

NACD Texas TriCities Chapter | Houston

Women on Boards: A 360 Perspective

Key Takeaways: Insights from Board Search Firms

Egon Zehnder

It's important to understand the value that you are bringing. Do you have experience in an area of strategic importance to a particular company?

What is the value that you will take away – quality of the board, immersion in an area that is strategically important to your company (if you are an active executive), interest in the strategic direction a company is taking

Network at the board level – even though good governance means that there will be a systematic approach to what a board needs, having support at the board level can be extremely helpful. If a director has heard great things or knows you, that can be the difference between moving from the long list to the short list.

Having operational P&L experience will always be seen as differential, but other areas of importance include international, IT, investor relations, public relations as well as regulatory and government affairs experience.

If you are starting to consider board opportunities, being a member of the executive team is an indicator of ability to be able to operate strategically – important as a Director. If there is an opportunity to take a role at that level or spend more time as an executive, do it as it will be a good longer-term investment for your board career.

Preng & Associates

Realistically assess your board competencies and properly communicate them to a board search committee or search firm. Note that “board competencies” are different than management competencies - i.e., strategic planning is an activity management does; however, board members need to be and think strategically. Having strategic planning experience in a company is a good basis for thinking strategically, but you need to think strategically to be an effective board member. You can do the same analysis/differentiation for other board competencies (i.e., risk, financial acumen, etc.).

You will need to demonstrate an understanding of board acumen and process so that if you are asked to be on a board there is minimal disruption in acclimating to that board's culture. If you have not been on a board, try to get on a private company or not-for-profit to gain the understanding of board's perspective. Experience on committees is also beneficial and valued. Compile an easy-to-use document (board resume or as I like to call it “sales brochure”) that portrays your board competencies and experience

Additional tips for finding a board seat:

1. Network and let people know you have interest in a board seat
2. Contact search firms that do board searches. There is a book called The Directory of Executive Recruiters published by Kennedy Publications out of Fitzwilliams, New Hampshire. It is the Dunn and Bradstreet of the search industry and one of the segments is retain firms that do search. Send your board information to all of them
3. Take initiative and directly look for companies/boards that interest you. Public information about board member requirements (i.e. term or age limits) would be very useful because they will reveal potential

openings. Approach the CEO and the Chairman, and if those are one in the same then the Lead Director as well as the Chairman of the Nom/Gov committee. Write a nice short letter introducing yourself and attach your “board” resume.” Join the NACD. Members are listed in the Director Registry which is utilized for board searches. Get listed in the Association of Executive Search Consultants’ database – Blue Steps. You never know when a company or search firm may be using one of these two to help find a new board member.

Russell Reynolds and Associates

Be open minded about industry; the question is where can you add the most value, not necessarily the industry that is of most interest to you.

If you are to be the first female board member, remember that the interviewers are most concerned about their board culture. Try to give examples of where you have been in a similar situation.

If you are not right for a position, be helpful to the search consultant. Offer up other ideas. They should remember you and “pay you back.”

Heidrick & Struggles

Excerpts from: *“So You Want To Join a Board . . .”* by Bonnie Gwin, Vice Chairman, Heidrick & Struggles

Out of a total of approximately 5,000 independent director seats on Fortune 500 boards, for example, just [339](#) [turned over](#) last year. For [the five years before that](#), turnover averaged 326 seats per year — and there are now about 400 fewer independent director seats than there were in 2009.

Assess your readiness for board service

What experiences and roles have you had that would enable you to make a substantive contribution to a board? But don’t rely solely on self-assessment. Seek out peers who are already on boards. Ask for advice about how you might fit on a board and seek a frank assessment of your readiness. They may point out weaknesses you have underestimated as well as strengths you were unaware of. With the permission of your CEO, talk to a director on your company’s board for additional perspective and coaching.

Approach your "board search" as you would a job search

Bring to the task the same due diligence you would bring to any career move. Ask yourself what industry sector best suits your talents and interests. Consider also what type of company appeals to you: public, PE-backed, venture-backed, family-controlled? Once you’ve zeroed in on what really excites you, use your network to research companies that fit the bill.

