

Presenting to Boards & Communicating Complex Issues

September 15th, 2015

Hello

Chris Matthews - Sutherlands

- **Arthur Andersen**
- **Shandwick**
- **Hogarth**
- **Sutherlands / Peregrine**

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Board Documents	2
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The Problems	1

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Problems

Board communications have particular issues

Too Much

Board packs are on average 132 pages (Source: Pwc)

Regulated firms may have packs 1 foot thick

Too Little

Packs can be distributed only a few days ahead; the Board meeting itself may be short on time

Variability

The Board's knowledge of your subject can be patchy and include non-experts

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Problems

Complex communications have particular issues

Unfamiliar or Abstract

The subject matter may be unrelated to any frame of reference of the audience

Multiple Elements

Complex information may be lengthy, intricate, hard to absorb

Curse of Knowledge

Information in your head makes your explanation comprehensible to you, but inexplicably not so to others

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Board Documents

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Drafting Board Papers

- **Structure**
- **Technique**
- **Template**

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Structure

Show them the wood before you talk about the trees

- Do not force the reader to follow a chain of logic that leads to (an unknown) conclusion
- Start with summary
- Build from there in stages
- Appendices for detail

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Technique - Write “Short”

NB: Writing “short” is harder than writing “long”

- Simplify; find the core of what you propose to say (NB this is not about soundbites)

Finding the “core” is painful.
Clever people recognise the value of all the detail.

They see nuance, complexity and so they are tempted to linger there.

The tendency to gravitate towards complexity is perpetually at war with the need to prioritise.

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Technique - Write “Short”

NB: Writing “short” is harder than writing “long”

- **Simplify; find the core (not soundbites)**
- **Start by thinking about the “Headline” or “Moral” of the piece**

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- **Remove needless words; needless detail**

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- **Remove needless words; needless detail**

You have achieved perfection not when there is nothing left to add, but when there is nothing left to take away

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Suggested Template

If your firm does not have a standard template for Board papers, try this

Agenda #	Agenda Title	Paper Reference
Number	Name	Unique reference
Sponsor	Who's behind this	
Author	You	
Purpose of this paper	Decision? Update? Information?	
Summary	The most important bit!	
Background	Self-explanatory	
Issues	Self-explanatory	
Options	More than one way to skin a cat	
Recommendation	Say what you think	
Appendices	All the detail	
Note on other papers on this topic	In case the subject's come up before and Board members want to remind themselves of those papers	

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Exercise

Re-write "Little Red Riding Hood" for the Board



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Agenda #	Agenda Title	Paper Reference
1	Little Red Riding Hood	ABC 1
Sponsor	Brothers Grimm	
Author	Chris Matthews	
Purpose of this paper	Information	
Summary	L.R.R.H. disobeys mother's instruction to go directly through woods to granny; talks to wolf en route. Wolf goes ahead, eats granny, dresses as her to fool girl and is slain by passing woodsman, just in time.	
Background	L.R.R.H. taking basket of food to granny. Advised by mother not to stray or dawdle. Intercepted en-route by B.B.W. who elicits final destination. B.B.W. goes ahead, kills granny and disguises as her. Suspicious L.R.R.H interrogates B.B.W. but at point of max danger, woodsman saves her.	
Issues		
Options		
Recommendation	Do what your mother tells you	
Appendices		
Note on other papers on this topic		

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Complex Information	3

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The Curse of Knowledge

Take “as read” aspects of what you are trying to communicate, and so your explanations are incomprehensible

Curse of Knowledge

Meaning is obvious to the expert, but maybe not to the recipient

- › Drivers, take particular care at junctions, as you may not see cyclists coming up inside you
- › Hey fatso - get out of your car and onto a bike, to get fit and healthy
- › Please be a courteous cyclist; don't cycle on the pavement - use our nice new cycle lane instead



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Curse of Knowledge

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Techniques for communicating complex information

Use as many as is appropriate to your circumstances

- **Simplification**
- **Abstract to concrete**
- **Storytelling**
- **Surprise**
- **Interest**
- **Flow**
- **Design**

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Abstract to Concrete

You are trying to find common ground - something you and they both understand

- **Analogies**
- **Stories**
- **Make it “real”**

and common ground if you understand the people you are

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The changes to Lifetime Allowance and Annual Allowance may mean a number of senior staff with contributions accrued elsewhere, may have breached limits. Suggestion is we examine pension inputs to determine the extent of any exposure.

