

The Goldilocks Dilemma

Is the impact of the Board on your organisation understood?

More frequently Enterprise Care is engaging with Boards, CEOs, and senior staff in the exploration of this core aspect of the relationship of Boards and the organisation.

Maybe the challenge can be expressed as whether the Board is functioning as the directors would like to think it is; or maybe as others would like it to function.

What is the Goldilocks dilemma?

Who can forget that wonderful and popular fairy tale of “Goldilocks and the Three Bears.” Goldilocks as a little girl, is walking in the forest when she comes upon a house. Inside she firstly finds three bowls of porridge. The first one is too hot, the second too cold while the third is just right to eat. Next, she finds three different sized chairs; with the first one too hard, the next too soft, and yes, the third is just right, but it breaks upon her sitting upon it. Finally, Goldilocks finds three beds, with the first being too hard, the next too soft, and of course the third is just right. She is discovered by the three bears upon their return, asleep in bed. Then they find out about what Goldilocks did with their porridge, chairs and finally their beds.



The challenge for Goldilocks is fundamentally all about finding what is just right or for boards what is “fit and proper”.

Reasonably, at least in the eyes of most directors, their Board is contributing positively to what is achieved by the organisation. How this may be evaluated however can be problematic. Often it becomes no better than the directors “sticking a finger in the air”.

To do better than just “sticking a finger in the air”, the board

needs to first address what might be its appetite for embracing a well-considered evaluation. For the key in many evaluation exercises becomes one of what it is that the Board is seeking to discover. The word discover is a good one. Discover may be no more than coming across what is known by overlooked or generally forgotten. It does not have to involve something that is huge or life-changing.

“Fit and proper” data

The next aspect, often overlooked, but so central in the successful execution of any evaluation, concerns what will be considered “fit and proper” data. This better directs what will be of benefit to the board.

What amount of data will be “fit and proper” to ensure it will be used strategically; and that it facilitates delivery of the benefits of the investment?

The editorial this month evoked the one-two principle. In many ways that applies to various elements that are relevant to board evaluations too.

One-two Data

Determining what is a “fit and proper” amount of data is extremely important.

In other words, the one is not to forget the reason for gathering data. Data is the “means”, it is not the “end”. This thought of being a means to an end and not the end needs to be a non-negotiable acknowledgement of what use is data. This can assist in recognising when too much data is sought. It is easier now to gather data; and this can be quite attractive. Whilst it can be easily done, what becomes of the mountains of data? Data is important, no one disagrees; but too much can lead to the “paralysis analysis” result.

So, it helps to guide any thoughts and discussions about data, by continually asking what is the data intended to serve?

Some suggestions as to its service may include to:

1. Gain a reality-check – present clarity
2. Understand organisation’s purpose
3. Identify any improvements
4. Uncover innovative thinking or ideas
5. Demonstrate transparency
6. Learn and outperform

Whatever the amount of data, it remains essential that changes introduced or rolled out over time following its use can be and are appropriately monitored. Better still of course is to track the connections or any of the links that exist between use of data and achievement of objectives. This ensures that a better understanding of what works and what doesn’t can be learned and improvements captured. Knowing what may be a mistake is equally, some suggest more, important in gaining the full benefits of using data in this manner.

One-two Action

If too much energy is expended upfront in thinking about and collecting the data, then unfortunately what often occurs is it finds its way into a dead end. The Goldilocks dilemma is to delay decisions because of spending time identifying what may be the “fit and proper” amount and use of the data.

Examples abound of data which was collected using much effort and energy, failing to attract any meaningful use and ultimately fading into the background as a part of the organisation's history of another activity that lead nowhere.

Data is only going to be as good as what it is used to do. It may be fantastic but without attracting relevant review and discussion, it is useless. Fundamentally data potentially drives not only better discussions but informed decision-making. This means more relevant and proper judgment.

Hence the one becomes whether the organisation is committed to act based on any of the agreed data "findings"?

And two is whether the organisation is prepared to allocate or identify the necessary resources that ensure the findings will become a reality.

Conclusion

Goldilocks went in search of the "fit and proper". Unlike Goldilocks however, boards upon finding the "fit and proper" solution, should act rather than seek slumber, avoiding being found wanting by the three, possibly regulatory, bears. Data is useful if used and particularly for boards as a part of their decision-making role.

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