



Take on Board

Transcript – Lauren Harrell

Helga Svendsen 0:00

Today on the Take on Board Podcast, I'm speaking to Lauren Harrell about getting on a board governance challenges and a great little process she has about lessons learned that might be applicable to some of the people listening and also some of the lessons she has learned from her lessons learned process. Lauren has served on a dozen advisory and nonprofit boards starting in her late 20s. She currently serves on an advisory board of a \$12 billion publicly traded bank, as well as one of the Philadelphia's region's largest health and human services agencies. She is a qualified financial expert who builds and scales complex businesses through technology development. Welcome to the Take on Board Podcast, Lauren.

Lauren Harrell 0:43

Thank you. So happy to be here.

Helga Svendsen 0:46

I should say we are recording this at the end of September. Lauren is in you're in Philadelphia, right? You, Lauren?

Lauren Harrell 0:52

Correct just outside of Philadelphia.

Helga Svendsen 0:55

Right. And I'm in Melbourne. So we are all still in a global pandemic. So as I think I've mentioned on this podcast previously, I don't always date my episodes. But given what's going on in the world at the moment, I think it's worthwhile doing it because it is part of the frame for the conversation, I guess. But Lauren, before we get into talking about your process for lessons learned, and some of the lessons you've learned from that, I would love to hear a little bit more about you. So can you tell me, what was your earliest experience of governance?

Lauren Harrell 1:28

Sure. So I joined my first board, when I was in my late 20s, I was asked by a family friend to get involved in an organisation that they were a part of that needed more financial oversight, and it really fit well, with my background and my skill set. And I ended up on the board. I was, you know, certainly one of the youngest members, if not the youngest member, and I believe I was one of the only females at the time on the board. And a couple months into this process, you know, having been there because I was asked to provide more financial oversight. I recall, we were going through some third party vendor to do some sort of a study. And I recall that we had given the executive director a budget that he was not allowed to exceed, and I will never forget, you know, again, this is one of my first experiences in the boardroom. I'm young. And I asked the difficult question and held the executive director accountable when he went over budget and didn't clear it with the organisation and get the board's approval first. And I will never forget sitting next to the executive director and having him lean over and give me this look. At this point I felt like oh my gosh, maybe I said something wrong. But you know, everybody else was thinking the same thing. But I actually had the courage to call them out on it in a very polite and collegial way. I was one of my first experiences in the boardroom was holding the ED accountable for overspending on a budget that was approved by the board.

Helga Svendsen 3:06

Wow. So that no doubt set you up for board roles of the future and asking those questions that are really important. And, you know, obviously, you've now really developed your board portfolio. And, Lauren, I know, as part of your board practice, I guess for one of a better word, you kind of have a bit of a reflective practice around lessons learned. So I would love to hear more about that. Because I think it's it would be a useful practice for other directors that might be listening. So if you can take us through that lessons learned practice that you have, and then maybe some of the lessons you have learned in recent times from your own reflective practice.

Lauren Harrell 3:43

Sure, absolutely. So I have a board journal for the lack of a better term. And you know, I'm not, I don't write confidential information or things like that. That could be you know, discovered, but I write down things like there was a situation I encountered, here's what the results were, how could I have contributed in a more constructive way? Or Was I a part of the problem rather than a part of the solution? And so I try really hard to remove myself as best as I can from a situation and really reflect on, well, how did this go? And was I really doing my job as a board member? Was there more that I could do? Are there questions that I should have asked, but I didn't. And so, at the start of COVID, I think, you know, maybe it's important context for the listeners. I serve on a variety of boards, from small community organisations to very large organisations with, you know, over 100 million from a budget standpoint, ranging in food distribution organisations, healthcare organisations, human service organisations, hospitals, and so I've seen a very interesting variety of response during the pandemic, and there's been a ton of lessons learned, I think. From a scale

standpoint, I've noticed that, and I know this probably goes without saying, but executive management and the talent you have in the organisation is so critical. And if you're coming into a crisis, and you had some cracks in the foundation to begin with, and you've recognized that, as a board, it is exacerbated tremendous amounts in sight of a crisis like this. And I really started to see in some of my organisations, really the pronouncement of you know, we really need some new leadership. And so that was really interesting to watch and things like scenario analysis or requesting additional information. Some organisations really struggled with that they were not able to produce the results that the scenario analysis that the board asked for, they had a really tough time envisioning what a new business model might look like. I mean, this was the ultimate disrupter. And in one of my organisations, the revenues completely went away. And so questions like, if we can't serve our mission, who are we and what do we become? And how do we stay relevant? We're still struggling with some of those questions today, it's very, very challenging, and very tough to pivot so quickly, from a business model standpoint, other organisations that have very strong executive leadership, they've been able to pivot very quickly. And the scenario analysis was very robust. executive management was very forthcoming with regards to the challenges that they saw very honest about we don't have all of the answers, but board members, were looking for your input here. And we're looking for partners in this process. But those are just kind of some of the ranges of things that I've seen, you know, in particular, with scenario analysis, I would say,

