The Board's 30 Day Activism Response Playbook

Decision rights evidence and engagement after an approach

Authored by Chennakeshav Adya
Independent Researcher
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Abstract

An activist approach compresses legal, strategic, financial, operational and communications decisions into a short period. The board must understand the shareholder's position, test the investment thesis, protect market integrity and decide whether an engagement, operating action, strategic review, governance change or public response serves long-term value. Delay can transfer narrative control. An improvised response can create disclosure inconsistency, weaken privilege, distract management and commit the company before the evidence is ready.

This paper develops a 30-day activism response playbook for listed-company boards. It establishes decision rights, a privileged response office, shareholder intelligence, evidence standards, disclosure and insider controls, value-creation workstreams, engagement protocols and scenario-based board gates. The framework draws on current corporate-governance principles and official securities, takeover and shareholder-rights materials across the United States, United Kingdom, European Union, Japan, Singapore, Hong Kong, Australia and Canada.

The worked case is wholly hypothetical. A listed engineering and digital-services group has USD 3.20 billion of revenue, USD 360 million of EBITDA, USD 1.30 billion of net debt, an assumed enterprise value of USD 4.50 billion and market capitalisation of USD 3.20 billion. A private letter states a 4.8 per cent economic interest and requests two directors, a division sale, a USD 150 million cost programme and a USD 300 million repurchase. The company's initial analysis identifies USD 105 million of gross cost opportunity, USD 58 million of sustainable net benefit, USD 72 million of implementation cost and a possible division sale producing USD 640 million of net proceeds from USD 780 million of gross consideration. Every company characteristic, amount, multiple, timetable and outcome is a scenario assumption.

JEL Classification: G34, G35, K22, M14, M21

Keywords: shareholder activism, board governance, shareholder engagement, proxy contest, value creation, disclosure, decision rights, communications, capital allocation, strategic review

1. Treat the approach as a board controlled event

An activist approach is a governance event with strategic, legal, financial and reputational consequences. The first objective is to create control. The chair, chief executive, general counsel and company secretary need a shared understanding of what has been received, what is known, what remains uncertain and which decisions belong to the board. The company should preserve the original communication, verify the identity and claimed ownership of the sender, assess immediate disclosure obligations and establish a controlled record of every material decision.

The board should avoid treating the approach as a conventional investor-relations enquiry. An activist may be seeking a private discussion, preparing a public campaign, testing settlement terms or assembling support. The response must preserve strategic freedom across these possibilities. Acknowledge receipt without endorsing the thesis, promising an outcome or creating an artificial deadline. The tone should be professional and factual.

A 30-day process is a decision architecture rather than a promise that every strategic question can be resolved within a month. It creates a sequence for triage, evidence, alternatives, engagement and board judgement.

Complex separations, regulatory approvals, operating transformations and leadership decisions will take longer. The board's task during the first month is to determine what it can responsibly conclude, what further work is required and how to communicate that position.

The response should remain connected to long-term value. Directors should test whether an activist proposal identifies a genuine weakness, whether the proposed remedy is executable and whether a different board-led action produces a better risk-adjusted outcome. The provenance of an idea does not determine its merit.

2. Secure the first forty eight hours

The first forty eight hours should establish factual, legal and operational control. The general counsel should coordinate current advice on disclosure, privilege, record preservation, market-abuse controls, takeover rules, nomination procedures, meeting rights and applicable deadlines. The company secretary should confirm the board calendar and authority matrix. Investor relations should compile the most recent ownership, voting and engagement record. Finance and strategy should preserve the current plan and supporting evidence before new analysis changes the working files.

The company should form a small response office with one accountable executive lead. Membership normally includes legal, company secretariat, finance, strategy, investor relations, communications and the relevant operating leaders. External legal, financial, proxy, communications and shareholder-intelligence advisers should join only where their mandate and information access are clear. A large group increases leakage and slows judgement.

Document handling needs explicit rules. The team should identify privileged legal work, board material, ordinary business records, market-sensitive information and analysis that may later support public communication. Each material claim should have an owner, source and date. Drafts should be version controlled. Personal messaging channels and unrecorded side conversations should be avoided.

The chair should decide whether an immediate board call is needed. A material public approach, nomination notice, meeting requisition or disclosure trigger will usually require rapid board attention. A private exploratory letter may initially be handled under delegated authority with a prompt written update. The response office should not allow urgency to displace the board's reserved matters.

Table 1. Proposed first response mandate

Workstream	Accountable owner	First forty eight hour output	Board decision or oversight
Legal and governance	General counsel and company secretary	Verified approach, legal calendar, privilege protocol, disclosure assessment and authority map	Response authority, board calendar and reserved matters
Shareholder intelligence	Investor relations lead	Ownership map, voting history, engagement record and information gaps	Engagement priorities and escalation thresholds
Strategy and value	Chief financial officer and strategy lead	Current plan, activist thesis, initial value bridge and evidence register	Scope of alternatives and analytical standards
Operations	Relevant business leaders	Performance facts, current initiatives, delivery constraints and dependencies	Permission to accelerate or study actions
Communications	Communications lead	Holding lines, leak protocol, spokesperson map and channel controls	Public posture and approval rights

Workstream	Accountable owner	First forty eight hour output	Board decision or oversight
Programme control	Response office lead	Decision log, data room, meeting rhythm and thirty day plan	Overall mandate and resources

The mandate is a governance control. Current counsel should adapt it to the company, listing venue and applicable law.

3. Define decision rights before debating the thesis

Activism response can fail when advisers, executives and directors assume different authority. The board should approve a concise responsibility map. The chair leads board process. The chief executive remains accountable for the business. The chief financial officer owns the financial fact base. The general counsel controls legal analysis, privilege and regulatory coordination. Investor relations owns the shareholder-engagement record. Communications controls external messages. The response office integrates the work without replacing these roles.

Reserved matters should include material public statements, settlement terms, director appointments, strategic reviews, asset sales, capital returns, changes to guidance and material commitments. Delegated matters can include information requests, routine engagement logistics, data validation and adviser coordination. Every delegation should specify scope, expiry and reporting.

