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A key issue for the review, and one that I have been investigating is: what do the boards of 'winners' – companies that successfully adapt and grow - do differently from the boards of 'losers' – businesses that falter and fail?

The Centre for Competitiveness ([www.luton.ac.uk/cfc](http://www.luton.ac.uk/cfc)) works with directors to improve board and corporate performance. Our research teams examine why some companies succeed in winning business, building customer relationships, creating and exploiting know-how, managing change, etc., while other businesses stagnate. We compare the approaches of winners and losers to isolate the factors that account for the differing fortunes of winners and losers. Over 2,000 enterprises have participated in at least one investigation.

The critical success factors for competing and winning identified by the Centre are summarised in a new book: 'Transforming the Company, Manage Change, Compete and Win'\*. It suggests the corporate governance debate has done little to improve the contribution of many boards. If anything, attention has switched from building larger and better corporate cakes to applying the boardroom icing to existing cakes in recommended ways.

Corporate performance appears to depend upon what boards actually do and how their members behave – not upon whether they have a particular committee structure. Winning boards are distinguished by the attitudes, approaches, priorities and conduct of their members. Corporate governance arrangements are often a symptom rather than a cause of board effectiveness.

The relevance of NEDs depends upon whether or not they understand the relevant critical success factors for competing and winning. On the whole most of those currently being appointed NEDs of quoted companies appear to be drawn from an excessively narrow pool. They are 'nice people', pleasant, respectable, etc. but on the evidence of our investigations they seem to be - sadly -largely clueless. They are 'part of the problem'.

Board positions should not be used to supplement the incomes of the semi-retired. City courtiers need to be replaced by a new wave of contributors who are not distracted by trappings, spin and fads, but instinctively understand the factors that can make the difference between winning and losing.

Our evidence suggests that board effectiveness and the corporate performance of losers can be transformed by putting the required critical success factors for competing and winning in place. New winners often find that achieving success is actually easier and certainly more satisfying than their previous experience of managing the consequences of failure.