Helga Svendsen 6:54

A lot of our directors, a lot of boards, a lot of executive teams talking about scenario analysis at the moment, can you just take us through what that actually means? Because I think we hear that a lot. And it's an incredibly helpful tool for people to be using at the moment. Can you just take us through what it means?

Lauren Harrell 7:10

Sure, absolutely. So in one of my organisations, they were very thoughtful and detailed about how they approached it. And they actually used as a framework, a McKinsey article that came out, oh, gosh, I believe at the very early stages of pandemic and it had this grid that kind of showed, here's what we expect the economy to do, what's an L shape recovery, you know, a U shape recovery? And, you know, here's what the policy response looks like, here's what the local and national response looks like. Is it a resurgence? Or do we have you know, one hit of COVID, and then we kind of move on. And so there was this matrix of scenarios around that. And one was, I guess, for the lack of a better term, a best case scenario where, you know, strong public response or policy response, one time hit with COVID, no, two spikes in there. The recovery was a V shaped recovery, it was it was robust. So that was kind of the best case scenario. And then we had worst case scenarios. And then we had two kind of middle of the road scenarios that were specific to the organisation. And so what I thought was great that this board did is they were very thoughtful with that process. But then the board came in. And we were asked to provide feedback on the scenarios themselves. So questions came up, such as, Why were these the particular factors that you focused on versus some others? What didn't make this list and why the board's role was not to pick a scenario and say, we think it

will happen this way. It was more around if this scenario manifests itself, what is our response going to be? And so management pulled all of that forward and said, okay, in the worst case scenario, these are the four programs that we may want to consider shutting down and moving in a different direction. If the scenario is the best case scenario, here's what we expect our funding streams to do. And here's how it will impact programs. So it was a non emotional process. But we could see as a board, what levers management was going to Paul, depending on what scenario manifested itself, so I thought that process was really well done. They engage the board, I felt in the right way in seeking our input and asking very specific questions. So it didn't turn into a brainstorming session, which can be really challenging in normal times. But when you have no visibility and COVID, clearly is very disruptive. That brainstorming session would not have been constructive.

Helga Svendsen 9:47

And also so unpredictable in a way so you know, scenario planning is often around the unpredictable but when it's so completely unpredictable, brainstorming isn't particularly helpful.

Lauren Harrell 9:58

Agreed and the lesson that I learned there was to be very specific with our feedback as a board. And in future meetings, we provided feedback and said to the executive management, it was really helpful when you came to the table with two very specific questions and what you needed the feedback of the board. But I thought that was a really great practice that came out of that particular exercise.

Helga Svendsen 10:25

Fantastic. And I'll make sure I'll put a link to that McKinsey article in the show notes for people because I think that might be useful for people to have a look at as well.

Lauren Harrell 10:34

Absolutely. And maybe on the flip side, I saw using that same McKinsey article, I actually saw an organisation really struggle with this process. And, you know, part of it was, I think executive management was having a very difficult time envisioning what these scenarios could be. They were very reliant on the board to create and craft some of these scenarios, which I did not feel just my own personal opinion, didn't feel that that was the role of the board. I felt the role of the board at that time was to really pressure test, the scenarios that were created by management because they know the business better than the board members do. An executive management really struggled. And it was a combination of maybe talent in the organisation. And also, this particular organisation had a surge in services. So as some organisations were struggling with revenues and struggling, delivering services, staying open, staying relevant, this organisation was a food distribution

organisation, and the demand had almost doubled. And it was like Christmas day, every day at this organisation. So management was really pulled thin, the staff was pulled in, programs were being stressed. And then the board asked for the scenario analysis. And it was really tough to get management to focus on it. And I think there was kind of a breakdown there. So the lesson I learned there was to read the room a little bit better as a board member and try to empathize as best as you could with what was going on. You know, the staff was overworked volumes were high. Thankfully, a lot of money was coming in because of the donations and people wanting to help. But there was no time to focus on these things, which, you know, the board really struggled with, I mean, how much do you push management to really think so far ahead and do the scenario analysis versus having them focus on the here and now when volumes are so high, and they really need to be there for the staff and help make sure that the culture is doing well? The finances are good minded? It was it was a really tough challenge.

