Planning for a New Reality: Agenda for the Prepared Board is designed to advance boardroom dialogue about long-term value creation at a time of profound social and industrial transformation.

These transformations are driven by a climate crisis that introduces significant risks across industries; a deep shift in workforce expectations; and evolving—often conflicting—expectations of firms, from Wall Street to the State House to the employee cafeteria.

In this context, some executives and boards have found themselves on the defense, particularly in the United States, where the social and environmental investments of firms are refracted through a highly polarized political lens.

Yet, forward-thinking executives and boards also see the opportunities for competitive advantage, growth, and the promise of positive risk-adjusted return to investors over the long term—if they can capture new opportunities created by rapidly changing social and environmental contexts.

Agenda for the Prepared Board brings us back to business principles, namely, the corporation’s purpose, the business model, and what matters most to the success of the business now and for the foreseeable future. These business fundamentals enable the executive to play offense—to speak powerfully to the specific and critically important elements of long-term performance: the business conditions, resources, and relationships that are key to business continuity and growth.
**Why Boards?** Boards are stewards of the enterprise. Executives need the board’s support to create and implement a long-term strategy. The very long-term commitments to address climate change exceed the tenure of the CEO and leadership team. To support today’s executives, directors need to confront changes in the workplace and dig into social and environmental concerns once considered exogenous to the firm, but that are now central to long-term value creation.

**How might this document be used?** What follows are **seven key perspectives for board members** (and executives), along with questions to prompt discussion. The perspectives are assertions about the “new reality” facing boards. The questions are aspirational, even provocative by design—and invite directors to consider how geo-political and domestic tensions, or realities that affect employees, customers and suppliers, host communities, and the natural world may deliver enduring value for their companies.

**Who will find the perspectives and questions useful?**

- **CEOs and board chairs** designing meetings or board retreats to support reflection about the changing context of their business.
- **Directors and committee chairs** exploring new questions for standing committees and protocols to enrich dialogue and to get the best out of board members.
- **Chief Communication Officers** responsible for crisis preparedness and scenario planning.
- **C-Suite executives from CFOs** considering longer-term time horizons to **CHROs** and **CSOs** with new strategic responsibilities.
- **Corporate Secretaries** responsible for on-boarding newly elected directors, or designing training and development.
- **Corporate governance advisors and providers of director education** will find fresh thinking to complement and expand their own frameworks on high functioning boards.

These conversations will be different in every boardroom. We hope the **Agenda for the Prepared Board** will be useful to directors as they exercise their fiduciary responsibilities at a crucial time for business and society.

**The Aspen Institute Business & Society Program**
A winning business strategy begins with clarity about the corporation’s long-term aims and corporate purpose. The work to define and internalize the purpose of the business is the starting point in navigating social and environmental realities.

**DISCUSSION QUESTIONS FOR BOARDS**

• Does the board have a clear statement of corporate purpose?

• Is there a shared understanding and commitment to that purpose for the management team—as well as middle and front-line managers who are responsible for aligning action with intentions?

• What needs to be true for critical groups—from shareholders to employees—to both understand and embrace the corporation’s purpose?

• Are there opportunities to innovate in pursuit of more creative ways to achieve the company’s purpose?

• Does the board understand what is required to fulfill the company’s purpose—e.g., talent, suppliers, investment capital? Do directors understand the risks in each of these domains?

• What relationships and alliances are needed to realize the firm’s purpose? What does a mutually beneficial relationship with those who govern access to critical resources look like? Are their perspectives considered in business planning?

**RESOURCES:**


The board’s **fiduciary duty** includes clearly understanding current and future material risks, vulnerabilities, and dependencies. In a noisy environment, fiduciary duty can refocus boardroom discussions on what matters most.

**DISCUSSION QUESTIONS FOR BOARDS**

- Do directors understand how social norms, environmental trends, regulation, and public expectations are changing in key markets? Are there opportunities in board meetings to discuss these trends? Do directors understand how these changes could impact business results now and in the future?

- Does the board’s understanding of materiality help reveal where the firm needs to focus its energy and commitments regarding employees, sustainability, and the supply chain?

- What is the board’s role in monitoring progress against these long-term commitments? How frequently does the board need to assess progress against goals? How are gaps between execution and intentions addressed?

- Are executive incentive plans structured to hold leaders accountable for managing these risks and meeting commitments that extend into the future?

- Are board incentives aligned with long-term value creation?

