

Corporate Secretaries: How to Get the Most from Your Third- Party Board Review



The corporate secretary¹ can be a subtle powerhouse in helping boards get the most from their annual self-evaluation, particularly when it includes an outside adviser. From helping plan the assessment, to ensuring it is delivered with impact and assisting the board with follow-up action, the corporate secretary plays an outsized role in successful board reviews.

Boards are increasingly turning to outside advisers to conduct their annual assessments. According to the *U.S. Spencer Stuart Board Index*, 28 percent of S&P 500 boards in 2024 reported engaging an independent third party for their evaluation processes, a substantial rise from 9 percent five years earlier. Boards' actual use of outside advisers is likely even higher, given that disclosures of their use are voluntary, and many boards retain an outside adviser every other or every third year. The use of advisers for board evaluation is likely a third or more of the S&P 500 and continues to rise.

The corporate secretary often plays a pivotal role in working with outside advisers. Yet little practical advice is available on how best to do so. Drawing on insights gained from working with hundreds of corporate secretaries, we've compiled best practices and practical tips to help you help your board achieve a great outcome.

¹ We use the term "corporate secretary" throughout to refer to the member of the legal function who works most closely with the board. In practice, this individual may be the general counsel, chief legal officer, corporate secretary or other legal executive.

Before the assessment

Design a more meaningful review

The corporate secretary can support the board, likely via the nominating and governance committee, in designing a more effective process tailored to the specific needs of the board. Too often, the committee and corporate secretary default to what was done in the past — and what was done in the past may not have been all that substantive.

The most effective reviews are shaped by three questions: What do we need from the board evaluation going forward? What is the best approach to achieve that? Who is best suited to lead it?

The responses to these questions can help shape a more effective evaluation that prioritizes specific dimensions of board performance, such as:

- » Board composition and skills needed in the future
- » Meeting effectiveness and quality of board dialogue
- » Strategic alignment and decision-making processes
- » Board oversight of capital allocation decisions
- » A strong and healthy relationship with management

By engaging with the board or committee chair ahead of time and soliciting input on relevant topics for their assessment, you can ensure that the board gets the most of the review. In fact, many companies create an annual agenda item for nominating and governance committees to discuss potential topics for the self-assessment as well as whether to use an external adviser.

Select the right adviser

Typically, the nominating and governance committee reviews potential advisers and either makes a recommendation to the board on which to engage or engages the adviser directly. While many firms and individuals may offer these services, few have the depth of experience and specialized focus that most boards expect. Further, the interpersonal dynamics with the advisory team leader can enhance or constrain the success of the project.

You can support the committee in making the right choice by doing the following:

- » **Provide suggestions.** As corporate secretary, you are likely familiar with potential advisers and can solicit input from peers at other companies to understand their strengths and weaknesses. You also can remind committee members who the board has had good experience with in the past. Ultimately, your goal should be to recommend one or two advisers representing the best fit with the board's needs.

- » **Assess proposals.** You can ensure the committee gains a thorough understanding of the experience and capability of potential advisers through questions such as: How many engagements of this type have they completed in your region in the last two years? Who will be the project lead and what role will that individual play in interviewing directors and writing the report? What other work does that individual do? Is she or he also dedicated to this type of work or also providing other unrelated client services?
- » **Check references.** Ask for and check the boardroom references of potential advisers. Advisers may not be able to identify all their clients for confidentiality reasons, but they should provide the names of individuals who they have worked with recently on similar engagements.
- » **Accelerate decision-making.** The board ultimately selects its own adviser, but you can help clarify options and accelerate decision-making by sharing your views on which advisory team is both most qualified and demonstrates the right interpersonal skills for your board.

During the assessment

Define roles

The corporate secretary is often responsible for initiating the engagement, while a designated board leader, typically the board chair or nominating and governance committee chair, maintains close communication with the advisory team leader during the engagement. This board/committee leader(s) provides essential context, including the current dynamics of the board, desired outcomes and any critical issues the consultant should be aware of. The corporate secretary largely focuses on operational aspects, such as processes, timelines and deliverables, although some may also advise on context and board dynamics.

Create and stick to a project plan

Working closely with the adviser and nominating and governance committee, you can ensure there is a detailed project plan that outlines the timeline, key milestones and deliverables. The plan should include relevant touch-points throughout the process, allowing for regular updates and feedback. The corporate secretary typically asks the advisory team to draft this document, which all parties should agree to and stick with.

Leverage the adviser's expertise

Another way you can enhance the review process is by ensuring the board utilizes the extensive experience of the board adviser. The adviser has likely conducted dozens of similar evaluations and has useful insights about best practices and methodologies, including the use of online surveys, one-on-one interviews and individual director reviews. While the board may want to preserve some elements of its prior assessment process, the introduction of an external adviser can be an appropriate time to try a novel or alternative approach. The adviser can provide valuable guidance on the nuances of differing approaches to elicit constructive feedback.



After the assessment

Follow up on recommendations

Corporate secretaries also play an important role in helping the board create an action plan based on the recommendations from the consultant — and ensuring it's carried out. Establishing a timeline to revisit the outcomes of the self-evaluation periodically throughout the year can help keep the board on track. For instance, scheduling a check-in meeting with the nominating and governance committee and external adviser can help maintain accountability and focus.

Reflect and improve

After the evaluation process concludes, make sure to debrief with the advisory team and board leaders. What worked well and what could be improved in future evaluations? Reflecting on the efficacy of the review helps reinforce best practices for future engagements and strengthens your role. It can also serve as helpful input into recommendations for the nominating and governance committee around when to engage an adviser again; for example, the most common timing among our clients is every other year or every third year.



Effective collaboration between the corporate secretary, nominating and governance committee, and a third-party consultant can significantly enhance the board's annual self-evaluation. By establishing strong communication, adhering to a clear project plan, leveraging expertise and fostering an open environment for feedback, you can elevate your influence and stature with the board and help the board get the maximum benefit from its annual self-evaluation.





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