The Board Was In The Business - Then Out of It

---

1. Situation

When I stepped into the CEO role, the founders transitioned to the board.

Formally, the shift was clear.

In practice, it wasn’t.

They remained involved in operations — engaging employees directly, influencing decisions, and re-entering the business through informal channels.

At the same time, the company was entering a critical phase of transformation.

Governance wasn’t just unclear.

It was unstable.

---

2. What Was Actually Wrong

This wasn’t a control issue.

It was a governance gap.

The founders hadn’t fully transitioned from operators to governors.

And I made a critical mistake in response.

Instead of structuring their role, I created distance.

That solved interference in the short term — but created detachment in the long term.

The board lost visibility.

Trust eroded.

And governance weakened exactly when it was most needed.

I won the battle for independence — and lost the opportunity to build governance.

---

3. Where It Broke

The breakdown became visible through small but escalating breaches.

Board members met executives directly.

They influenced hiring and compensation decisions.

They initiated operational activities without alignment.

Employees began to bypass management.

Authority blurred.

What looked like isolated incidents was actually a systemic failure in governance.

---

4. Intervention

The shift was from reactive boundary-setting to structured governance.

We clarified roles:

• Board → strategy, oversight, capital allocation

• Management → execution, organization, results

We introduced structure:

• Defined communication channels

• Established governance norms

• Created clarity on decision rights

At the same time, we worked to re-engage the board — not as operators, but as structured contributors.

---

5. Hard Decisions

• Confronting founder overreach directly

• Stopping informal influence channels

• Accepting tension in redefining roles

• Recognizing and correcting my own over-correction

This required moving from defense to design.

---

5. Outcome

• Clearer separation between governance and execution

• Reduced operational interference

• Improved alignment between board and management

• Stronger foundation for strategic decisions

Governance became more structured — but not yet fully optimized.

---

6. Key Insight

Governance is not about control.

It is about structure.

Pushing the board out creates detachment.

Letting them in creates interference.

Scaling requires designing how influence flows.