

Board Work

Differences and similarities with different owners

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Overall results...

- Much is similar and seem independent from owner structure...
- Common framework - laws, codes and other rules that govern Board work...
- Swedish corporate governance culture and perhaps also – small country...
- Some differences - in survey and interviews...

Agenda

1. Summary of interview results in relation to survey results...
2. What surprised me most...
3. Conclusion – 3 main topics...

PE owned companies

Survey

- Better Board material...
- Better knowledge of owners directive...
- Boards spend less time on their assignment than the other two groups...

Interviews

- Some survey results are emphasised...
- Close relationship Owner-Board-Management...
- Clear owner directive...
- Clear goal...
- Business and strategy focus...

State owned companies

Survey

- Least satisfaction with board material...
- Lowest score on information between meetings...
- Score low on follow up of decisions taken...

Interviews

- A picture not fully as negative as survey results show...
- Chairmen – good communication with owner...
Rest of Board?
- Low incentives are highlighted...

Listed companies

Survey

- Spend most time on their assignment...
- Highest no. of meetings...
- Larger companies – more time...
- Spend 37% of Board time on routine-like decisions...
More than other groups...

Interviews

- Not a homogeneous group...
- The time consuming compliance and governance work is emphasised...
- Existence of “public eye” and media, often mentioned as influencing...

What surprised me most?

- **PE-owned** companies spent **least time on their assignments**. Number and length of meetings + preparations. Not the impression I got from interviews...
- Boards of **PE-companies** seem to be most confident with that **decisions are taken in the boardroom**. Boards of state owned companies least confident. I expected the opposite...
- For **listed** companies the **time consuming governance and compliance work**. Not obvious in the survey result...(some indications), but often mentioned in the interviews...

What surprised me most?

- **State owned** companies score lowest on “**knowledge of owners intentions**” in spite of only one owner. Does political implications influence...?
- **State owned** companies – lowest **quality of Board decision material** and information between meetings. No reason for this...

Conclusion - 3 main topics

1. Knowledge of Owners intentions:
 - PE Boards score highest – one owner...
 - State owned companies lowest – one owner...

2. Strategic planning horizon:
 - Interviews show - all work “long term”...
 - Boards of listed companies and PE-owned companies seem to work more long term than often the general opinion shows...

3. Quality of Board decision material:
 - Boards of state owned companies least satisfied...