Conflicts require early attention. A proposal involving leadership, remuneration or board composition can affect individual interests. The chair and counsel should determine whether a committee of independent directors is appropriate. Directors should receive the same core materials, while conflicted participants may need tailored involvement. The objective is a decision process that can withstand later scrutiny.

The board should choose a regular cadence. During the initial period, concise written dashboards and scheduled decision meetings are more useful than continuous informal messaging. The agenda should separate legal status, shareholder intelligence, value analysis, operating delivery, communications and decisions required. Minutes should capture the evidence considered, alternatives, conflicts and reasons for judgement.

Table 2. Proposed response decision rights matrix

Decision	Prepare	Recommend	Approve	Record and assure
Acknowledge a private approach	General counsel and investor relations	Chief executive and chair	Delegated authority within agreed holding position	Company secretary
Make a material public statement	Legal, finance, investor relations and communications	Chief executive and chair	Board or authorised committee	Company secretary and disclosure controls
Enter a settlement	Legal, nomination committee and financial adviser	Chair or independent committee chair	Board with conflicts managed	Company secretary and external counsel
Launch a strategic review	Strategy, finance and relevant operations	Chief executive and chair	Board	Finance, legal and programme office
Commit to a sale or capital return	Finance, strategy, tax and legal	Chief executive and chief financial officer	Board and any required shareholder authority	Finance, legal and external assurance
Appoint a director	Nomination committee and external search support	Nomination committee chair	Board and shareholders where required	Company secretary

The matrix is illustrative. The board should approve authorities that reflect the company constitution, delegation framework and applicable law.

4. Verify the shareholder position and route to influence

The company should verify legal ownership, economic exposure, derivatives, associates, prior filings and stated intentions using lawful sources and current advice. Claimed economic interest may differ from voting rights. Securities lending, options and swaps can affect exposure and voting. The analysis should distinguish confirmed filings, custodian information, market intelligence and estimates.

In the United States, current beneficial-ownership reporting rules and SEC interpretations for Sections 13(d) and 13(g) shape the visibility and timing of significant positions. Universal-proxy requirements affect contested director elections. [1] [2] [3] In the United Kingdom, company law, listing rules and takeover regulation can affect meeting rights, disclosure and coordinated conduct. [4] [5] The applicable position depends on facts and jurisdiction and should be verified by counsel.

Influence extends beyond the disclosed stake. The activist may have relationships with institutional investors, proxy advisers, sector specialists, former executives or other shareholders. The company should map the likely audience for each proposition. It should also identify the voting policies, stewardship priorities, portfolio constraints and engagement history of major holders.

The map should never become a substitute for direct, compliant engagement. Its purpose is to prepare relevant questions and understand where evidence is weak. The board needs to know which shareholders are likely to focus on portfolio logic, returns, governance, climate, remuneration, capital structure or execution. Engagement records should distinguish what investors actually said from interpretations of their position.

5. Establish the legal and market integrity perimeter

Every response action sits within disclosure, insider-dealing, solicitation, takeover, governance and record-keeping rules. The company should create a jurisdiction-specific legal sheet with filing thresholds, nomination windows, meeting requisition rights, proxy rules, disclosure triggers, market-sounding limits, selective-disclosure controls and acting-in-concert considerations.

Regulation FD in the United States addresses selective disclosure of material non-public information by covered issuers. [6] The UK Corporate Governance Code 2024 emphasises effective board leadership, shareholder engagement, reporting and internal controls for companies within its scope. [7] The G20/OECD Principles support equitable treatment, timely information and effective shareholder participation. [8] These frameworks support disciplined engagement and do not replace transaction-specific legal advice.

The general counsel should approve contact protocols. Participants need briefing on material non-public information, permitted topics, note-taking, escalation and follow-up. If new material information is inadvertently disclosed, the response must follow the applicable rule. A private discussion should not create one version of the strategy for the activist and another for the market.

The company should also prepare for a leak. The protocol should define who verifies the information, who assesses disclosure, who drafts and approves a response, and how employees, customers and counterparties are informed if necessary. A leak plan should be ready before the first substantive engagement.

6. Reconstruct the activist thesis in its strongest form

The response team should write the strongest credible version of the activist's argument. A fair reconstruction prevents the board from defeating a weak version while leaving the real concern unanswered. The thesis should state the value gap, diagnosis, evidence, proposed actions, expected value, timing, risks and route to influence.

Each claim should be decomposed. A request for a division sale may rest on an asserted conglomerate discount, weak margins, limited synergies and a strategic-buyer valuation. A cost proposal may combine true duplication, underinvestment, accounting differences and an unsupported peer comparison. A repurchase request may assume debt capacity that disappears under a downside case.

The team should maintain a proposition register. Directly reported facts sit apart from reconciled internal data, analytical estimates and hypotheses. Each proposition receives an accountable owner, source, confidence level and decision relevance. Contradictory evidence belongs in the same register.

This exercise should include public materials available to any shareholder: annual and interim reports, regulatory filings, presentations, transcripts, voting outcomes, remuneration reports, ownership disclosures, peer filings and public transaction evidence. The outside-in view shows how the market can reasonably understand the company. Internal data then explains constraints, opportunities and execution requirements.

