





**As an experienced board member, why do you think oversight of technology has become top-of-mind for boards?**

There are a number of reasons for this. With the exponential growth of technology and tools that are available and the use of data analytics driving more business decisions than ever before, companies need to become digitally savvy and agile to compete. Therefore, one of the biggest reasons is the reality—and fear—of disruption. It permeates many board discussions these days, and there is a great and growing realization that if your company is not accelerating the use of technology and data as part of business strategy, it may well be disrupted.

**How do you define “tech-savvy” as applied to boards of directors?**

I believe there are two main components. First, to be tech-savvy, a director needs to have at least a basic level of tech literacy. For example, he or she needs to know the terms and concepts that comprise technology today, such as AI, blockchain, and the cloud. But the second component is equally or possibly more important—it's being educable and receptive to learning about and immersing yourself in a new area. And a major part of being educable and receptive is asking questions. It may seem elementary that directors need to ask questions, but it's particularly important in technology. A director may be reluctant to ask questions on a topic on which he or she is inexperienced, but it's critical to overcome that reluctance.

There are plenty of ways to achieve an understanding of the new technologies and tools that are out there, with all the publications, news stories, books, forums, etc. that are all talking about it. You can always take a class at your local college or technical school. Attending the annual Consumer Electronics Show (CES) is another great (and enjoyable) way to get exposure to all the ways in which technology is being used to change how we do things.

**In considering whether a board is tech-savvy, do you look for particular types of experiences or skill sets, certain “attitudinal” traits, or specified demographics?**

At the risk of stating the obvious, it can be very helpful to have a board member or two with a strong technology background. However, when people hear that phrase, they may tend to think you're referring to a CEO of a tech company or a CIO. In my view, that's too limiting; there are many industries, as well as areas of government service such as the military, where people gain great experience in dealing with a broad range of technologies and the use of “big data” to drive business in large, complex organizations all the way down to small, innovative start-ups.

As for attitudes or traits, aside from being receptive and educable, a tech-savvy director needs to be prepared to question the status quo. Another trait is being willing and prepared to keep current

with the exponential pace at which things are changing. By the way, that's not limited to technology; corporate culture is another area where questioning the status quo and keeping on top of a constantly changing environment is critical. A related trait is an ability to think out of the box; once you question the status quo, can you come up with new solutions, or new ways of developing solutions, to the challenges you learn about from your questions?

**How do you think boards in general (i.e., not just those on which you serve) are doing when it comes to being tech-savvy?**

Based on what I've seen, not very well. I recently saw the results of a survey in which just over 50% of the board members surveyed said they had adequate technology backgrounds on their board. That's not great. I've heard that some companies are increasing the size of their boards to make room for directors who are tech-savvy or have other needed skill sets. (Anecdotally, some boards are doing this to add some diversity as well.) I guess that's fine, but there's a limit to how much you can increase board size, so that approach doesn't seem like a long-term solution.

**What do you recommend boards consider doing over the longer term to become more adept at dealing with matters of technology?**

I believe there are quite a few things that a board can do in this area. First, though it sounds simple, an important step is to see to it that your agendas provide adequate time to discuss and consider technology matters, including how technology is being used to make business decisions both on day-to-day matters as well as for longer term strategy. If you don't make time for it, you're likely to keep putting it off until it's too late. Moreover, for many companies, technology is a key component of strategy—perhaps a major or the sole component of strategy—so if you're not talking about it at every meeting, you're probably not talking about it enough.

A second step is to challenge management, particularly if it is not bringing technology matters to the board. It's perfectly all right for a board to say “show us what you're doing with technology.”

Third—and, again, it may sound simple—is to ask the same kinds of questions that are asked in other areas: What resources do we have? Are they adequate? How much are we spending and what are we spending it on? Are they the right areas? These and similar questions can elicit important information from management that the board might otherwise not get.

Another responsibility is on the board members themselves. Specifically, you need to educate yourself. Even if you've “mastered” technology at one company, every company is different, so you may not be able to apply what you learned at one company to other companies on whose boards you serve. By the way—you can't ➔





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