Every director I ask tells me they sit on a good board. So, why do board actions, or inactions, regularly make front page news? And, how do you know if you have an effective board? Like most governance matters, there is not a single magic bullet answer; however, if your board can answer "yes" to the following questions, it has a good foundation for handling its fiduciary obligations, enabling management; and, not ending up on the "front page."

Why do bad things happen to good boards?

1. Does the board utilize the 10/30/60 rule – 10% of its time is spent reviewing past performance; 30% monitoring current activity and 60% of its time discussing strategy?

2. Does the board have high credibility with all of its key stakeholders?

3. To enhance its understanding of the external environment, does the board periodically hear from independent industry experts?

4. Has the board created a culture of respect that allows directors to ask probing questions and to constructively disagree with each other, the CEO, and with senior management? And do they?

5. Prior to its 2013 annual meeting, did the board chair assess director contributions and did all board members discuss the analysis from the board evaluation process?

6. A lot has been written about the metrics directors use to measure company performance, several are listed below. Has the board recently reviewed the metrics it receives and made any necessary "scorecard" adjustments?

- Financial metrics (profit, revenue, cash flow, assets, stock price)
- New business development initiatives
- Product quality
- Competitive market share
- Risk management
- Legal compliance
- Community engagement
- CSR (corporate social responsibility)

- Social media (usage, risk, initiatives)
- Customer satisfaction
- Corporate culture
- Employee satisfaction
- Employee turnover
- Workplace diversity
- Workplace safety
- Hotline calls

BQs are published monthly. Discuss your answers in the executive session at your next board meeting. It could help your board become more effective.