



Becoming a high performance board requires deliberate intent

A case study of Vision Super's board improvement journey over two years to December 2020



In association with
BoardBenchmarking



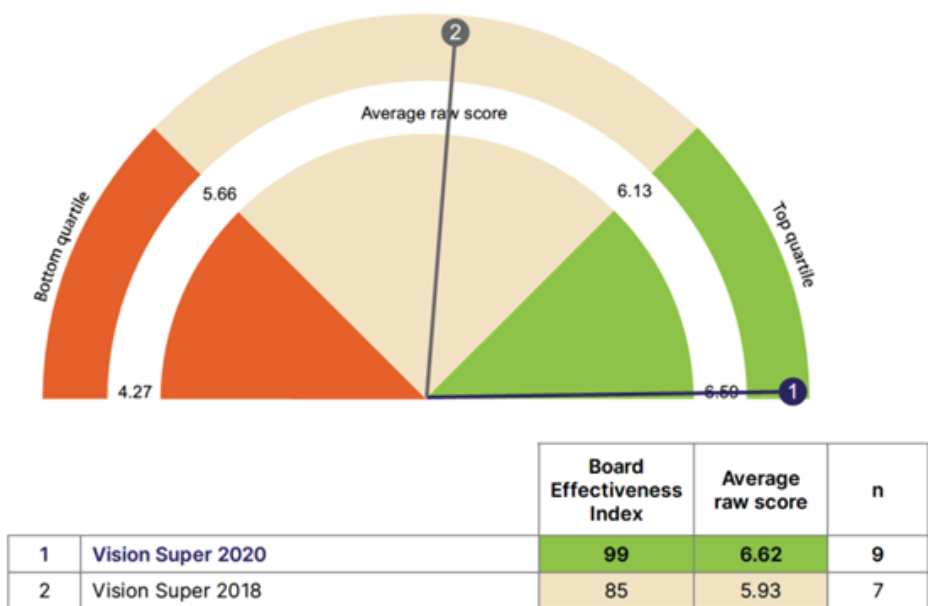
A case study of Vision Super’s board improvement journey

This case study was prepared in February 2021 by Insync in association with Board Benchmarking with the support and approval of the board of Vision Super and its Chair, Geoff Lake. You can read more about Vision Super, Insync and Board Benchmarking on page 9.

Vision Super’s story

Vision Super engaged Insync to conduct a review of the performance and effectiveness of its board and its directors during November 2018. After receiving Insync’s report and recommendations, Vision Super’s board agreed an improvement plan to lift its performance and effectiveness in the areas recommended by Insync.

During December 2020 Vision Super’s board completed Board Benchmarking’s new and improved Board Effectiveness Survey which showed that Vision Super’s board had markedly improved from being benchmarked just above the average of peer financial services boards to one of the most effective in Board Benchmarking’s extensive database as shown below.



The board was also ranking in the top quartile of comparable financial services boards in all 20 effectiveness factors that are each essential for a board to be highly effective. Read more about Board Benchmarking’s research that uncovered these 20 factors on page 8.

“I thought we were quite a good board in 2018 and we have made very deliberate efforts to improve over the last two years. We have achieved some targeted improvements over the last two years and I now say we are a good board. Whether we are a great board is for others to judge.”

Geoff Lake, Chair, Vision Super

The six steps to achieving a high performance board

These are the six steps taken by Vision Super's board that helped them move the dial, and the steps other boards can also take to improve their performance and effectiveness.

1. Get a good measure and a deep understanding of your current performance and effectiveness and the main areas for improvement

Like many boards Vision Super has carried out an annual review of the performance of its board and of individual directors with an independent externally facilitated review at least every three years. The last independent externally facilitated review was carried out in November 2018. Like most similar externally facilitated reviews, the 2018 review involved:

- Completion of a validated benchmarked Board Effectiveness Survey by directors and by executives who regularly attended board meetings
- Completion of a Director Effectiveness Survey that directors completed by rating themselves and their colleagues in one well designed online survey and then provision of a Director Effectiveness Report for each director for the Chair to discuss with them individually
- Interviews of around one hour with each director and the main executives who attend regular board meetings with one of Insync's independent governance experts
- Synthesis of the results of the benchmarked Board Effectiveness Survey, the interviews and the overall strengths and areas for improvement arising from the Director Effectiveness Surveys, into a concise report identifying the three to five main issues and Insync's recommendations of the most practical and effective ways to improve the board's performance
- A debrief of the results of the review by one of Insync's governance experts with the Chair and subsequently with the board.