Helga Svendsen 12:47

Yeah. And it often is, isn't it around, you know, thinking about culture, and performance and accountability. And all of those things, the board is responsible for leading those things. And you know, the old saying the Tonys from the top around these things, but it's a finely tuned balance. In your reflection about that afterwards, you've said, you know, maybe a bit more empathy. Is there any other reflections you've got about keeping the balance right?

Lauren Harrell 13:15

I think something that has helped me in particular as a board member is I'm fairly close with the other board members, and I know, who are the individuals who will have an opposite viewpoint of me, and I tend to go to those people first. And so that's a practice that I've tried to continue. And it's been really beneficial. So I might be viewing things through certain lenses. I know what those lenses are, I've actually, you know, written down in one of my board journal posts, you know, what are the lenses that I look through, I have a risk management background, I have a financial statement, auditing background, I'm a woman, I'm a mum. So all of these things is how I view circumstances. And so I would like to go to somebody else who has a completely different set of lenses that they look through, because I'm confident that I'm missing some angle. I don't know, at all, none of the board members do. And so it's great to get the feedback and get the input from other people who just see things differently than I do. And so that's been something that has really been beneficial, especially with COVID is we are all experiencing, you know, the disruption on our lives, certainly, but we're looking at this as board members in different ways. So that's a practice in a lesson learned that I continue to do to this day.

Helga Svendsen 14:34

So again, it's an interesting reflection, and yet again, a kind of reinforcement, I guess, in a way of how important diversity in the boardroom is.

Lauren Harrell 14:42

100%

Helga Svendsen 14:44

I think I had a what you you've spoken to board members outside the boardroom, which I think is a great way we hear it consistently from people who are on this podcast about building those relationships, keeping those relationships, the offline conversations. I mean offline in the old way about having conversations outside the boardroom rather than non virtual. How does that play out in the boardroom?

Lauren Harrell 15:08

It's interesting. I think that you know, at least the individuals that I've worked with, and I've been so fortunate to work with so many fantastic board members. I think we all recognize when we get into the boardroom, I wouldn't call it overly formal, because I don't believe any of the boards that I'm on are so strictly formal. But there is a respect for the boardroom process, I would say. And I think that it manifests itself in that way where we're, we all realize that we're friendly outside of the boardroom. But we know when we get to that table, we'll understand what our focus needs to be and what our role is. And so, because we know each other, so well, I know that I can kick it across the table to somebody who is going to be a dissenting opinion at the table. And we all know that that's okay. And I think that's really important that we don't, because we know, folks, so well, it's not taken personally, it's you representing your diverse perspective. And that's why we have diverse people at the table. You know, I think it works out really well.

Helga Svendsen 16:12

So we've talked about talent, we've talked about scenario planning, we've even talked about diversity in the boardroom, for this period, or indeed, from your practice of lessons learned. Are there any other themes that have arisen that you can share with the take on board community?

Lauren Harrell 16:29

Oh, gosh, I would say that, you know, one of my organisation's coming into the crisis was, you know, more community based organisation, and we had a brand new executive director, just finding their footing. And they were starting out right at the beginning of COVID. And one of the lessons learned from that was how important CEO or Executive Director onboarding is, and getting that individual up to speed, developing those great relationships with board members and board members knowing what their role is. So what ended up happening with the smaller organisation, which is really

interesting, because we had a new executive director, and you know, board members want to help right? Especially a nonprofit organisations, you have a heart for the mission, you all want to roll up your sleeves, sometimes it can lead to board members being a little more into the weeds a little more operational than is maybe required for the role. However, because you're bringing in a new executive director, you're trying to kind of envelop them with what the history of the organisation is how we're trying to move forward, the vision, and then COVID hits, right, though the process of board members stepping out and allowing the executive director to more fully own their role. It wasn't a transition that happened as quickly as maybe I would have liked to see. So my reflections were and my lessons learned would be, you know, making sure that there is a very clear cut onboarding plan for an executive director, crisis or otherwise. And really try as best as you can to stick to that and know when board members or the executive committee needs to take a step back and let the executive director take over because the blinding of those two can create some real issues. And so I would say that that's a big lesson learned from a CEO, Executive Director transition that was recent.

Helga Svendsen 18:33

And in that you talking about the onboarding process? Can you just take us through what the steps for that? Ah, because again, I think that would be valuable for others that are listening about what your experience or framework might be for that onboarding?