7. Build a single controlled fact book

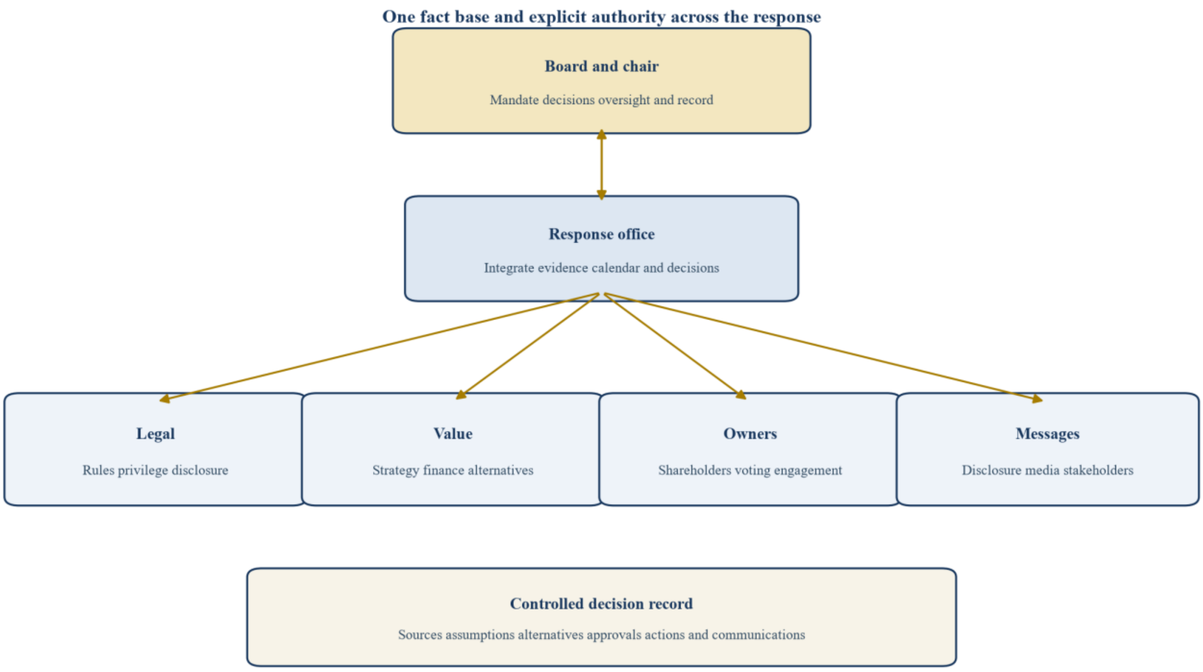
The fact book should become the common evidential base for the board, management and advisers. It includes the strategy, financial history, segment economics, cash flow, capital allocation, balance sheet, portfolio logic, operating initiatives, governance, remuneration, shareholder base, voting history, disclosure commitments, legal calendar and external consensus where lawfully obtained.

Every important metric needs a definition and reconciliation. EBITDA, free cash flow, return on invested capital, net debt and segment margin can differ across internal and external documents. The fact book should identify accounting policy, perimeter, period, currency, exceptional items and source. A number used in a board paper should reconcile to the underlying record.

Forecasts require version control. The pre-approach plan should be preserved. Any revised case should show changed assumptions, decisions and dates. This prevents the company from appearing to manufacture a new plan solely in response to pressure. It also allows the board to distinguish previously approved initiatives from newly identified opportunities.

The response office should control access. Sensitive employee, customer, transaction and legal information may require restricted workrooms. Data minimisation supports both confidentiality and speed. The fact book is designed to answer board questions, support engagement and prepare accurate disclosure; it is not a general archive.

Figure 1. Proposed activism response operating model



The structure is a governance framework. Roles and information rights should be adapted to the company and applicable law.

8. Test value creation across the full portfolio

The board should test the company as a long-term owner would. The analysis covers portfolio logic, operating performance, capital allocation, balance-sheet resilience, governance, incentives and disclosure. It should identify actions that create value independently of the activist campaign and proposals whose value depends on fragile assumptions.

Portfolio analysis asks whether the group improves each business relative to credible alternative ownership. Operating analysis reconciles revenue, margin, productivity, working capital and capital expenditure to specific drivers. Capital-allocation analysis reconstructs acquisitions, disposals, organic investment, debt, dividends and repurchases against original objectives and actual outcomes.

The board should avoid a single headline valuation. Trading references, discounted cash flow, sum-of-the-parts and transaction evidence can provide a range. Separation costs, tax, debt repayment, pensions, stranded overhead, customer consents and execution time must be included. Gross proceeds are not distributable value.

The analysis should identify the source of any observed valuation discount. A lower multiple may reflect business mix, cyclicality, leverage, governance, growth, liquidity or evidence quality. Applying a higher peer multiple without normalising these differences can overstate the opportunity. The board should test both the earnings base and the valuation reference, and it should use probability-weighted outcomes where execution is uncertain.

Strategic option value also deserves attention. A capability may generate limited current earnings while supporting customer access, technology, regulatory licences or future growth. The team should quantify these benefits where possible and define milestones where current evidence is insufficient. The same discipline applies to claimed synergies: each material benefit should have a mechanism, counterfactual and owner.

Governance and disclosure can also create or obscure value. An unclear portfolio can be compounded by weak segment information. A sound capital programme can lose credibility without post-investment review. The response should therefore link actions to measurable outcomes, accountable leaders, funding and milestones.

9. Develop alternatives without premature commitment

The alternatives workstream should be broad enough to test the activist thesis and disciplined enough to finish. Options may include continuing the approved plan, accelerating existing initiatives, changing the operating model, increasing disclosure, revising capital allocation, refreshing governance, partnering, separating or selling a business, or combining several actions.

Each option needs a consistent template: strategic rationale, value range, cash effect, funding, timing, dependencies, legal and tax issues, stakeholder effects, reversibility and evidence confidence. Management preference should be visible and tested. The board should understand what must be true for the option to work.

A sensitivity table should isolate the assumptions with the greatest effect on value. For a disposal these may include price, tax, stranded cost, separation cost, retained liabilities and closing delay. For operating improvement they may include delivery rate, revenue leakage, implementation cost and benefit persistence. For a repurchase they may include purchase price, funding cost, downside liquidity and foregone investment returns.

Management should identify the no-regret actions that improve control or value across several scenarios. Better segment data, tighter capital gates, customer-level profitability, working-capital discipline and succession readiness can be valuable whether the board pursues the activist proposal or a different route. These actions should still pass normal approval and resource tests.

The team should also examine interaction effects. A division sale can reduce leverage and simplify the story, while leaving stranded overhead and less diversified cash flow. A repurchase can improve per-share value at an attractive price, while reducing capacity for investment or downside protection. Cost action can improve margin, while damaging revenue or control if the implementation perimeter is poorly designed.