Directors may be facing 55% tax on part of their pensions, as a result of new legislation.

Suggest we look into it.



Storytelling is absolutely appropriate

Changing Individuals' Behaviour

Essential to effect change throughout an organisation, by changing every person's behaviour

Personal Conviction

- "I know what is expected of me and I agree with it"
- Clear articulation of corporate drivers of change:
 - Performance gap
 - Strategic shift
 - Untapped potential

Talent Development

- "I have the skills and competencies to behave in a new way"
- Have training and development programmes been altered to reflect the new skill set?

Organisational Alignment

- Have the formal and informal processes, policies and procedures been changed to reinforce desired behaviour?
- In particular, have the following been changed:
 - Targets / metrics
 - Incentives, rewards

Role Modelling

- "I see my leaders behaving in the new way"
- Have the formal leaders and informal opinion-leaders embraced the change?
- Are the leaders demonstrating a visible shift in their own behaviour?

Changing Individuals' Behaviour

Let me tell you about Amy...



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Antoine de Saint-Exupery:
How much can you leave out, before what you are saying loses its meaning

Changing Individuals' Behaviour

Let me tell you about...



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How to tell a story

- › **Start with what's already familiar or that they can relate to**
- › **Use vivid language and imagery**
- › **Keep it simple**
- › **Keep it short**
- › **Make it flow**

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Surprise

Not too much of a surprise, obviously....

- **Surprise grabs people's attention**
- **It gets them into "learning" mode**

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Interest

- **"Interest" is about piquing people's curiosity**
- **Curiosity retains attention**

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Flow

Make it easy to read or to follow

- **Dump Don't Facts**
- **Don't dump facts, but try to create a narrative out of them**
 - make it flow

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About Amy

How the techniques were used with the Amy **story**

- **Surprise**
- **Interest**
- **Simplification**
- **Abstract to concrete**
- **Flow**
- **Familiar**
- **Vivid**
- **Short**



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Design

- **Good design makes it easier to concentrate on what's in front of you**
- **And so makes it easier to read**

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Design

- **Reduce internal references (see point 3.5 in section 4a on page 23)***
- **Use of white space / break up text with photos, diagrams, etc**
- **Highlights and headings****
- **Use bullet points and lists**
- **Appendices for necessary but boring bits*****

*and footnotes

** especially multiple footnotes

*** because your eyes get tired jumping up and down the page and it breaks the flow of the document

Design

Planning for Auto Enrolment

Background

Once your Staging Date is reached, all eligible employees will have to be auto-enrolled into a suitable workplace pension arrangement and contributions paid on their behalf. All employees will be able to opt-in and opt-out, but if they do opt-out, you will have to re-enrol them every 3 years.

Assess your workforce

Identify your duties in relation to each of your workers. You will need to provide your employees with information, which will be identified by this assessment. In particular, you should find out whether you are likely to have an automatic enrolment duty, as this will require preparation.

You will be obliged to conform to auto-enrolment requirements from your 'Staging Date' which will depend on the number of employees on your PAYE payroll at 1 April 2012. You will be allowed to commence auto-enrolment ahead of the planned start date if you wish.

Identify who to automatically enrol

Employees who need to be automatically enrolled are called 'eligible jobholders.'

The location of the employer is not relevant when considering if a worker is an eligible jobholder. Neither is the worker's nationality nor the length of their stay in the UK. What is relevant is whether the employee is working, or ordinarily working, in the UK. When considering an employee's earnings, salary, overtime, commission, bonuses, sick pay, maternity, paternity and adoption pay need to be considered.

All employees aged between 22 and State Pension Age (SPA) will have to be auto-enrolled if they have earnings above a level known as the auto-enrolment threshold. The auto-enrolment threshold is to be reviewed annually and is currently aligned with the income tax personal allowance¹, though may not be in future years.

