dog.” I identified with her experience in another way as well. Sometimes, a realization about my work is so clear and so immediate, it is as if Riley has landed on my chest, and we are eyeball to eyeball. This occurred for me most recently when I reflected on my tenure as CEO and realized that I had missed the opportunity over the last two years to engage my board in governance and strategy retreats.

I knew what had happened. I was very aware of the contributions of time and effort that my board members had already made. I knew that they sacrificed family, work, and leisure time to participate in various board and committee meetings, and I had hesitated to ask them to give more.

However, the realization struck me full in the face that, although I was right to be concerned for their time, I had made a basic error in calculation. A good board retreat never feels like an undue burden. A good retreat energizes board members and management and makes the other hours devoted to board matters feel more useful and worthwhile.

I knew this from several experiences: my seven years as a CEO organizing retreats for my board (although not as many as I should have); from being a consultant and facilitating retreats for other boards; and as a board member, participating in retreats organized by other organizations. In almost every instance, I found that I and others walked away from these experiences wanting more, not less. Even when

we may have entered the experience grudgingly, knowing what other activities we were foregoing by coming to the retreat, we left several hours later with a renewed sense of commitment and direction. I have seldom seen it fail.

What is it that makes a board retreat so valuable? I believe it can be summarized using an acronym based on a *Star Wars* character, the robot, C3PO: Concentration, Communication, Connections, Perspective, and Organized Output.

Any good retreat removes participants from the normal flow of daily events and the usual agenda of board meetings to allow them to concentrate. Retreat organizers seek to minimize the distractions and the familiar cues that short-circuit good thinking. Peter Drucker, who probably had more good

management ideas than any other single person, recommended that managers set aside at least two hours for focused concentration in order to make conceptual advances. Retreats provide the opportunity for board members to dive beneath the surface of issues and to engage with their strategic challenges more fully and more deeply.

A good retreat also creates the right climate for quality communication, the type that goes beyond generalities. Retreats foster thoughtful questions and answers. When

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well run, they encourage people to listen to one another, to hear each other, and to be heard in return. Communication is fundamentally about give and take.

In a typical board meeting, the scope and weight of the agenda often limits the opportunity for meaningful interaction. I have seen hospital board members sit beside one another for a year and not experience the length and depth of conversation that they achieve in a single day of a board retreat. What's more, the setting of a retreat usually opens avenues for personal communication in addition to business communication. Those personal interactions build the type of mutual trust and confidence between trustees that, in turn, enhances business communication significantly.

Both kinds of communication build connections. Personal communication builds connections between people, and business communication generates connections between ideas. This is what makes retreats so dynamic—they foster both relationships and insight.

When a new connection is made, the whole suddenly becomes greater than the sum of its parts, and trustees renew their commitment to the organization's mission. This experience is very satisfying, and when trustees also see new ways to resolve problems or to capitalize on opportunities, it becomes intellectually gratifying. A good retreat facilitator and a well-planned retreat schedule will create formal and informal opportunities for board members to make connections.

All of this helps to broaden the board's perspective. In fact, that is the essence of a retreat—to step out of the action/reaction cycle in order to put threats and opportunities into context. The common philosophy of a retreat is that it is a time to engage in reflection and increase understanding. Finally, a good retreat results in organized out-

put. This is where concentration, communication, connections, and perspective come together—and where a “retreat” transforms into an organizational advance. Management and board members achieve insight and forge agreements that bind them together going forward.

Without organized output, a retreat can end with a sense of exhaustion or puzzlement, but when there is a tangible product or new understandings, the excitement energizes the attendees. They leave refreshed and renewed. I experienced this for myself at a nursing home on whose board I served. The board and senior management were very pleased with the organization's operations and progress in clinical quality and resident satisfaction. However, when they held a retreat to evaluate the governance process, they realized that the nursing home's mission statement failed to capture the true essence of what they sought to achieve.

With their heightened sense of perspective, trustees and managers rewrote the statement in clearer, more compelling language. The new mission statement has served as a touchstone for the board and staff ever since. It is now at the core of all interactions between management and residents and their families. That would not have happened without the perspective enabled by their retreat. A good CEO respects board members' precious time as an asset not to be wasted.

However, a good retreat represents an investment of that time and, in return, management and board members receive great dividends in their personal and organizational growth. When considering a board or management retreat, use C3PO as a memory device and a planning tool to ensure a time and place for concentration, communications, connections, perspective, and organized output. I think you will be pleased with the results.

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Conclusion

Retreats can be a very effective way to complement the usual business meetings of a board. By creating an occasion to explore a small number of issues in depth, management provides the board with the opportunity to both learn more and contribute more. This is very motivating for board members.

A successful retreat does not just happen by itself, however. There must be a well thought-out, yet flexible, plan of action.

Well thought-out—A good retreat leads participants through a series of coordinated activities and discussions designed to ensure lively participation and increase the likelihood of new insight.

Flexible—It is not possible to predict in advance where the richest and most useful discussions will occur. A retreat that demands adherence to a fixed agenda will likely undershoot its target. A retreat with no agenda is almost certain to do likewise.

Finally, a successful retreat includes both work and informal time. Often time spent building relationships and increasing trust is among the most valuable at a retreat. People and organizations accomplish much more insightful and creative action when they operate in an atmosphere of trust and mutual respect.

RETREAT GUIDELINES:

1. There is a temptation in designing retreats to control costs by adding an hour or two to the end of an already scheduled meeting in the usual meeting place. This is understandable, and sometimes prudent, but does not support the undistracted concentration that leads to conceptual breakthroughs.
2. The retreat leader or facilitator needs to accomplish two somewhat contradictory objectives simultaneously. It is essential to promote broad participation and expression of ideas while also keeping the discussion relevant to the topics and objectives of the retreat.
3. The content and process of the retreat need to be balanced between presentation and discussion, structured and unstructured problem solving, and business and interpersonal activities. Variations of process and content help sustain energy and interest.
4. The volume of information and discussion included in a typical retreat can easily exceed the capacity of most participants to fully absorb and keep in active memory. It is critical to clarify and confirm agreements and decisions as they are made and to review them regularly.
5. A retreat is not complete without good follow-through and follow-up. Next steps should be identified and committed to before the retreat is concluded.

Peter McGinn is President of Leadership Impact, LLC, in Vestal, New York and former Chief Executive Officer of United Health Services, Binghamton, New York. He can be contacted either at (607) 206-5187 or at petermcginn@leadershipimpact.com.



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