**RESOURCES:**


Long-term competitive advantage is about imagining and investing in the future of the enterprise. Sustainability requires taking a fresh look at the business model, portfolio of businesses, employment practices, and capital allocation.

DISCUSSION QUESTIONS FOR BOARDS

• How does the board assess its readiness for change and capacity for innovation? Is the board open to radical change, if required?

• Do directors understand where the business model and corporate portfolio of businesses may be holding the company back when it comes to acting on material risks and, importantly, opportunities to create future value?

• What level of investment is needed to develop and acquire the right talent and skills for the future?

• What does it mean to allocate capital well? Is there a scenario under which every dollar of capital expenditure tomorrow is greener than capex dollars spent today?

RESOURCES:

Diversity is increasingly understood as a strength and differentiator. The prepared board seeks the expertise of those whose identity and life experience help illuminate material risks and opportunities.

**DISCUSSION QUESTIONS FOR BOARDS**

- Who informs strategy and management protocols and key decisions about everything from product design to investment criteria and employment practices? Are there useful insights to be gained by opening up the protocols for making decisions?

- Is there adequate diversity in decision-making processes and teams to avoid blind spots and recognize new opportunities?

- How does the board understand the business case for diversity—from the front line to the boardroom? Does the board have data to understand how employees experience inclusion and fairness?

- Should equity and inclusion be considered in board and management team’s self-assessments, succession planning, and professional development?

**RESOURCES:**

The engaged employee is vital to sustaining competitive advantage and ensuring that the company delivers on commitments in the workplace, through the supply chain, and to customers. Forward-thinking boards place employees at the center of strategy.

DISCUSSION QUESTIONS FOR BOARDS

• Are employees fairly compensated for their contribution to the enterprise?

• What mechanisms and data help the board understand the experience and attitudes of employees to build both competitive advantage and trust?

• How does the board address any disconnects between corporate priorities, or values, and the employee experience?

• Do all employees understand business priorities and long-term commitments?

• Are middle and front-line managers trained to listen to the workforce? How do key decision-makers access employee insights—about product quality, customer experience, business risks and opportunities, and license to operate?

RESOURCES:

Breakthrough change requires **co-creation** and rethinking business boundaries. Customers, competitors, NGOs, governments, and academics are needed to tackle systemic challenges that rebound to the business.

**DISCUSSION QUESTIONS FOR BOARDS**

- What new partnerships might be needed to address present and future risks and to create opportunities?

- Have external engagements delivered value to the company in the past? What might they illuminate about the design of effective collaborations?

- Does the board understand what trade groups do and say on behalf of the company? Are industry association memberships, lobbying, and political expenditures transparent, vetted by the board, and aligned with social and environmental commitments and long-term risks?

**RESOURCES:**

In a fractured political environment, CEOs are sought after on issues of national and global consequence. Effective **CEO voice** is aligned with the company’s purpose, values, and commitments.

**DISCUSSION QUESTIONS FOR BOARDS**

- What issues are linked to business performance and reputation and require a public position?
- Are protocols in place to ensure that the CEO can speak with authenticity, credibility, and conviction, in real-time, on topics that are germane to the interests of the business and its employees?
- How are the concerns of employees factored into decisions about when to speak up and what to say? Has the board considered the consequences of staying silent?
- Is political spending understood as a form of corporate voice?

**RESOURCES:**

Better boardroom dialogue could invite a redesign of board structure and protocols. Key questions for executives and directors include:

- Does the board place the right weight on financial data vs. harder-to-account-for data on carbon, water, waste, biodiversity, corporate culture, employee engagement and attitudes, etc.?

- When discussing sustainability, does the board have enough time for strategy? Do tracking and reporting crowd out more strategic considerations?

- Environmental and social challenges cut across traditional committee structure. What belongs in committee, and what belongs in plenary?

- When a given issue or inquiry moves from committee to plenary, how is it reframed? How can committees do what they do best without inadvertently shutting down creative approaches and challenging questions at the level of the full board?

- Is the current committee structure and meeting design able to explore and embrace the need for innovation and change in business priorities and the business model, as needed?

RESOURCES:

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The Aspen Institute Business and Society Program works with business executives and scholars to align business decisions and investments with the long-term health of society—and the planet. Through carefully designed networks, working groups and focused dialogue, the Program identifies and inspires thought leaders and “intrapreneurs” to challenge conventional ideas about capitalism and markets, to test new measures of business success and to connect classroom theory and business practice.