Develop Your Elevator Pitch

Compose a statement that succinctly touches on your interest in board service and the unique contributions you might bring to it. Test your story with a board member you know well and fine-tune it accordingly. And be prepared to adapt it to the occasions where you will use it and to the people who will hear it.

Network, Network, Network

According to a survey by the National Association of Corporate Directors (NACD), nearly 70% of directors surveyed said that their board had used personal networking or word of mouth to identify the pool of candidates from which their most recently nominated director was chosen. You should therefore network not only with board members but also with others who have relationships with boards: auditors, lawyers, and leadership or search consultants in your network.

Seek some preliminary experience on a not-for-profit board

Many large, not-for-profit organizations offer opportunities for board service. Many of these organizations exercise governance with the same rigor that major public companies do. But before seeking or accepting a seat on one of these boards, make sure that it will give you experience that is demonstrably relevant to a public company board and, most important, be sure that it is a cause you are passionate about.

See also *Why You Should – And Shouldn't – Join A Board* by Bonnie Gwin

<http://www.heidrick.com/Knowledge-Center/Article/Why-you-should-and-shouldnt-join-a-board>

Spencer Stuart

Excerpts from: *Getting on Board – How Executives Can Position Themselves for a Seat at The Table*

In reality, there are few board director openings in a given year. Boards of S&P 500 companies added only 339 new directors in 2013 and only 130 of these were new to serving on a public company board.

As a practical matter, boards prefer senior-level operating executives and rarely set out looking for heads of staff functions, lawyers or consultants. Diversity is also an important objective for many boards, not as an end in itself, but because different perspectives are invaluable to the decision-making process. Female or minority executives with operational experience are in high demand.

Because many boards are now interviewing several candidates and not just one person who they know, more first-time directors, and people with different experience, are being invited into the process.

If you are an executive who would like to be considered for a board seat, make sure you have a firm grasp of both what you expect to get out of the assignment and what the work entails. Board work today is far more demanding

than it was a mere decade ago, and as public and regulatory scrutiny has increased, the risks have intensified. Test your readiness for board service by asking yourself the following questions:

1. Why are you interested in serving on a corporate board?

The role of a director is very different from that of an operating executive. Much of your time will be spent reviewing and assessing strategy, risk, financial reporting and management performance. Executives should be comfortable with this high-level involvement and not aspire to run the company.

2. What types of boards interest you?

Approach this question from both sides, considering not only what types of boards you find attractive, but also why those boards would be interested in you.

3. Do you have capacity to fully commit to serving on a board?

Board service extends well beyond a few board meetings; you will be expected to serve on at least one committee and to be available when unexpected issues arise. Factor in travel time for six to eight meetings per year.

4. Does this fit into my plans for the longer term?

Recognize that this is a long-term commitment. You must be willing to serve on the board for at least 10 years.

What can you do to increase your chances of being considered for a board? The following guidelines will give you a head start:

1. Do your homework

Go through the Fortune 1000 and/or Russell 2000 and compile a list of the companies that are the best fit. Organize the list into categories, prioritize it and, for your top picks, identify the board members of each. You may be surprised to find that you already know some or have contacts who do.

2. Be Realistic

Although you might find the Apple board interesting, you need to be realistic about what is an appropriate board for you, based on the experience boards are looking for and what you have to offer.

3. Develop Advocates

You can't apply for the job of director, so you need people in the boardroom who will speak on your behalf. Express your interest in serving on a board to colleagues who already serve.

4. Develop Your Pitch

Create a succinct biography. Highlight experiences and unique skills that boards will find relevant, such as involvement in governance activities, leadership experience — including the size and type of businesses you have run — and any global track record you might have.

5. Get Some Board Experience

The chances of becoming a board director for a major public company without some prior board experience are very low. For many, serving on the board of a smaller company may be a logical first step.

6. Educate Yourself

Director education events for existing directors offer the opportunity to become more familiar with the governance issues shaping the boardroom today and to meet well-connected individuals who can offer unique insight into the director selection process or recommend you at some point in the future. However, board training classes are not seen as qualifying you for board service.