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DATA, DISRUPTION, AND THE BOARDROOM

SIX ESSENTIAL MOVES FOR BOARDS

boardspan

Data, Disruption, and the Boardroom

6 Key Insights

What does it take for boards to lead effectively in an era defined by data abundance, rapid disruption, and AI-driven decision-making? In a thought-provoking conversation with David Kenny, Executive Chairman of Nielsen, we explored that question in depth. Among the many insights that emerged, the six takeaways below provide a clear starting point for boardroom dialogue, particularly as directors consider how to apply sound judgment in a landscape where established standards don't yet exist.

1. Trust in Data Begins with Accuracy

Effective decision-making hinges on the validity and reliability of data. Stock prices, while driven by supply and demand, presume that accounting standards consistent with GAAP are applied, allowing investors to trust financial reporting. Data needs its own set of "Generally Accepted Trust Principles" to ensure the quality of the information being used to drive judgements. Absent a formal GATP that is embraced broadly, directors may want to identify consistent standards within their own organizations so that data comparisons are objective, trustworthy, and help create strategic insights.

2. Measure What Matters Most for Long-Term Value Creation

Boards rightfully pay attention to TSR although without context, the statistics can quickly become inconsequential. Looking at results on a relative basis, i.e. compared to a benchmark, index, or prior performance, often yields more meaningful insights. Further, focusing on a broader set of performance indicators – like market share, customer satisfaction, employee turnover, and other core indicators of success and health typically sheds light on foundational performance. In the spirit of creating long-term value that can be sustained, metrics that reflect on generational change and future-focused business evolution can be invaluable.

3. Velocity Matters Way More Than Speed

In fast-moving environments, it's tempting to equate high-volume activity with progress. Speed without clear direction, however, can lead to missteps, wasted resources, or missed opportunities. Velocity, which entails moving at a measurable pace toward a clear destination, empowers a more strategic approach to any activity. It's not how fast an initiative moves; rather, it's about turning motion into measurable progress and meaningful outcomes. As boards support and challenge the pace of change that management drives, distinguishing impact is core to value creation.

4. Tie Each AI Initiative to Real Business Outcomes

When curiosity gets the best of us, AI initiatives can quickly turn into science experiments without clear objectives. Linking every significant AI undertaking to a measurable business objective helps ensure relevance and return. What productivity gain are we aiming for in a given project? What revenue lift, operational efficiency, or customer benefit are we hoping to achieve? What metrics will show us whether an approach is working? If those answers aren't clear, it may point to a need for sharper strategic framing. AI can be transformative, but like any tool, it needs purpose and measurement to be effective.

5. Reasoning Models Are the Real Shift in AI - It's Time to Engage

Large language models (LLMs), the much-discussed technology of AI, are powerful predictive tools. What's driving them, and evolving especially rapidly, are new reasoning models like abductive, analogic, and probabilistic approaches. These methods go beyond pattern recognition to propose solutions, evaluate trade-offs, and even take action. New reasoning models are not just improving workflows—they're redefining what's possible in innovation, insight, and impact.

While having a high-level understanding of the core technology helps (go ahead, ask AI to explain reasoning models to you), one needn't be the AI guru in the room to ask questions that matter: Where across the organization is AI informing or influencing strategic decisions? What kind of reasoning is being used here? How are we verifying the outputs? What controls are in place to address bias or model drift? Closely tied to governance, conversations around topics like these are quickly becoming core to board accountability.

6. To Be a Lifelong Contributor, Be a Lifelong Learner

While experience is incredibly valuable, it's not infallible. Pattern recognition still has its place in boardrooms, although it's important to recognize that new data, new uses, and new market needs could easily serve up new patterns. Effective governance means that ongoing learning, evolving situational awareness, and a willingness to challenge legacy assumptions are not only appropriate – they're also necessary.

When it comes to trusting data, AI, and the many ways to leverage new insights, the future remains bright. The advice we're taking away:

"The sooner we all understand how it's supposed to work, the better. Don't try to fake it. There's no time like the present to lean into it and stay engaged, lest you fall behind."

We welcome your perspective, questions, and any thoughts on your mind.
Please contact us at info@boardspan.com.