Lauren Harrell 18:47

Sure, in an ideal world, where there's no COVID, you would hope to review strategic plans, you would hope to obviously go through finances, understand what roles the employees have, make sure that they are still performing the roles that they need to perform. Taking a look at what the vision of the organisation is, do you need to change a name? Do you need to rebrand? Do you need to do other things because the CEO heralds a new era of the organisation that could be so you have those types of things that could land on, you know, a 1-3-6 month type of a time horizon. And so where we were at in the process was really trying to get, you know, employee roles defined, getting review processes down metrics and board reporting, the executive director understanding kind of the strengths of the board who had what skill sets, understanding the committee structure and how the board operated. So that's kind of where we were at when COVID hit. Obviously, it would have been great to finish the strategic plan to talk about rebranding, talk about our position in the community or, you know, diversifying our revenue streams, things of that nature. And we did, it just happened all at once. So it wasn't as well planned out as we had hoped, but necessity is the mother of invention. And you know, the organisation certainly came up with some very creative ways to move forward and stay relevant during the crisis.

Helga Svendsen 20:27

It's an interesting period, I think, being in a crisis, whatever that crisis might be, at the moment, it's COVID. But it does really bring around a whole range of innovation and creativity around things. And, you know, sometimes it would be nice to just have business as usual, and not have to be as creative and as innovative as we need to be. But also, sometimes it brings around some really interesting different ways of doing things that are helpful into the future, haven't been any of those things that you've observed in any of your boards?

Lauren Harrell 20:56

So I would say it's, it kind of rhymes with maybe what we're seeing in the virtual environment where you have an organisation that has relied on ticket sales, being in person doing big events, whether it's galas or beer fests or something of that nature, you just can't do those things anymore. And so how do you? How do you still get revenue in the door? And so, you know, this organisation changed one of their outdoor venues to be a virtual event. And they're really trying to leverage social media, which has been fantastic, you know, we have a specific, dedicated hashtag, and we're encouraging people to partake, but in a different way, this type of an event, but do it in their backyard. So we're encouraging people to share with us what your backyard brew fest stories are, what recipes are you making? Are you do you have friends over? Where are you in your in your beer tasting? Are you doing this? Or are you doing that, you know, post on social media. And I think that we're getting a lot of momentum for things like one of the other organisations that I'm with, they do a house tour around the county, every single year, and this year was the 80th year, and so they're calling it the 79 and a half year anniversary. So I think they're gonna, they're gonna punt to next year to do the ATF. But what they've done is they've gone around and videotaped the homes, they've created these great narratives, they've done these slideshows, they've given you menus from some of the restaurants that normally cater these events, and they've made it this whole month long virtual experience. And every week, you get something in your inbox, you can virtually tour the county, through this whole process. And so stuff like that, I think has been has been really creative, I've enjoyed it, definitely looking forward to having more, you know, quote, normal events in the future. But it's, it's been interesting to see how people have taken these events and really turn them into a meaningful virtual experience, which I would have never thought would be possible. But you know, here we find ourselves doing it, you know, pretty frequently now,

Helga Svendsen 22:59

I just had a one of my events this morning, which is now a virtual event. And it's fascinating now that some of one of the guests there gave me feedback that, you know, she's in a regional area, and now gets to participate in these events, people from interstate from overseas, even this conversation that you and I are having, we still probably would have been introduced in a pre COVID world, but it just people are so much more open to having it from one side of the world to the other in this environment where we're all so much more used to the virtual platforms that we are using, literally every day.

Lauren Harrell 23:37

Every day. And I have to say, you know, for me, personally, you know, when you're talking about getting onto a board, and you know, the common over and over emphasis is network, cultivate relationships. And personally speaking, this has been some of the richest relationship building I think I've ever had in my professional career. And there is a leveling, that's kind of happened as we're not all in the same boat. We're in different boats, but we're floating in the same ocean, right? Some of us are in row boats, and we're just trying to, you know, bail out water. Some of us are in luxury cruise liners, but, you know, we all have this experience, and we can talk about it, and it's lowered some of the formalities. I can ask people, you know, how are your parents doing? How are your kids doing? How is school going, and you're relating to people on such a deeper level. And I think that I hope that this type of networking and relationship building really kind of carries forward I just think that it's just allowed for much richer conversations. And most of the time, we're not talking about board stuff. I could be talking to a fortune 100 director, I might talk with them five minutes about what they're doing in the boardroom, asking them what their lessons learned are, but then we're talking about other things and hopefully they're getting a good sense or a good feeling from that conversation and getting to learn about who I am as a person, what I bring to the table from a soft skill standpoint, and then I'm learning about them and what's important to them and how I can be of use to them in the future.

