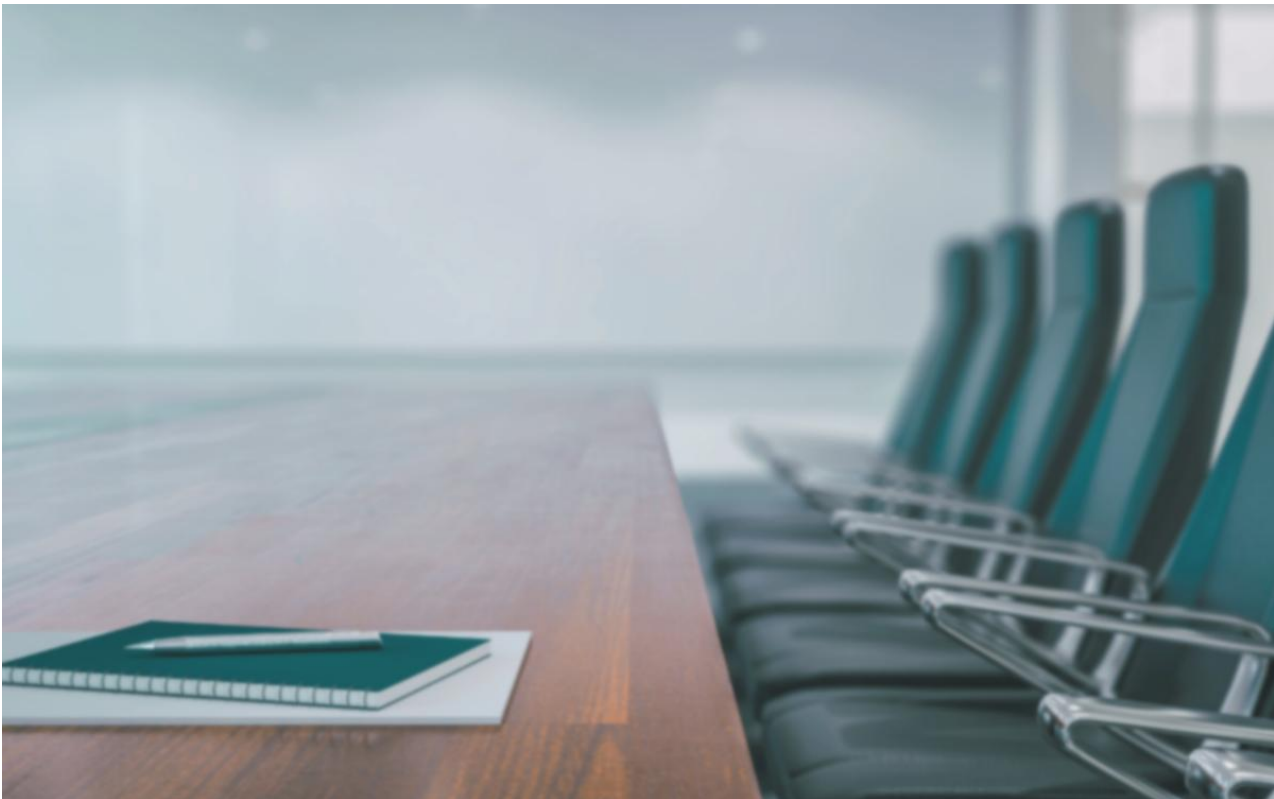


Raising the Quality of Board Decisions

From Formal Governance to Governance That Truly Drives Decisions

By Ilaria Bertizzolo, Laura Fabbro, and Raffaella Rao, May 2026



Introduction

In an era of structural disruption, effective governance is no longer defined by compliance or composition alone. It is measured by a board's ability to transform expertise and information into clear strategic direction.

Having the right profiles around the table is necessary but no longer sufficient. What differentiates high performing boards today is how capabilities are activated, connected and mobilised to shape decisions. This is where many boards are now being called to make a decisive step change towards a new level of maturity.

Governance at the Strategic Interface

A central governance question has returned to the forefront: How can the board influence strategy without blurring roles?