"It was helpful to be able to see and reflect on the common themes that were provided independently by directors and executives without them being influenced by anyone else's response. Insync's recommendations in relation to each theme also helped provide a good roadmap for improvement."

**Geoff Lake, Chair,
Vision Super**

The six steps to achieving a high performance board (cont'd)

2. Board unity and sustained commitment to the agreed action plan

As with any independent report that identifies areas for improvement the board needs to jointly own the problem, demonstrate a collective desire and commitment to deal with the issues raised and the collective will and judgement to turn the recommendations into a practical action plan. This is exactly what Vision Super did.

But it is rarely as simple as carrying out one or two steps and sitting back. Many desired improvements involve iterative changes and improvements over time which are supported by a deliberate and sustained leadership commitment, regular check-ins to measure the impact of the agreed actions and with appropriate adjustments made as necessary – also see sections 5 and 6 below.

“Following the review, the board developed a ‘cheat sheet’ of the main things we really wanted to focus on for the next 12 months – we deliberately focused more on board process and practices than on organisational outcomes. We refined the sheet in the second year after a lighter touch review in relation to the main matters identified in November 2018. ”

Geoff Lake, Chair, Vision Super

3. Chair to demonstrate leadership and vulnerability during the change process

As well as receiving his own Director Effectiveness Report, Insync provided the Chair Geoff Lake with an unattributed list of the views expressed by interviewees of the Chair’s strengths and a list of suggestions. Insync recommended that the Chair summarise in his own words what he thought his fellow directors and Vision Super’s executives were saying to him.

The Chair went one step further. He provided the full list of his strengths and their suggestions to his fellow directors. He thanked them for the insights they had provided and advised that he intended to capitalise on his strengths and work on the suggestions made, for his own benefit, the benefit of the board and of Vision Super. The Chair’s boldness, transparency and act of vulnerability set the tone for other directors, the CEO and executives about how seriously he took the importance of continuous improvement.

“It was important for the board to keep me accountable. I wanted them all to be aware of their collective observations, and the things that I was going to be focused upon.”

Geoff Lake, Chair, Vision Super

The six steps to achieving a high performance board (cont'd)

4. Focus on individual director improvement as well as board improvement

It is difficult to conceive that a board could achieve high performance if individual directors don't also demonstrate their own commitment to improve their performance and contribution. Therefore, most legislation, regulations and guidelines in relation to the review of a board's performance require a review of the performance of individual directors as part of the process.

"The Director Effectiveness Survey and the reports provided helped identify areas of strength and where each director could improve. This provided a great basis for a discussion I had with each director."

"We saw demonstrable efforts to improve by all directors. All felt more emboldened to pursue their strengths and to be more responsive to the areas identified for improvement."

Geoff Lake, Chair, Vision Super



The six steps to achieving a high performance board (cont'd)

5. Regular check-ins to measure the impact of the agreed actions and adapt accordingly

Vision Super supported its improvement initiatives with regular board check-ins and a review of progress made in the key areas identified for improvement. Those check-ins and the review conducted in November 2019 identified where great progress had been achieved and where additional effort was still required.

Extra time was carved out during 2020 to continue the check-ins at board meetings, make further iterative improvements and to further embed continuous improvement, both collectively and individually, into the board culture and DNA.

“It was important for us to do a review in November 2019 which focused on the success or otherwise of the improvement initiatives we had put in place since the November 2018 review. We identified the areas we needed to focus on in the following year and we stepped up things in that year.”

Geoff Lake, Chair, Vision Super

6. Never cease the journey of improvement – it’s a journey not a destination

Those who have observed improvement journeys know that it is an ongoing journey – you never arrive, there is no destination. And if you think you have arrived, that is when arrogance, complacency and hubris set in which brings the whole journey and everything that has been achieved undone.

High performance is often found in the last 10% where very few go. It will involve a sustained and disciplined commitment to seeking out those things that can result in a step change whilst at the same time searching for and finding those things that might only result in a 1% improvement. If that sustained and disciplined commitment to high performance is maintained for long enough high performance can become your new way of life.