The 30-day goal is to identify a preferred direction and a diligence path. A complex transaction should not be announced merely to demonstrate activity. The board can communicate a clear evaluation process, evidence and timing when immediate commitment would destroy optionality.

10. Quantify scenarios and preserve downside capacity

Scenario analysis should connect operating performance, portfolio action, financing and market outcomes. The board needs a base case, a credible improvement case and downside cases. Each case should show EBITDA, cash conversion, implementation cost, proceeds, debt, liquidity, leverage, strategic capacity and potential equity value.

The hypothetical company begins with USD 3.20 billion of revenue, USD 360 million of EBITDA and USD 1.30 billion of net debt. The stated enterprise value of USD 4.50 billion implies a market capitalisation of USD 3.20 billion before other adjustments. These values are assumptions used to demonstrate the method.

Initial operating analysis identifies USD 105 million of gross annual opportunity. The response team removes duplicated estimates, revenue-risk items, unsupported benchmarks and capability investments. It retains USD 58 million of sustainable net annual benefit with USD 72 million of one-off implementation cost. The board-led plan therefore differs materially from the requested USD 150 million programme.

Cash phasing changes the result. A run-rate benefit achieved late in the year cannot be treated as full-year cash. Severance, systems, contract exits and advisory costs may precede savings. Working-capital effects can be positive or negative. The board should see monthly cash, accounting and run-rate bridges for each material workstream.

Financing capacity should be tested under volatility. Interest rates, covenant definitions, ratings objectives, seasonal cash and refinancing maturities can constrain capital returns even where a static leverage ratio appears acceptable. The board should preserve a minimum liquidity reserve and identify actions available if performance deteriorates.

A division sale is modelled at USD 780 million of gross consideration and USD 640 million of net proceeds after assumed tax, transaction, separation and other deductions. If USD 350 million reduces debt, net debt falls to USD 950 million before other cash movements. Pro forma EBITDA must also remove the sold division and add only benefits supported by the delivery plan. The model should never divide reduced debt by unchanged group EBITDA.

Table 3. Hypothetical scenario value and funding bridge

Measure	Current reference	Board led plan	Accelerated portfolio plan	Severe downside
Revenue	3,200	3,260	2,720 after disposal	2,880
EBITDA before new actions	360	370	310 after disposal	290
Sustainable net cost benefit	0	58	58	35
Pro forma EBITDA	360	428	368	325
Net disposal proceeds	0	0	640	0
Debt reduction from disposal	0	0	350	0
Net debt before other cash movement	1,300	1,300	950	1,430
Net leverage	3.6x	3.0x	2.6x	4.4x

Measure	Current reference	Board led plan	Accelerated portfolio plan	Severe downside
One off implementation cost	0	72	112 including separation	85
Permitted near term repurchase	0	0	Conditional after liquidity gate	0

All amounts are scenario assumptions in USD millions. Equity value is illustrative and excludes market, execution and timing effects beyond the stated assumptions.

11. Separate gross opportunity from deliverable value

Activist proposals often express opportunity as a gross number. The board needs net value. A cost programme should bridge identified spend to addressable spend, actions, revenue and control risk, required reinvestment, implementation cost, cash timing and sustainable benefit. A disposal should bridge headline price to tax, fees, debt repayment, pensions, separation, stranded cost and retained liabilities.

Delivery capacity is a financial constraint. Management cannot execute an operating transformation, transaction, refinancing and public contest with unlimited effectiveness. The scenario model should reflect scarce leadership attention, systems capacity and change risk. Initiatives should be sequenced around dependencies and customer impact.

Benefits require owners and milestones. A sustainable USD 58 million annual benefit should have work packages, monthly run-rate, cash conversion, one-off cost, implementation risk and assurance. The board should receive gross and net reporting. Reclassification and delayed investment should not be reported as structural saving.

Value also depends on credibility. An achievable plan with controlled milestones may support a higher probability-weighted outcome than a larger target with weak evidence. The board should compare expected value, downside and strategic flexibility, not headline ambition alone.

12. Create a shareholder intelligence system

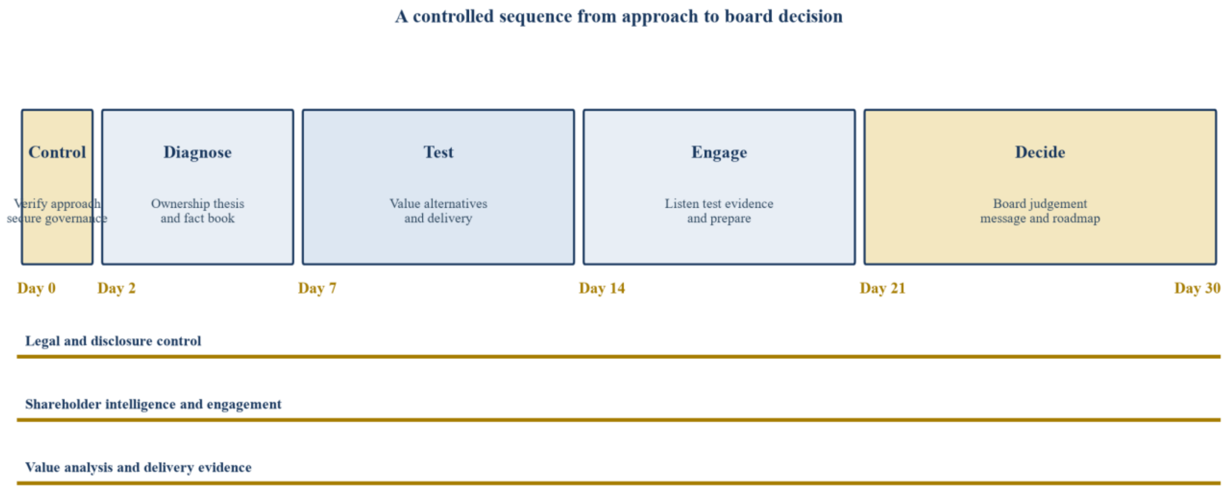
Shareholder intelligence should integrate the registered holder list, beneficial-ownership filings, custodial information where available, stock surveillance, voting history, engagement notes and public stewardship policies. The output is a dated ownership map with evidence confidence.

