



How Boards Can Get Ahead in 2025

3 Board Priorities, 3 Actions to Drive Board Excellence

TACKLING COMPLEXITY



Abby Adlerman
CEO, Boardspan

As boards navigate increasingly complex challenges—from heightened governance expectations to evolving stakeholder demands—prioritizing the right areas has never been more critical. Boards must focus on the essentials: who is sitting at the table, how the board operates, and what information drives decision-making. These priorities are foundational to ensuring that boards not only meet today's challenges but position their organizations for long-term success.

For 2025, we are taking our annual Hot Topics list one step further. Read on to see Boardspan's 3x3 recommendations — an actionable guide to help boards simplify their approach and focus on what matters most this year. The framework

offers three practical ideas in three critical areas: (i) People—ensuring the right composition of skills and perspectives on the board, (ii) Governance Performance—driving effectiveness through structure and process, and (iii) Relevant Information—identifying and leveraging the insights boards need to make informed decisions.

We hope these ideas serve as a roadmap for your board to tackle complexity with confidence and clarity. At Boardspan, we are committed to supporting boards as they strive for excellence in an ever-changing environment. Share this piece with your fellow directors and use it as a starting point for discussions that can enhance your board's focus and impact.

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3 BOARD PRIORITIES, 3 ACTIONS TO DRIVE BOARD EXCELLENCE

While no one knows exactly what 2025 holds, it's fair to assume this year will include a generous serving of disruption. The change of administrations in Washington is expected to transform the economic landscape with talk about loosening regulations, imposing tariffs, and potentially deporting immigrants at a scale that will impact the labor force. Consequential elections on every continent, the political reshaping of the Middle East, territorial conflicts across the globe, increasing polarized citizenries, stubborn inflation, and more will undoubtedly add to geopolitical uncertainty, while technology advances will continue to create novel challenges and opportunities. Risk has never been more pervasive and strategy has never been more important.

Amid this swirl of uncertainty, boards are seeking ways to update their playbooks to be successful in 2025 and beyond. To keep things simple and actionable in this increasingly complex world, we offer Boardspan's 3x3 approach to board governance in 2025:

1. CRITICAL FOCUS ON: PEOPLE

Finetune your board composition with an eye on the future

We have long said that having the right people at the table is one of the critical components of board success. In the year to come, we see boards adopting more intentional and proactive strategies to finetune board composition as they aim to:

- Ensure sufficient expertise in specific industries and functions (vs. what was needed in the past) to provide valuable thought partnership to management teams whose organizations are navigating change
- Uplevel oversight and strategic contribu-

tions in critical areas like AI and cybersecurity expertise

- Demonstrate the soundness of the board and appropriateness of its membership to dissuade activist investors from picking a proxy fight (and have a pipeline if needed on short notice)
- Address the increased sensitivity to over-boarding
- Maintain high standards of diverse thinking, regardless of regulatory requirements, to bring valuable insights to the organization

Many boards are experiencing in real-time how their organizations are being transformed and disrupted by technologies, markets, and more; they recognize that boards, too, must change to keep pace.

Three ways to stay ahead in 2025:

i. Get Serious About Board Succession

Planning: Take a planful, proactive approach to board refreshment, transitions, and the likelihood that your board will soon need different types of talent and expertise to meet the needs of an organization that is changing with the times. Ensuring appropriate expertise and dedication are essential, as is intentional preparation for board leadership succession and committee rotations. Get ahead of the curve (and the crowd!) by regularly assessing future needs, maintaining a clear-eyed view of upcoming talent gaps, and laying actionable plans to address them.

ii. Give Board Members Actionable Feedback:

Invest in your directors as part of your board's commitment to getting maximum value and engagement from every member. It is in every board's best interest to ensure that board members get constructive feedback on their performance and encouragement to grow. In 2025, it will be wise for boards to be even more intentional about individual director evaluations to validate great performance, propel positive change where helpful, and maximize contributions.

iii. Support Director Development & Continuing Education:

Boards with less experienced members can invest in foundational governance training to ensure a common understanding of responsibilities and expectations, while long-tenured board members will benefit by enhancing their knowledge of AI, cybersecurity, and other evolving areas of board oversight. Regardless of tenure, all board members benefit from ongoing learning about industry trends, market changes, and competitive dynamics. This aspect of board service requires a never-ending commitment to staying current on the ecosystem in which the organization operates.



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2. CRITICAL FOCUS ON: GOVERNANCE EXPECTATIONS

Dial in your board's evolving roles & responsibilities

The board's role is changing at a breakneck pace: the areas of oversight keep expanding, the likelihood of a crisis or unexpected management transition is much higher than in the past, and the consequences of strategic mistakes are grave. We see an increasing number of business behemoths now falling from their high heights, laid low in ways that would have been inconceivable in the past. Take Boeing, whose travails of the past several years offer a case study in how difficult things can become when there is anything less than truly effective oversight, real crisis preparedness, sound leadership, and breakthrough strategies for addressing challenges. No board wants to find themselves in such a dire situation. Now is the time to invest in robust governance programs, ensuring all board members are well informed about what is expected of them and know how to successfully fulfill standard governance responsibilities such as management succession planning, crisis preparedness, and more.

