



Nigel Travis



The New Director's Chair

Conversations with business leaders about changing board dynamics in an age of disruption.

"Boards Are Thinking More About What The Consumer Really Wants Right Now."

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***Nigel Travis** has deep leadership experience as a CEO — he ran Dunkin' Brands for nine years, and Papa John's before that — and as a director, currently serving as chairman of Dunkin's board. Travis shared the lessons he has learned about boards and leadership with me and **David Reimer**, the CEO of The ExCo Group.*

Reimer: How has the Covid crisis impacted the role of directors?

Travis: One of the benefits has been to stimulate change. Boards are probably more engaged on questions about what consumers want than they've ever been. Boards have tended to be compliance-driven, focused on legal requirements and wanting to make sure they follow the right processes.

But boards are thinking more about what the consumer really wants right now, what they're going to do in the future, and how companies need to change. That's helpful because sometimes board directors can be too removed from the actual “business of the business.”

The second thing is that directors have had to work much harder during this period. The number of board meetings has gone up astronomically. Productivity has gone up because we're meeting by video, and everything seems more efficient. And because the board meetings aren't so long, management doesn't have to prepare so much material, which frees them up to focus more on the business.

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real negatives."*

So there's been a lot of positives, but there have also been some real negatives. In a typical board meeting, when everyone is together, there are opportunities for quick one-on-one discussions during breaks. Those aren't happening because we're meeting virtually. The natural dialogue that plays out in a boardroom has changed and has become a little bit more formal on video calls, rather than the more informal atmosphere when you're meeting in person.

Reimer: How does that impact the role of a chairman or lead director?

Travis: A good chairman may have to work harder now because you want to give true feedback to the management team, and it may be more difficult to collect the information in a normal way. Again, meetings seem a little more formal now, and the real discussion that takes place is more disjointed, given that the average board is roughly ten to eleven people.

So the chairman has to make more of an effort to reach out to people to bring them into the conversation. In times of crisis, there should be communications between the CEO and the chairman or lead director one to three times a week. You also need to make sure that the management team is on the same page as the board, because the speed

of change right now is so fast. It's very easy for management to go off on their own strategy and then suddenly get hauled back by directors who have a completely different view.

Bryant: You've spent many years as both a CEO and as a director, so you've sat on both sides of the table. Could you talk about how being in both those roles made you better at the other?

Travis: To be a successful CEO, you have to have served on a board, because you need to know how boards think. And this may seem surprising, but many CEOs don't know how boards think. They think the role of boards is to trip them up. They see the boards as not helpful, and that often comes from a lack of experience of being on boards. Board members, 90 percent of the time, just want to help and be supportive.

Some of this skepticism comes from the one of the most challenging moments of being a CEO, which is when the board goes into executive session without the CEO in the room. Then the lead director or the chairman will share with the CEO the opinion of the board on some matter, and you don't have an opportunity to respond to the group at the moment.

Bryant: Every board is different, with its own dynamics. But are there any patterns you've spotted, particularly recently?

Travis: The boardroom represents its own subculture of the company. How does the board work? Are people encouraged to have their say, or

is it a case of the CEO just sitting there talking to the board, and then occasionally asking for questions? Is there true engagement?

You can get into every aspect of the business right now, but you should be encouraging management teams to produce less material. A typical board book is probably 200 pages. Is that sensible in this day and age? Much better to have perhaps 20 pages and focus on the big things, rather than pulling directors into so much detail.

Reimer: If you were speaking to an audience of newly minted directors, what would be your top two or three pieces of advice for them?

Travis: Number one, listen a lot. Particularly during the current crisis, you have to listen to what's going on. Too many directors come into board meetings not prepared to listen, and that's true of some management teams, as well.

Number two, get to know other board members, so you can have conversations about the business outside the formal meetings. Boards are like a team that's not a team. I've always tried to reach out to people and get to know them, perhaps over dinner. That's helpful because there's a lot of stuff you read in these board books you don't understand, particularly with all the acronyms that are unique to every company. Fellow directors can also provide historical context for why certain decisions were made, and they can challenge your thinking, because there may be another side to the story that you don't know.

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The third thing is you need to spend time with the CEO. Part of the responsibility for that outreach lies with the CEO, of course. A CEO I know sets aside half an hour to call each board member in advance of a board meeting to say, "These are the four big things we're going to talk about in the board meeting. Is there anything that we should add to that?" So the CEO gets the board on side talking about the subjects that they want to talk about, as well as what he or she wants to discuss.

Reimer: What were some important early influences for you?

Travis: My dad was an entrepreneur. He was fairly autocratic in everything he did, and I was embarrassed by the way he treated some people. When we'd sit down at the dinner table and debate something, I would often ask, "Why do you say that?" And his answer was, "Because why is a crooked letter." He didn't want anyone to challenge him. And I decided, quite rightly, not to go into the family business.

I was also a soccer coach when I was 18, and a fairly successful one, and so I became comfortable early in that kind of stressful environment, and I had to learn to be willing to accept challenges from people who questioned my decisions, like a player who disagreed with my decision to replace them with somebody else in the next game because they didn't play well the previous week.

Jump ahead 20 years, and I was working at Grand Metropolitan, which was the predecessor company to Diageo. The CEO at the time was Allen Sheppard, and I was in a senior HR role. He said that he wanted to capture his management philosophy into words. He was pretty aggressive about making change happen quickly, but he had a great sense of humor.

After some discussion about his approach of pushing and challenging people, I suggested the phrase “challenge culture” to him,” which he liked immediately. So that idea of creating an environment where people feel comfortable to both challenge and be challenged has been a constant theme for me.