Low levels of change are easier to make than high levels because they don’t require a change in mindset. Incremental change is relatively painless and, when our goal is “more of the same,” can also be effective. But when the problem we’ve created can only be solved by the creation of a future outside the realm of “business as usual,” a new mindset is needed. Enronitis is such a problem; becoming the post-Enron board is such a future.

Changing our mindset is heavy lifting, requiring high levels of self-reflection, self-awareness, and commitment. As the lens through which we view the world, our mindset filters and controls our perception of reality. When we lose sight of our chosen mindset, we lose our ability to think openly and creatively, thereby confining our thought process to mental reruns programmed to validate our point of view. As German philosopher Martin Heidegger said, “We stand within the realm of that which hides itself.”

To unleash our natural ability for creative thought, and avoid becoming “committed opinions waiting to happen”, we need to think not only about what we are thinking, but how we are thinking, and why. The tool for this process of introspection, vitality and renewal is persistent questioning, or inquiry.

Renowned attorney Paul Brountas recently made a significant contribution to post-Enron corporate directors seeking to create their future success by asking:

In the aftermath of the Enron scandal and the passage of the Sarbanes-Oxley Act of 2002, what am I now supposed to do as a conscientious and responsible director of a public corporation?

Each board has to answer that critical question for itself. Following is a “Toolkit” that board members can use to design top management’s work into a form that assures long-term shareholder value. In short, board members can use these questions to become the post-Enron board.

1. What is the current mix of management and leadership within the top management team; what changes are needed to make this mix optimal, and why?
2. What are our firm’s vision, mission, and strategic intent, and how are we defining these terms?
3. How does our strategy represent an integrated and coordinated set of commitments and actions designed to exploit core competencies to create sustainable competitive advantage?
4. What percentage of top management’s time is spent working ON the business to enhance the performance of the people working IN the business?
5. What are our criteria for a great place to work, and how do we measure up against our key competitors for talent?
6. What are our criteria for a great place to buy, and how do we measure up against our key competitors for customers?
7. What are our criteria for a great place to invest, and how do we measure up against our key competitors for capital?
8. What are our most critical entity and procedural interdependencies, and how well do they function as an integrated whole?
9. What is our culture, how effective is it in maximizing our supply of adaptability, and how effective are we in exploiting this capability to solve problems and seize opportunities better and faster than the competition?
10. Do we fully and deeply understand how and why executive compensation programs have the greatest impact on long-term value when managed as part of an overall human resource management system linked to the general management system of the firm, and have we made mastery of this management discipline a requirement for our HR consultants and senior HR staff?
11. Do we actively eliminate resources and work that are sources of competitive disadvantage and outsource work that is a source of competitive parity?
12. What resources and work are our sources of temporary and sustainable advantage, and why?

Note: This system of questions is principle-based, aligned with the recommendations of the Commission on Public Trust and Private Enterprise, and proven by extensive research to cause long-term shareholder value.

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