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# GOVERNANCE IN A TIME OF TURMOIL

SIX ESSENTIAL MOVES FOR BOARDS



# Governance In a Time of Turmoil

## Takeaways From Globalist Michèle Flournoy

Following our recent conversation with globalist Michèle Flournoy about geopolitics, cross-border risk, evolving policy and related topics, we've distilled six key takeaways to capture her many insights. We hope this serves as a practical guide for directors confronting the complexities experienced by boards across all sectors today.

### 1. Be Clear on Your Non-Negotiables

Boards might consider working together to reiterate what is non-negotiable to their organization—the principles that hold firm, no matter the pressure. Clarity here serves as a guidepost in turbulent times. Employees, investors, and other stakeholders are watching: Are you staying true to your mission and values, and how do you resist bending should you feel pressure from external forces?

### 2. Geopolitical Risks: Beyond Borders, Beyond Business as Usual

Geopolitical shifts present threats of all sorts: they can instantly reshape supply chains, access to capital, and market risks. They can even affect reputations and well-cemented partnerships. For example, the lesson from recent weeks is clear: doing business in or with Canada, Mexico and China presents a very different risk profile now than it did just one month ago.

Facing ongoing unpredictability, boards will be:

- Thinking about security in all of its forms. Workforce stability, brand reputation, and business continuity are just as vulnerable as supply chains.
- Tracking US-EU relations closely. A fractured alliance could weaken export controls and shift market power to European and Asian competitors in markets previously served by American companies.
- Recognizing shifting alliances. Global players are reassessing partnerships—some doubling down on US ties, others hedging bets and investing elsewhere, which could shift market dynamics and create competitive disadvantage.

### 3. Risk Mitigation: From Reactive to Proactive

In a world of heightened uncertainty, the best companies are shifting from a respond-as-needed approach to proactive risk mitigation. That requires:

- Better intelligence. Forecasting emerging risks on their own is challenging for most companies. Seeking external analysis and advisory support can provide critical insights before a risk is encountered.
- Robust, agile risk management. Can your organization acknowledge and triage risks efficiently? Can it handle multiple risks at once? Are decision-making processes clear, well-practiced, and understood at all levels?
- Scenario-based testing. The best-prepared companies don't just talk about risk—they rehearse it. Tabletop exercises at both the leadership and board levels help expose vulnerabilities, refine contingency plans, and ensure key decision-makers can act swiftly under pressure.

In short: Test your readiness now, so you're not scrambling when the stakes are real.

#### 4. Every Action Has Consequences. And Secondary Consequences. And Unintended Consequences

Major shifts rarely happen in isolation. When something moves, something else reacts—sometimes in unexpected ways. Boards and management teams will want to think beyond the first-order effects.

When planning a major change, you already ask “What’s the direct impact?”. Push yourselves to consider:

- What’s the ripple effect?
- How will our other stakeholders respond?
- What’s the unintended outcome—for any others who weren’t even in the original equation?

#### 5. Activist Investors: Expect More, Not Less

Activism is rising, with more proposals, bolder demands, and unconventional strategies gaining traction. Boards will want to stay ahead, since being reactive puts them in a come from behind position.

That means:

- Better intelligence. Know how sentiment is shifting and which investor proposals matter most.
- Stronger teams. Combine internal expertise with outside perspectives to challenge assumptions.
- Proactive engagement. It’s not just activists—BlackRock, Vanguard, and others are more vocal than ever. Have a strategy to address their concerns in as collaborative a way as possible.

In uncertain times, having strong legal and IR advisors can make a meaningful difference.

#### 6. Words Matter—And Actions Matter More

Often the work hasn’t changed even if the language is evolving. Lean into what matters most to your organization which, for some, may result in exploring new terminology. For others, that may mean staying close to the language that has already been embraced by your stakeholders. Most importantly, find language that aligns with your values and goals.

Be mindful that your constituents – especially customers, employees and business partners – will look beyond the words to see if the culture and behaviors remain consistent. Use both your messaging and your actions to earn and maintain the trust you seek from them.

*We welcome your perspective, questions, and any thoughts on your mind.  
Please contact us at [info@boardspan.com](mailto:info@boardspan.com).*

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