Top Ten Board Issues

John Christianson, Principal Partner
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Strategic Thinking

• Develop the Why?
• Process
• Communication
Strategic thinking is the key to improvement
What does strategic thinking and planning accomplish?

- Establishes **priorities**
- **Helps you make choices** based on those priorities
- Communicates a **game plan**
- Allow **resource allocation**
Strategic Planning Process

- **Assessment**
  - Where are we now?

- **Gap / Future State**
  - What do we want to be?

- **Strategic Plan**
  - How will we close the gap?

- **Goals & Measurements**
  - How will we monitor our progress?
Remember the objective: create specific goals
Top 10 Board Issues:

#10: Staffing strategy

- Recruiting
- Retaining
- Resources
- Succession
Top 10 Board Issues:

#9: Board Succession

- Board of the future
- Disciplines needed
- Expectations defined
- Laser focus
- Recruitment plan
- Education plan
Top 10 Board Issues:

#8: Stockholder transition strategy
  • Stock Liquidity
    • Aging stockholders
  • Limit share numbers expansion
  • Stock Redemption plan
Top 10 Board Issues:

#7: Stockholder Distribution Policy

- Manage expectations
- Changing economics
- Impact on growth & investment
- Communication
Top 10 Board Issues:

#6: Communication

- Community
- Shareholders
- Board
- Management
- Employees
Top 10 Board Issues:

#5: Contingency Planning
- Plans organized for “most likely”
- Alternate Plan
- Large Scale Changes
  - Market
  - Legislative
  - Regulatory
Top 10 Board Issues:

#4: Carbon Intensity

- Analyze benefits
- Access to markets
- Why is it important?
Top 10 Board Issues:

#3: Market Changes For Ethanol

• Impact you make
• Export markets
• Local markets E15 to E30
• Legislative impacts
Top 10 Board Issues:

#2: Assess Immediate Opportunities

- Board process for action
- Decisive direction to management
- Technology changes rapidly
- Empower management
- Process for analysis
- Learn to handle mistakes well
Top 10 Board Issues:

#1: Setting Strategic Direction
   • What do you want to be?
   • Set Goals - Think Big
     • Low Cost Producer
     • Buy
     • Merge or Sell
     • Purchase Other Assets
   • All Require Disciplined Strategy
The harder the goal, the higher level of performance...

“Companies with very hard goals reached their goals far less often than companies with very easy goals; the former consistently performed at a higher level than the latter.”

- Edwin Locke  *Pioneer in Goal Setting Theory*
Top Performing Plants

Common Characteristics:

• Leadership
• Focus
Thank You! Questions and Discussion
John Christianson, Managing Partner  john@christiansoncpa.com