

NACD Texas TriCities Chapter | Austin

Jill Griffin's Board Seat Readiness Audit

To help you assess your suitability, I've developed what I call the "Board Seat Readiness Audit." Over many years, I've designed for clients a ton of research audits and surveys that used some fancy measurement metrics. (Likert Scale, anyone?) But my goal was brevity, and so I've kept this audit simple! I envision someone completing this on a flight from Houston to New York, for instance.

I've worked hard to reduce your responses to the good ole "Yes, No, or Maybe," with the following values: Yes = 3 points; No = 0 points; Maybe = 1 point.

Before you begin, take a moment to reflect on your work style and employment history. Above all, be truthful and candid with yourself. (You can find the online version at BoardSeatReadinessAudit.com.)

1. **Do you truly have the time to serve?** Saying "yes" to a seat can carry a commitment of five to ten years. In fact, it's not unusual to serve for ten years or *more*. This includes attending, on average, six to eight meetings a year (and the travel time to and from those meetings), serving on at least one committee, and being "on call" when unexpected issues arise.
2. **Is compensation a secondary motive for you in seeking corporate board service?** If, to any degree, you are driven by money to seek a seat on a corporate board, think again. There are probably far easier ways to earn it. Board service should ideally happen when you are financially stable and do not "need" the fees or stock.
3. **Are you well informed about board of directors' liability?** Officers and directors of public companies always face the possibility that investors, regulators, and even criminal prosecutors might challenge their decisions. This increased scrutiny makes it more important than ever that you understand the obligations and potential liabilities inherent in public board service.

Bottom line: Public board service comes with *serious obligations*. Proceed with caution.

4. **Do you think like an entrepreneur?** The very best and the most successful companies in America (3M, for instance) have always managed to maintain an entrepreneurial spirit no matter how big they've become. A culture that encourages creativity and inventiveness instills in its people passion and an urgency to create, and in its leader's openness to entirely new ideas—many of which come from outside the firm's respective industry.
5. **Are you financially literate?** Financial acuity is an essential proficiency in a board director. While you don't have to be a CFO or an accountant, you must have the know-how to analyze financial statements. Enron's and other corporations' scandals drove legislation to ensure this.

6. **Are you a natural mentor?** The role of a director differs greatly from that of an operating executive who is accustomed to “running the show.” Most director time is spent reviewing and assessing strategy, risk, financial reporting, and management performance. Aspiring board members should be comfortable in the role of mentoring. On the Luby’s board on which I serve, we have used a “board buddy” system in which a board director and a senior executive are matched. In my case, I was paired with Scott Gray, the firm’s CFO. He and I meet periodically and exchange ideas. He’s taught me how to dig deeper into financial statements, and I’ve helped him build on his already savvy marketing acumen.
7. **Can you bring valuable contacts to the table?** Board directors are expected to make their network of problem solvers available to the corporation’s management team. Do you have a wide network, especially in your field of expertise, and are you generously willing to share their names? For instance, I live in Austin, a city known for its software start-ups. Through networking, I came across a leading-edge technology. It allowed Luby’s to survey customers via a touch-point screen strategically located at the entrance of each restaurant. This information has helped us serve our patrons better. But even more gratifying for me was that, after a year of relentless system testing, Luby’s signed a contract with this de- serving start-up, which moved it into profitability.
8. **Do you naturally bring humor to stressful situations?** Great board members, like great leaders, have a sense of humor and know how to have fun. But they intuitively understand the rules of humor and don’t have fun at someone else’s expense. Instead, they make light of themselves.
9. **Do you like to dig deep for insight?** Men and women with this gift have a natural curiosity that drives in-depth analysis. This innate talent is prized in the boardroom. James S. Turley, retired chair- man and CEO of Ernst & Young, advises: “You are empowered to ask any question as a director. You are not management. Your job is to provide governance and oversight. Outside of board meetings, there is of- ten a lot of homework to be done with managers and understanding how they see the business and how they think. These are serious roles. You don’t just hang out.”
10. **Are you a team player?** A team player is generally described as one who communicates constructively, demonstrates reliability, works as a problem-solver, treats others in a respectful and supportive manner, shows commitment to the team, and is skilled at building on the ideas of others. Are these your strong suits?
11. **Are you optimistic?** An optimistic mindset enables a board director to view a conflict as a problem to be solved. Rather than focus on blame, he or she will focus on solutions. Boards need men and women with this mind- set to avoid gridlock and to move the firm forward. Ask yourself: Would your colleagues describe you as seeing the glass half-full rather than half-empty? Make no mistake: Boards want what Seth Godin calls “a generous skeptic.” That’s the director who can take the opposing position and help shed light on its merits. But, at the end of the day, the best boards work as a team and move ahead with an optimistic, can-do attitude.
12. **Are you willing to speak up about sensitive topics?** Boards depend on directors who not only speak up about sensitive topics but also are skilled in framing their points in an honest, confident, respectful, and positive manner. Sensitive topics can range from nepotism and outward signs of prejudice to unanswered telephone calls and queries. In making such probing yet

diplomatic remarks, it's especially important to show respect for the work of the team. Does this kind of diplomacy come naturally to you?

13. **Can you cast the lone vote?** Are you capable of casting the lone “no” vote? Can you do so even when your vote is clearly out of step with valued colleagues? My friend and valued colleague Ralph Hasson contributed this question and remembers the sobering experience well. On a critical vote, he stood alone and voted “no” when the majority of his fellow directors voted “yes” and one abstained. Ralph recalls that afterward, the director who abstained turned to Ralph and said, “I wish I had voted ‘no.’” Like Ralph, I have cast the lone vote. You may be uncomfortable when you do it, but you eventually experience a satisfied feeling of knowing you have looked inside your heart and stood for your values.

What do your colleagues think?

After reflecting on your own, have some close friends and colleagues take the same audit on your behalf, imagining you in the boardroom. How do their impressions of you compare with your own? What can their impressions teach you about your true fit for corporate board service?

YOUR FIRST FORK IN THE ROAD

Now, tally your points and then consult others. With that input in hand, consider these three options:

Not for Me: Score: 10 or below

Corporate board service is not a good fit for me (at least not at this time). I'm better off investing my time elsewhere. No worries! There's a big world out there awaiting my talents.

In for Now: Score: 11–30

I'm still debating whether corporate board service is right for me. It's a big commitment. This book will help me decide.

Full Speed Ahead: Score: 31–39

I'm corporate board material. I'm ready for the journey. This book will help me blaze my trail.

When you consider your audit results, imagine yourself sitting in your car at a traffic light. The green light solidifies your readiness to forge ahead. The yellow caution light signifies not all is “clear,” and you may need to be extra careful as you drive forward. The red light, often blinking brightly, conveys the indisputable warning to stop. Each colored light sends a different signal. That's what the audit is designed to do as well.