Consider eligibility

Workers aged between 16 and 22, and those who have attained SPA, but are under age 75, who have earnings above the auto-enrolment threshold may opt to become members of a Qualifying Scheme, requiring employer contributions.

Similarly any employee earning between the Qualifying Earnings threshold² and the auto-enrolment threshold will have the right to opt-in and receive an employer contribution.

Those aged between 16 and 75, but earning below the Qualifying Earnings threshold will also be able to demand membership of a pension scheme. However there will be no requirement for their employer to contribute.

The thresholds quoted above reflect the Government's original intentions, but are subject to confirmation.

¹ £9,440 for tax year 2013/14

² £5,668 for 2013/14

Design

Planning for Auto Enrolment

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Similarly any employee earning between the Qualifying Earnings threshold² and the auto-enrolment threshold will have the right to opt-in and receive an employer contribution.

Design

Planning for Auto Enrolment

Background

All eligible employees to be auto enrolled; contributions paid Once your Staging Date is reached, all eligible employees will have to be auto-enrolled into a suitable workplace pension arrangement and contributions paid on their behalf. All employees will be able to opt-in and opt-out, but if they do opt-out, you will have to re-enrol them every 3 years.

Assess your workforce

Establish if you have an automatic enrolment duty Identify your duties in relation to each of your workers. You will need to provide your employees with information, which will be identified by this assessment. In particular, you should find out whether you are likely to have an automatic enrolment duty, as this will require.

How many employees as at 1st April '12? You will be obliged to conform to auto-enrolment requirements from your 'Staging Date' which will depend on the number of employees on PAYE payroll at 1 April 2012.

Early start is allowed You will be allowed to commence auto-enrolment ahead of the planned start date if you wish.

Who to automatically enrol

Employees who need to be automatically enrolled are called 'eligible jobholders.'

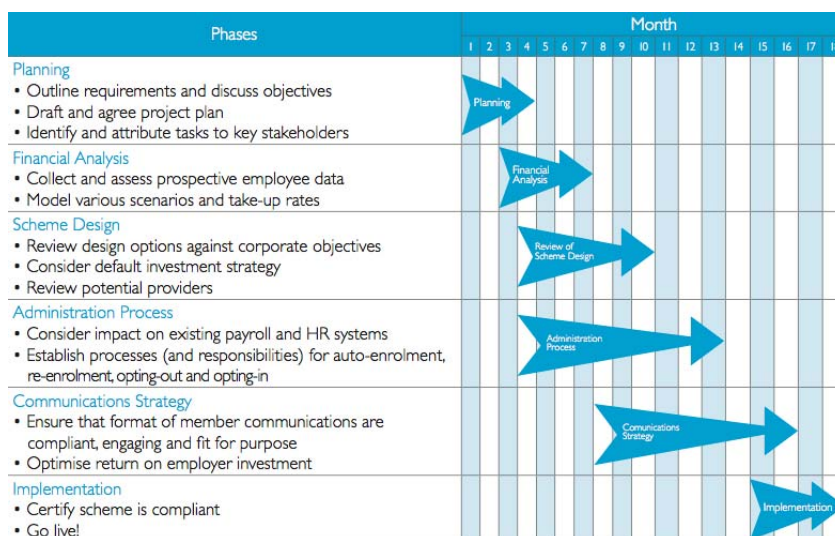
Employee nationality and location irrelevant The location of the employer is not relevant when considering if a is an jobholder. Neither is the worker's nationality nor the length of their stay in the UK.

Working or ordinarily working in UK is key criteria What is relevant is whether the employee is working, or ordinarily working, in the UK. When considering an employee's earnings, salary, overtime, commission, bonuses, sick pay, maternity, paternity and adoption pay need to be considered.

Employees age 22 - SPA auto-enrolled if earning >£9,440 All employees aged between 22 and State Pension Age (SPA) will have to be auto-enrolled if they have earnings above a level known as the auto-enrolment threshold. The auto-enrolment threshold is to be reviewed annually and is currently aligned with the income tax personal allowance, though may not be in future years.

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Main Section - Design



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**Explain to Marketing Director of company (a Pension Fund Trustee) how to calculate the fund deficit. Choose one from:
Actuarial valuation;
Accounting calculation;
Buyout calculation.**

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