The company should segment holders by investment approach and decision process, while avoiding unsupported assumptions about their vote. Index investors, active long-only funds, event-driven investors, retail holders and strategic owners may use different research and voting channels. Proxy advisers may influence process and analysis. Every major holder should have an accountable relationship owner and an approved engagement objective.

Engagement history matters. The team should identify unresolved questions, prior commitments, voting concerns and discrepancies between investor feedback and company action. Investors may support the existing strategy while seeking better evidence, clearer milestones or governance changes. A listening programme can distinguish these positions.

The board should receive themes and evidence rather than selective anecdotes. Notes should record participants, date, questions, information provided, follow-up and any potential disclosure issue. Sentiment estimates should be labelled as estimates within internal reporting and should never be presented as confirmed voting intention.

Figure 2. Proposed thirty day response sequence



The sequence is a management planning tool. Legal and disclosure requirements can accelerate or change individual steps.

13. Design engagement as a governed process

The first substantive meeting should have a clear objective. The company may need to understand the thesis, evidence, requested process and proposed governance route. It should decide in advance who attends, who speaks, what can be discussed and how questions will be handled.

Listening is valuable when it produces evidence. The team should ask how the activist derives its value range, which assumptions drive the proposed actions, how execution risks are treated, what ownership and voting position exists, and what outcome is sought. The company can explain current strategy and constraints using approved information. It should avoid debating every assertion in real time.

The meeting record should separate statements, questions, requested materials and commitments. Any follow-up should pass legal, financial and disclosure review. The response office should compare new information with the proposition register and inform the board of material changes.

Broader shareholder engagement should follow the same control. The company should listen to long-term owners, explain the board's process and test whether existing disclosure answers their decision needs. Engagement should not become an informal vote count based on ambiguous conversations.

14. Prepare communications before communications drive the response

The communications plan should support the board's decisions. It should contain a holding statement, question and answer pack, key facts, leak response, stakeholder map, spokesperson protocol, employee message, customer and supplier considerations, digital monitoring and approval route.

The company should communicate only what it can support. Claims about valuation, synergies, cost, shareholder support, strategic alternatives or activist motives carry legal and credibility risk. Every public number should reconcile to the controlled fact book. Forward-looking statements need the applicable review.

Narrative consistency matters across regulatory filings, results calls, investor meetings, employee communications and media. Different levels of detail may be appropriate, while the central facts and strategic logic should remain aligned. The response team should track every material external statement and update the question pack.

Silence can be appropriate during analysis. It should be an informed decision supported by monitoring and a leak protocol. A public response can be necessary when the approach is disclosed, market rumours become material, formal steps are taken or applicable rules require it.

15. Control board and management bandwidth

An activist response can consume the organisation. The board should protect business delivery through explicit work allocation. A small response office handles the campaign. Operating leaders continue to manage customers, people, cash, safety, technology and regulatory obligations.

The programme plan should identify critical business milestones during the 30 days: results, financing, major bids, customer renewals, regulatory submissions, transactions and leadership decisions. Campaign work should be scheduled around these commitments. Advisers should receive structured data requests rather than approaching operating teams independently.

Management incentives need attention. A campaign can create retention risk, defensive behaviour and short-term decision making. The board should monitor key-person exposure and succession without promising benefits that could create conflicts. Employees need factual communications that reduce distraction and preserve confidentiality.

The response office should measure its own workload. Repeated analysis, overlapping adviser requests and uncontrolled document production are warning signs. A single question log and decision calendar improve speed and reduce error.

16. Build a risk heat map linked to action

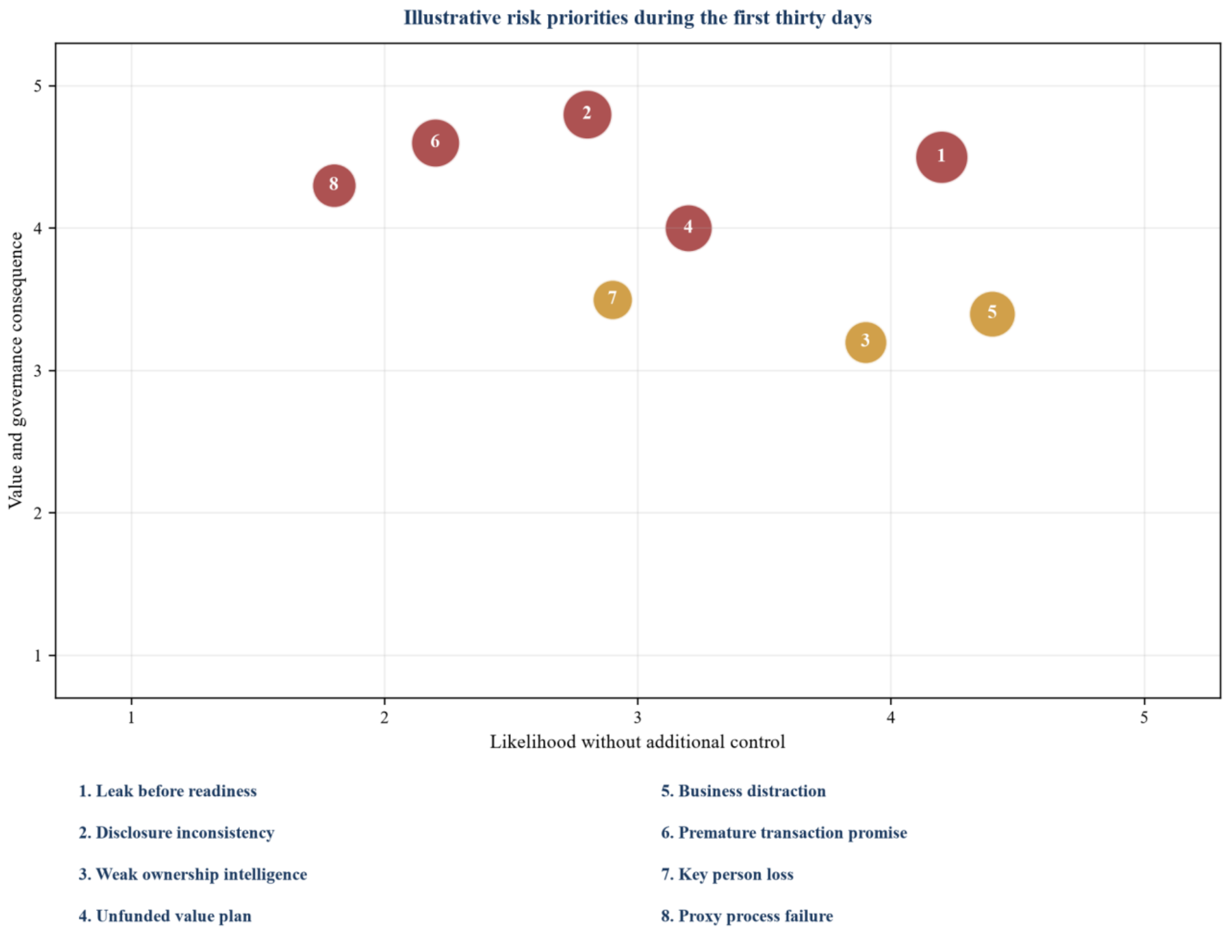
The risk register should cover market integrity, legal process, shareholder support, value evidence, business performance, financing, transaction feasibility, people, customers, cyber and information leakage. Each risk needs an owner, trigger, control, residual exposure and escalation route.