As complexity increases – driven by regulatory pressure, geopolitical volatility and rapidly evolving business models – the interaction between board and management becomes a critical success factor. It is in this “interface zone”, where oversight meets execution, that governance quality becomes tangible and consequential.

This is no longer an abstract debate. Decision-making timeframes are compressing, while the cost of error continues to rise.

“Governance quality is revealed where strategic direction and execution meet.”

Two Forces Reshaping Board Decision-Making

Two converging dynamics are fundamentally reshaping the board agenda, making the balance even more demanding:

1. Geopolitical Instability

Fragmented value chains, renewed protectionism and regulation increasingly used as a competitive lever are forcing companies — and boards — to rethink their strategic assumptions. International equilibrium is no longer a given; it is a variable.

2. Technological Acceleration Driven by AI

Artificial intelligence is reshaping markets and processes, shortening decision cycles and expanding risk exposure — across data, models, compliance and reputation. The challenge is

not to chase headlines or predict events, but to detect weak signals, understand their systemic implications and steer long-term choices under conditions of structural uncertainty.

Geopolitical risk is now perceived as a structural, rather than episodic, factor; the ability to respond to systemic shocks and to establish robust safeguards in the digital and cyber-security domains has become critical, starting from the highest degree of governance oversight.

Raising the Quality of Decisions

In this context, boards are increasingly expected to elevate decision quality, not replace management judgement.

This means:

- Asking better, more strategically relevant questions
- Connecting geopolitical and technological shifts to strategic risk and industrial priorities
- Supporting management in navigating disruption without stepping into execution

Geopolitical and technological competence should not be understood as operational expertise or narrow specialisation. They are interpretative lenses — essential to informed strategic direction.

“Expertise creates value only when it is translated into guidance and challenge — never into execution.”

From Competence to Contribution

This shift places board competencies and their actual deployment at the centre of governance effectiveness.

Expertise generates value only when it strengthens strategic dialogue with management. Boards create value when they:

- Use their capabilities to frame choices
- Challenge assumptions constructively
- Preserve a clear division of roles while enhancing decision quality

This balance is where many boards struggle. Expectations for engaged, competent directors continue to rise, yet the boundary with management must be carefully protected, particularly when uncertainty calls for deeper involvement.

In complex environments, unclear role alignment weakens both sides:

- Management loses clarity over its decision perimeter
- The board risks losing its long-term, systemic perspective.

Governance Is Not a Matter of Form

The distinction between governance and execution is not a formal constraint. It is a practical condition for better decisions within a relationship built on collaboration and role complementarity.

Boards do not need to be repositories of cutting-edge technical expertise. Their role is to exercise high-level leadership, encouraging management to maintain a constant, strategically relevant dialogue on business and technology evolution.

This is why investors increasingly look beyond skills matrices. They scrutinise:

- The quality of information flows
- Induction and learning processes designed to close the gap between the governing body and the strategic evolution of the business.

Rethinking the Board Review

In this environment, board reviews must evolve.

It is no longer enough to confirm that competencies “exist”. The decisive question is how those competencies are activated in board work and how they integrate with management capabilities.

A meaningful board review does not encourage directors to intervene more. Instead, it helps the board clarify its distinctive contribution:

- Is the board providing genuine strategic guidance?
- Are complex competencies being used to shape choices without entering operations?
- Does management operate with a clear mandate and shared decision boundaries?

When this balance is clear, board competencies become a true value multiplier — not tools for intervention, but frameworks to interpret strategy, evaluate alternatives, anticipate systemic risks and strengthen organisational resilience.

“An effective board review is a tool for role realignment, not a checklist exercise.”

Governance Effectiveness Is Contextual

This perspective goes beyond the idea of a standardised board review. Effectiveness depends on reading the board’s context and moment:

- Management maturity
- Phase of the mandate
- Strategic priorities
- Exposure to geopolitical and technological dynamics

In some cases, the focus is on competence adequacy. In others, on how competencies are embedded in board work. In others still, on the quality of the boundary between guidance and execution. Board review becomes a tool for role realignment, not a checklist exercise.

This is where governance moves from form to substance — and from oversight to strategic impact.

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