In 2025, three ways to enhance your governance performance include:

i. Lean Into Risk & Strategy: In an uncertain world, some of a board's most important work comes down to two critical activities: preempting loss through proactive risk oversight and catalyzing value creation by making strategic contributions. It's worth spending a little extra time to ensure the board adopts a thoughtful approach to both of these topics. Taking stock of the expanded areas of risk oversight and assigning responsibility for new topics is critical. For many boards, devoting more meeting time to strategy and even a longer strategic offsite could be key to adding value.

ii. Confirm Committee Responsibilities:

Do a deep dive analysis of your committee structures. Do the current committees ensure that all new and evolving areas of oversight are receiving appropriate attention? Would adding a new committee be prudent, or can new tasks be assigned to existing committees without overburdening them? Are committees appropriately staffed for new responsibilities and to distribute the workload?

As noted above, risk oversight is a topic many boards are rethinking. As risk oversight grows more complex, does it still belong in the Audit Committee? When is a standalone Risk Committee appropriate? Does it make sense for financial risks to be overseen by the Audit Committee, personnel and team-related risks by the Compensation Committee, and commercial risks by a Strategy Committee? Other variations on this theme?)

iii. Build Board Cohesion: With so much change afoot, we encourage boards to take a step back from their busyness of governing to consciously build relationships and foster alignment. Boards know that to be effective they must work together; no matter how brilliant, experienced, or hardworking a team is, if they are pulling in different directions, progress is stymied. Of course, reaching alignment is more challenging when people don't know each other or understand each other's motivations. All boards benefit from conducting performance evaluations to better understand where they are aligned and where they are not, so they can address areas of concern and preempt unhealthy divisiveness. For boards with newer members, those that have moved to a hybrid schedule with limited in-person interactions or any board looking to strengthen alignment ahead of significant strategic discussions, we recommend exploring opportunities, before or after the formal meeting, for casual conversation or social activities that foster familiarity and relationships.

3. CRITICAL FOCUS ON: ORGANIZATION-SPECIFIC KNOWLEDGE

Priming the board to add more value

As the world in which we operate grows more complex, directors need more information about the organizations they serve: What are today's drivers of success? Where are competitors and partners headed? How are technological advances, changing regulations, shifting political alliances, new customer needs and preferences, and other factors affecting products, markets, and outcomes? Boards seek more nuanced business data from management teams, regular analysis of the competitive landscape, and reports on who's winning and why. And they need this kind of information on a timely basis to effectively advise management and make valuable strategic contributions.

Three ways to embrace this in 2025:

i. Get to Know Your Constituents. Whether investors, employees, regulators, or other cohorts, stakeholders have significant sway in an organization's success. The board knowing who they serve, and those stakeholders' priorities makes all the difference. In some cases, boards will benefit from meeting directly with constituents, and at a minimum, the board can get acquainted with the issues they care about to understand their motivations and the actions they might take. Bringing this understanding to their decision-making and oversight will enhance the board's effectiveness.

ii. Evaluate Leadership & Provide Feedback: An organization is only as good as its leadership, and boards need critical insight into how effectively the leadership is performing. Ensure the CEO receives an annual performance evaluation that assesses competencies beyond the ability

to meet revenue targets or transactional goals. Boards get their greatest value from an objective 360 review that relies on a third-party expert to gather the views, in an unbiased manner, of the CEO, their direct reports as well as board members. Yes, evaluating performance to ensure that you have the right leader in place is a key board responsibility, and it is also an opportunity for the board to celebrate successes, identify challenges, and provide constructive feedback that keeps your leader growing and getting even better as their job. Done well, all participants – especially the CEO – will appreciate it.

iii. Take a Proactive Stance on Management Succession Planning: Few board roles are as important as monitoring how the organization's internal landscape is evolving. Simply said, the board is responsible for overseeing management succession planning. For starters, boards should maintain an updated CEO succession plan that contemplates alternatives for both emergency and planned succession. Further, the board is also responsible for ensuring that management conducts adequate succession planning for senior leaders and preferably a level below. Find a spot for management succession planning on your board or committee agenda, review key competencies and evolving requirements, update prospect lists as needed, and be intentional about working with the appropriate people on the management team around this priority. Getting the organization's leadership right and supporting them as they grow, is a core board responsibility and critical to success.

CONTACT US

Abby Adlerman

Chief Executive Officer

abby.adlerman@boardspan.com

Kaitlin Quistgaard

Senior Vice President

kaitlin.quistgaard@boardspan.com

Jacob Cheung

Senior Consultant

jacob.cheung@boardspan.com

Dave DiDonato

Senior Client Advisor

david.didonato@boardspan.com

ABOUT BOARDSPAN

Boardspan combines advanced technology with deep consultant expertise to help boards succeed.

Our digital platform streamlines the process of gathering candid, anonymous feedback from participants, ensuring results that are both objective and comprehensive. Then comes the magic: Boardspan's team of governance experts lean in to do what algorithms can't—interpret the data with a keen understanding of board dynamics, find hidden patterns subject to context, and deliver nuanced insights and actionable recommendations tailored to each board's unique challenges. This differentiated approach to board assessments, director & CEO evaluations, and skills or risk analyses provides critical insights to allow us to help boards tailor their roadmap to excellence.

We also offers board succession planning and search capabilities, using a distinctive approach to identify near- and long-term needs, uncover exceptional diverse talent, and bring critical value-added expertise to the boardroom.

Trusted by leading organizations across all industries, Boardspan equips boards with the insights, strategies, and future proofing they need to achieve governance excellence—and stay ahead of the curve.

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