Likelihood and consequence should be assessed with evidence. A high-consequence disclosure failure may warrant immediate controls even if likelihood is low. A probable campaign escalation may be manageable if the board has a strong fact base and engagement plan. The heat map should show where additional control changes the outcome.

Risks interact. Weak quarterly performance can amplify a governance concern. A leak can force disclosure before value analysis is ready. A proposed disposal can affect credit, customers and employees. The response office should identify these chains and test combined scenarios.

The board dashboard should show movement. A static list does not reveal whether evidence, control or exposure has improved. Changes should be explained and connected to decisions.

Figure 3. Hypothetical activism response risk heat map



Positions are illustrative scenario judgements. Bubble size represents assumed consequence and does not represent observed loss.

17. Evaluate settlement through value and governance

Settlement can reduce cost and distraction, gain useful capability and create time for execution. It can also transfer board influence, constrain strategy or signal weakness. The board should assess any settlement against the same duties and evidence standards as other decisions.

Terms may include director appointments, information rights, committee roles, standstill provisions, voting commitments, confidentiality, non-disparagement, expense reimbursement and public statements. Each term has legal, governance and practical consequences. The board should understand duration, termination, enforceability and interaction with other shareholders.

Director selection should start with the skills and independence the board needs. A candidate proposed by an activist should undergo the company's appropriate diligence and conflicts process. Appointment should not imply agreement with every campaign claim. The board remains collectively responsible.

The alternative to settlement should be modelled. Costs include solicitation, adviser expense, management time, uncertainty and possible business effects. Benefits can include a shareholder vote and preservation of board discretion. The board record should explain why the chosen route supports the company and shareholders.

Settlement economics should include the value of time. A standstill may create a period for delivery, while a short duration can defer rather than resolve the contest. Information rights can improve dialogue but create control and confidentiality requirements. Committee participation can use relevant expertise, while poorly defined rights can blur accountability. Each term should be assessed as part of the complete arrangement.

The company should prepare an implementation plan before signing. It should cover appointment timing, announcements, committee changes, information access, conflicts, confidentiality, expense payment, monitoring and termination. The board should know how the arrangement operates on an ordinary working day and under a renewed disagreement.

18. Set day specific board gates

The response should have decision gates rather than a continuous stream of activity. Gate one, during days zero to two, confirms legal status, authority, disclosure, record preservation and initial posture. Gate two, by day seven, confirms the activist thesis, ownership map, fact-book scope and analytical plan.

Gate three, around day fourteen, reviews value ranges, operating opportunities, portfolio alternatives, financing capacity, execution risk and evidence gaps. The board decides which options advance. Gate four, around day twenty-one, reviews engagement, likely shareholder questions, communications readiness and any settlement parameters.

Gate five, by day thirty, selects the current board position. The outcome may be to continue the plan with improved milestones, accelerate actions, commission a strategic review, pursue a transaction, make governance changes, negotiate, prepare for a contest or combine these paths. The decision should include responsible leaders, funding, milestones, disclosure and review dates.

Urgent legal events can change the sequence. The framework should remain flexible while preserving the core controls. A formal nomination or requisition may require parallel procedural work before strategic analysis is complete.

Table 4. Proposed thirty day board gate calendar

Gate	Timing	Evidence required	Board decision
Control	Days zero to two	Verified approach, legal calendar, authority map, disclosure assessment and holding lines	Mandate, delegated authority and immediate response
Diagnosis	Days three to seven	Ownership map, strongest activist thesis, fact-book plan and risk register	Analytical scope, advisers and engagement objective
Alternatives	Days eight to fourteen	Value range, operating bridge, portfolio cases, capital capacity and delivery risks	Options to advance and evidence gaps to close
Engagement	Days fifteen to twenty-one	Meeting record, shareholder themes, communications pack and settlement parameters	Engagement posture, public readiness and negotiation limits
Decision	Days twenty-two to thirty	Integrated recommendation, downside cases, execution roadmap and decision record	Strategy, governance, communication and monitoring plan

Timing is indicative. Applicable deadlines and company circumstances take priority.

19. Apply the playbook to the hypothetical approach

The hypothetical letter arrives privately on day zero. It states that the investor has a 4.8 per cent economic interest and proposes two directors, a division sale, USD 150 million of annual cost reduction and a USD 300 million repurchase. The company acknowledges receipt and convenes the chair, chief executive, general counsel, company secretary and chief financial officer. Current counsel begins ownership, filing and disclosure analysis.