“Boards continue to change and evolve and the practice of board meetings can always be done better. Carving out a bit of time to discuss how we continue to evolve and improve needs to given priority despite a busy board agenda.”

“High performance doesn’t just happen; it must be intentional. We have been intentional; we’ve carved out space at every board meeting since the review to discuss how we can improve.”

Geoff Lake, Chair, Vision Super

Better boards make for better organisations

Board Benchmarking believes better boards make for better organisations and that has been its experience for more than a decade.

Most, if not all, directors and senior executives would argue that the board's performance and effectiveness, the tone they set and the shadow they cast, has a significant impact on the motivation, engagement, culture, character and performance of the CEO, executive team and their organisation.

"The Vision Super Board has always been an effective board, but what you don't measure, you can't improve. The surveys over the last few years have seen greater transparency and shone a light on what the Board is doing well and what has been open to improvement.

"The high performance framework and the focus on Board goals (which complement the organisation's strategic goals) have facilitated reflective, thoughtful decision making, good judgement in tough situations, and a collegiate Board that is prepared to have a robust discussion on the issues. This has set the tone for management and staff – all leading to achieving strong member outcomes on the things that matter – bottom quartile fees costs, and top decile returns, and member service externally recognised as among the best in the country."

Stephen Rowe, CEO, Vision Super



"If a board is more effective and harmonious, it will have a positive impact at the most senior level of management which will also filter down to other parts of the organisation."

"I am pleased to say that our employee and member engagement scores, our cost ratios and our investment performance have all been improving over recent years and pleasingly we are not shown as having any areas of concern on APRA's latest Heat Map."

"I can't imagine how a board that doesn't bring an intelligent perspective to strategic discussions and whose directors don't read their papers, is capable of inspiring management to confront emerging issues with vigour and to drive change throughout the organisation."

Geoff Lake, Chair, Vision Super

The 20 essential factors to a board's effectiveness

Board Benchmarking's recent research, with the help of Deakin University, discovered the 20 discrete factors that are essential for a board to become high performing. Those factors which were all measured in the Board Effectiveness Survey for Vision Super and for other Insync clients, are mutually exclusive and collectively exhaustive. The 20 factors are explained in detail at boardbenchmarking.com

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About Vision Super

Vision Super is an industry super fund that has been around for just over 70 years. Because any profit it makes is invested for the benefit of members it means Vision Super is able to focus on its members, and their long-term investment security.

Vision Super never forgets that your super is your money. It should be invested to help you build wealth and retire comfortably. Vision Super manages in excess of \$10 billion in assets on behalf of almost 100,000 members.

About Insync

Insync helps make the complex simple.

Insync is a leader in integrated experience management, research and consulting. Its purpose is to inspire success, and that's what Insync has done for over 1,000 organisations in over 50 industries.

Insync provides evidence, expertise and actionable insights to shape employee and customer experience, ensure good governance and help organisations manage the risks that matter most.

Insync has delivered surveys, research and consulting projects in around 100 countries, 40 languages and across a variety of different industries. Clients such as CUA, Energy Australia, HESTA, KPMG, REST and Suncorp trust Insync to deep dive into their culture, experiences, governance and risk processes, and surface with actionable insights that drive real change.

Insync's team of registered psychologists, researchers, consultants and analysts have developed frameworks that draw insights from your data, make sense of the numbers and provide unbiased and strategic guidance for positive change.

About Board Benchmarking

Board Benchmarking is a division of Insync. Its vision is to help lift the governance of organisations across the globe because Board Benchmarking believes better boards means better organisations.

Board Benchmarking plans to achieve its bold aspiration by

- Making affordable, validated, world-class, benchmarked board and director surveys available to organisations across the globe no matter what their size, nature, industry or location. Professional advice to interpret and act on the survey results is also available through a growing global network of Board Advisory Partners
- Supporting a global network of Board Advisory Partners to enhance and grow their businesses by helping them improve the evidence-based insights and practical advice they provide to their clients when they use one of Board Benchmarking's validated, world class, benchmarked surveys
- Partnering with industry and other associations to help them improve the governance of their constituents and stakeholders by providing them with affordable, world class benchmarked board and director surveys with the option of obtaining specialist professional advice from one of our Board Advisory Partners.

Better Boards. Better Organisations.
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