Helga Svendsen 25:11

Absolutely. I mean, anybody who knows is listened to this podcast and been to my events, people know that networks and connections are very dear to me and to building those with others and building that community. And likewise, on one of the boards that I'm on, our board had a conversation recently about missing that interaction with the executive members that we get before and after meetings. So we decided that if there was an opportunity to ring one of the members of the exact rather than just emailing, we would do that. So I did that the other day, I had a very simple question that could have easily been emailed, but I chose to pick up the phone. And because everyone's at home in the moment, I'm working from home, I'm like, where are you? And it turns out that she and I grew up in a similar area. So we had this whole conversation about that, which we never would have had in a hallway in the workplace. So it does give an opportunity for some of those deeper connections.

Lauren Harrell 26:05

Absolutely. And I find myself asking, do you want to do a call or a zoom, because I'm trying to be sensitive, because we're all on zoom all day long, or whatever platform you're using to do video chat. And I'm finding that a lot of folks are opting for the video chat. And you know, you're right, something that could have been an email, I'm asking people, hey, do you want to just hop on a video chat for maybe five or 10 minutes, and it turns into something a little longer, but at least you're getting to see the person you're getting to engage and connect. And it's, it's been really great,

actually, I mean, some of my organisations are over an hour away. And so I've now gotten so much more time back in my schedule, which is great. And it's allowing for connections with other individuals even more.

Helga Svendsen 26:49

Yeah, that's right. It frees up the time. Oh, Lauren, so many useful tips in here. And we've traversed a number of things. What are the main points you want people to take away from the conversation that we've had today?

Lauren Harrell 27:04

So while we didn't necessarily touch as much on like a board journey, but I'm very passionate about, you know, I mentioned I started in my, in my 20s, I've been doing this for a little over 10 years, by most accounts, I would be considered a younger director. And I would encourage people to start early, it has been so great to have these parallel paths with my career and the boardroom, because one has really informed the other and vice versa. And I find that I'm a better board member because of my operating role. And I'm a better employee, because of my board roles. And so I would encourage folks to just don't wait, I think that it can take longer than you think. And building those relationships over several years. And cultivating that is really critical. The worst time to work for a job is when you need a job. Same thing with a board role, the horizon needs to be very long. And so I've given myself a really long runway. So I would encourage folks, if even if you're just kind of thinking about dipping your toe in, start the process, start the research, really get engaged with the board ecosystem, and start developing what a plan might look like to eventually be in the board room. So that's, that's one big thing that I'm passionate about personally. And then I think, maybe to harken back to an original or, you know, one of the first stories that I shared, is try to be courageous in the boardroom and ask the questions that might be on everybody else's mind. But folks might not speak up. It's okay to speak up. And I learned that really early on. And yeah, it was uncomfortable. And yes, I was not the most popular kid at the table, certainly by the executive directors are probably by my own admission. But it needed to be said and you know, people were thankful that I had brought it up. That's something that I would encourage folks to cling on to as well as ask those tough questions. And it might be a little cliché, but I think that that's really important to do.

Helga Svendsen 29:07

Is the results you would like to share with the take on board community?

Lauren Harrell 29:11

Oh my gosh, do you have 10 hours, I am a huge resource geek. I probably have a listing of maybe 20 different podcasts that I listened to. I'll narrow it down to one for the audience. There's one called

business wars that I absolutely love. And it's it takes two businesses, like Netflix and blockbuster. And it kind of compares and contrast them. One that I listened to was Ferrari versus Lamborghini. And it was so interesting to hear how the businesses competed with one another. How the CEOs managed businesses. Oh, you know, one would be in first and then the other one would be in first. Just a real fascinating story of how businesses kind of compete and progress and grow. I would definitely check that one out.

Helga Svendsen 29:55

That's a really good, fantastic, I'll make sure I put a link to that in the show notes as well and Of course, to the McKenzie article that we referred to earlier. Oh, Lauren, fantastic. Thank you so much for being here today. I know it's getting late. At your end. It's only the middle of the day over here, but I know it's getting late at your end. So thank you so much for staying up late to record this conversation for the Take on Board community. I know people will get a huge amount out of it today. So thank you for being here with us.

Lauren Harrell 30:23

Thank you so much for having me. It was a pleasure.