By day two, the board has approved the response mandate and a controlled fact book. No public statement is required under the scenario assumptions at that point, though the assessment remains under review. Investor relations identifies major-holder engagement history and unresolved questions about portfolio logic and cash conversion.

By day seven, the team has reconstructed the activist thesis. The strongest point concerns inconsistent returns and disclosure across divisions. The requested cost number has limited support. The proposed disposal merits analysis, while the immediate repurchase conflicts with leverage and liquidity gates.

By day fourteen, management identifies USD 105 million of gross cost opportunity and USD 58 million of sustainable net benefit after protecting revenue, control and required capability. A division sale case produces USD 780 million of gross consideration and USD 640 million of assumed net proceeds. The board requires further diligence on customer consents, separation, tax and stranded cost.

By day twenty-one, the company has met the activist, listened to selected long-term shareholders under controlled protocols and tested its evidence. It prepares public materials but retains a private process. The activist's governance concerns receive a board-skills and succession review.

On day thirty, the hypothetical board approves the USD 58 million net improvement plan, authorises detailed disposal preparation, directs USD 350 million of any completed sale proceeds to debt reduction and makes any repurchase conditional on closing, liquidity and leverage. It begins a board refresh process based on the skills matrix. Every action remains subject to diligence, approvals and execution.

20. Turn the decision into an executable roadmap

The response must transition from analysis to delivery. Each approved action needs an executive owner, board sponsor, value baseline, budget, milestone, risk register and reporting rhythm. The company should distinguish announced targets, internal stretch cases and options still under study.

The roadmap should connect each initiative to the original board decision. This link prevents the programme from becoming a collection of unrelated actions. If the decision was to improve portfolio focus and reduce leverage, the reporting should show how operating actions, disposal preparation, financing and disclosure jointly support that objective.

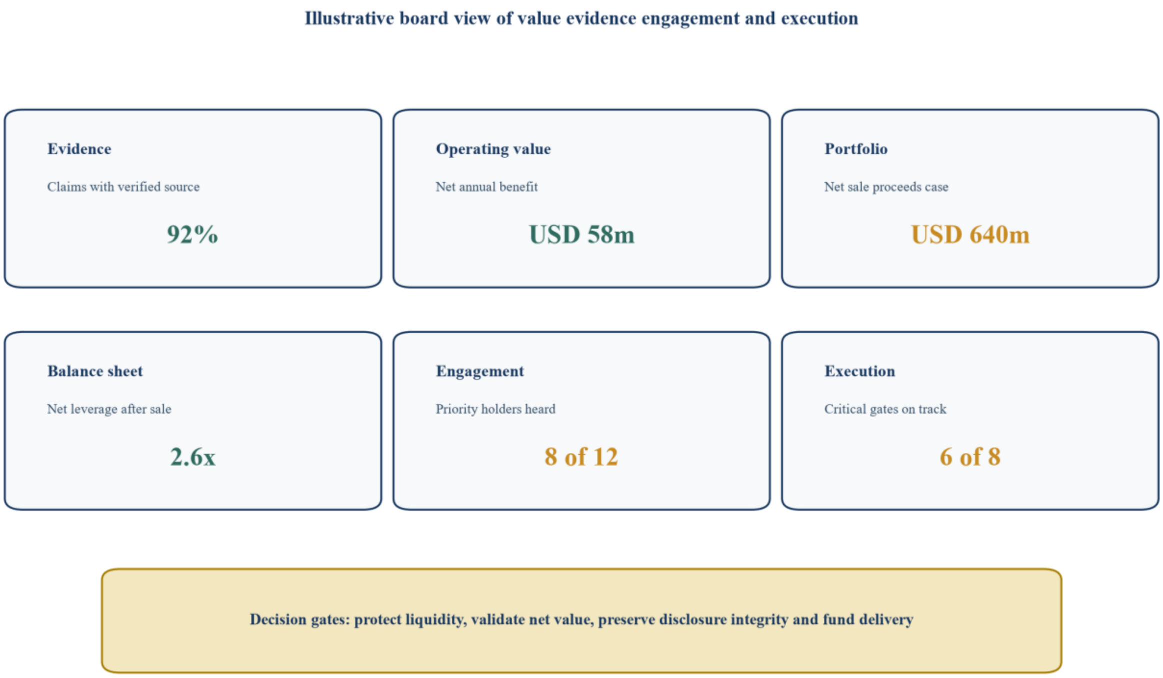
Benefits and risks should be reviewed on the same timetable. A cost workstream that is ahead of plan may still damage service or controls. A transaction that produces a higher price may carry greater completion risk. The dashboard should show the trade-offs that require board judgement rather than celebrating activity alone.

Operating improvement should be reported through run-rate and cash measures. The sale workstream needs perimeter, accounts, separation, tax, legal, customer, people and buyer plans. Debt reduction requires financing coordination. Governance change needs a skills specification, candidate diligence and succession process. Disclosure improvement needs definitions, controls and a timetable.

The board should establish stop or revise triggers. Examples include customer loss, implementation cost above approval, leverage outside the gate, valuation below the reservation range, regulatory delay or deterioration in the core plan. These triggers preserve discipline when public pressure encourages commitment escalation.

An assurance process should test reported progress. Finance validates value and cash. Internal audit or another independent control function may test selected delivery evidence. Legal and communications validate disclosure. The board remains responsible for judgement.

Figure 4. Proposed board response dashboard



Measures and thresholds are illustrative. A company should define them against its strategy, risk appetite and disclosure obligations.

21. Use a board decision record that can withstand scrutiny

The final board paper should state the decision, alternatives considered, evidence, assumptions, legal context, shareholder views, financial analysis, stakeholder effects, risks, conflicts, adviser input and reasons. It should identify material uncertainty and the further evidence required.

The record should distinguish information available at the time from later outcomes. Good governance does not depend on hindsight. It depends on a reasonable process, relevant evidence, informed judgement and proper purpose under applicable law.

Minutes should capture challenge. Directors may agree on the action while differing on valuation, timing or risk. The record can show how those concerns were resolved or monitored. Boilerplate does not demonstrate judgement.

Public communication should be consistent with the decision record. Confidential detail may remain protected, while the central rationale, actions and milestones should align. A company weakens credibility if its public certainty exceeds its internal evidence.

22. Measure the response after day thirty

The board should monitor value delivery, shareholder engagement, business performance, financing, governance and disclosure. Measures should include net benefit realised, cash conversion, implementation cost, transaction milestones, leverage, liquidity, customer retention, employee turnover, investor questions and voting outcomes.

The company should also evaluate process quality. It can assess response speed, decision clarity, data accuracy, leakage, adviser coordination, management distraction and whether the board received the right information. Lessons should update the standing activism-readiness plan.

The thesis can evolve. An activist may change proposals, increase ownership, seek nominations, requisition a meeting, publish materials or disengage. Market conditions and company performance can change the value case. The dashboard should therefore track triggers rather than assume a fixed campaign.

The long-term test is whether the company makes better decisions and delivers them. A campaign that ends without operational or governance improvement can leave the underlying value gap intact. A board-led response should become part of normal strategy, capital-allocation and performance governance.

23. Recognise the limitations of a playbook

This framework cannot determine legal obligations across every jurisdiction or set the correct outcome for a specific company. Ownership structures, constitutions, listing rules, takeover regimes, fiduciary duties, market conditions and facts differ. Current legal, tax, accounting and financial advice is required.

The hypothetical case is a worked example. Its amounts, valuation, cost opportunities, sale proceeds, leverage and timing are assumptions. They are not forecasts, benchmarks or evidence about a real company. The scenario excludes many possible facts, including pensions, minority interests, regulatory capital, complex derivatives and multiple listings.

Thirty days may be enough to establish control and direction. It may be insufficient for transaction diligence, operating design, consultation, financing, regulatory approval or appointment processes. The board should communicate the distinction between a decision to evaluate, a decision to prepare and a final commitment.

The framework supports judgement through structure. It does not replace director responsibility. The quality of the outcome depends on evidence, independence, lawful process, strategic coherence and execution.

24. Conclusion

An activist approach creates a compressed test of board governance. The board needs immediate control of authority, legal obligations, information, communications and decision making. It then needs to reconstruct the strongest thesis, establish a common fact base, test value and downside, listen to shareholders and decide which actions serve long-term value.

The 30-day playbook converts urgency into a sequence. The first two days establish control. The first week defines the thesis and evidence. The second week tests alternatives and delivery. The third week combines engagement with public readiness. The final period produces a board decision, communication position and funded roadmap.

In the hypothetical case, disciplined analysis reduces a USD 150 million gross cost request to a USD 58 million sustainable net programme, treats a USD 780 million disposal as USD 640 million of net proceeds before allocation and makes a USD 300 million repurchase conditional on debt, liquidity and execution. The method exposes the assumptions that separate a campaign headline from deliverable value.

A credible response is measured by evidence, governance and execution. The board should be able to explain what it knows, what it has decided, what remains under study and how each action creates resilient value.

Frequently asked questions

What should a board do when it first receives an activist approach?

Verify the sender and claimed position, preserve the communication, assess disclosure and legal obligations, establish decision rights, secure records and convene the appropriate directors and executives. A factual acknowledgement can preserve time while the board establishes control.

Does a private activist letter need to be disclosed immediately?

The answer depends on the facts, jurisdiction, listing venue and applicable rules. Current counsel should assess materiality, confidentiality, market rumours, prior disclosure and any formal shareholder action. The assessment should be documented and kept under review.

Should the company meet the activist?

A controlled meeting can clarify the thesis, evidence, requested outcome and engagement route. The board should define the objective, participants, permitted information, questions, record and follow-up before the meeting.

How should the board evaluate an activist cost target?

Bridge gross opportunity to sustainable net benefit. Test duplication, benchmarks, revenue risk, controls, reinvestment, implementation cost, cash timing, accountable owners and delivery capacity. Report gross savings, net benefit and cash separately.

When should a company consider settlement?

Settlement should be evaluated against value, governance, cost, distraction, board skills, strategic freedom and the credible alternative. Terms require current legal advice and a board record explaining the judgement.

What belongs in the activism response fact book?

Include strategy, segment economics, cash flow, capital allocation, balance sheet, portfolio logic, operating initiatives, governance, remuneration, ownership, voting, engagement, disclosure commitments, legal deadlines and reconciled definitions for key metrics.

How can the board avoid management distraction?

Use a small response office, a single data-request process, scheduled board gates and explicit ownership. Protect operating leaders and critical business milestones. Track adviser requests and response workload.

What should the board decide by day thirty?

The board should approve its current strategic and engagement position, the actions or studies it supports, responsible owners, funding, milestones, disclosure, risks and review dates. Complex transactions may remain subject to further diligence and approval.

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About the Author

Chennakeshav (CK) is a corporate finance and investment banking executive with 25+ years of global experience in deal origination, structuring and execution across M&A, growth capital and corporate strategy. He has led value-creation mandates for founders, corporates and funds — bridging the boardroom view to hands-on execution and closure.

His career spans Morgan Stanley, HSBC, Lloyds Banking Group, EWEC, ADQ portfolio companies and Emirates Growth Fund, across TMT, real estate, fintech, deeptech, cleantech, infrastructure and energy. He has partnered with C-suite leaders, private equity and venture funds, sovereign wealth funds and family offices to finance complex fund raises and scale-up ventures, and has led M&A due diligence, post-merger integration and business-transformation initiatives to create value.

At Matchpoint Partners, he is Managing Partner and leads the firm's corporate finance, M&A and capital-raising practice. He holds an MBA from London Business School, an engineering degree from VTU and a Master of Laws (LLM, in progress) from UCL London.

He is also an active start-up mentor, CK mentors at Techstars, DIFC FinTech Hive, Startup Grind, Founder Institute and IN5, serves as Entrepreneur Mentor in Residence (EMiR) at London Business School, and judges the Entrepreneurship World Cup.

https://www.linkedin.com/in/ckadya/

https://www.matchpoint-partners.com/team/ck-adya.html

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