



Journey to the Boardroom

March 28, 2019

Thank you for joining us. The webinar will begin promptly at 12:00 pm EST.





Cynthia Glassman '67
Director



Margo Loeb '82
Experienced Director & CFO
Moderator



Liane Pelletier '80
Director



Beth Stewart '78
Executive Recruiter &
Experienced Director

Today's Speakers

Webinar Scope – Public and Private Corporations*

Public Corporation	Private Corporation
A public corporation sells shares of ownership to the general public, facilitating fund raising. Shares are traded on stock exchanges.	A private company does not issue general stock for public purchase.
Directors are responsible to the shareholders of the company for the overall direction of the company.	The board maintains all duties and responsibilities in-house.
The board is subordinate to the approval of the shareholders.	A private board is chosen by the board itself. The board is the supreme governing body of the company. Private equity firms and families often own a controlling block of shares, making director's roles advisory.
Public corporations are governed by numerous bodies, e.g., SEC, stock exchanges, etc. -- requiring independence, reporting standards, disclosure, controls, etc.	Private corporations have fewer legal and governance requirements, reducing legal exposure to directors. However, private corporations often maintain a high level of controls in any case.

* For a discussion on Mutual Fund boards, please refer to the January 29, 2018 recorded webinar “Mutual Fund Company Boards” on the Career Education website.





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Board of Directors – Description of Role

- **The roles of the Directors include:**
 - **Review of Corporate strategy**
 - **Developing a plan for CEO succession**
 - **Setting CEO and other senior executive compensation**
 - **Overseeing compliance, risk management and financial reporting**
 - **And - setting the appropriate tone at the top**



The Role of Director

- **Prescribed terms of service and subject to renewal**
- **Although it can vary, plan for at least four in-person meetings a year**
- **Conference calls in between in-person meetings**
- **Plan for time to prepare – significant reading materials**
- **Travel expenses to meetings typically reimbursed**
- **Compensated role – cash and equity**



Legal Responsibilities of A Board Director

- **In a public company, owned by a large and diverse set of shareholders, the role of the Board of Directors is to oversee management in order to protect the company and interests of the shareholders.**
- **The Board is elected by the shareholders and has a fiduciary duty to them. Their key duties are:**
 - **A duty of care – which means they are expected to get sufficient information and fully deliberate on Board decisions**
 - **They also have a duty of loyalty, which means they must act in the best interests of the shareholders and the company**
 - **They must act in good faith**
 - **And they must maintain confidentiality of any information that has not been disclosed to the public.**



Who Should Consider Board Service?

- **Approximately 75% of all board director seats are filled by past or current CEO's and direct reports to the CEO**
 - **Other senior executives fill out the remaining 25%**
- **There are “exceptions”**
- **Ultimate fit is also a function of key issues facing boards over the foreseeable future**



Corporations Recruiting Directors -- Process

- **The Nominating and Governance Committee of the Board is responsible for recruiting new directors**
- **Draft a position specification**
- **Go to the market with a recruiter (still common, however, for boards to tap their networks)**
- **Boards and recruiters contact candidates for interviews – candidates cannot apply for the role**
- **For a public corporation, the shareholders vote in the directors on the proxy at the annual meeting**
- **Recruiting process can take several months and up to a year in some cases**
- **A high level of confidentiality is maintained and communication with the candidate is measured**





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Landing A Board Director Role

- **Board bio & resume**
- **Elevator speech with your value-add**
- **Referrals are the key to a board role, do not write letters to companies or boards**
- **Network with CEO's, board directors, lawyers, auditors, etc.**
- **Place your resume with recruiters**
- **Prepare for interviews**
- **Do your due diligence on the company & board of directors; ensure D&O insurance in place**
- **Maintain confidentiality**





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QUESTIONS?



Reference Material

APPENDIX



Seeking A Board Director Role -- Reference Materials

Alums need to determine themselves which materials are useful for their specific needs

- **Background Books**
 - **Be Sharp, Second Edition by Paula Asinof**
 - **A Primer on Corporate Governance by Cornelis A. de Kluyver**
 - **The Board Game by Betsy Berkhemer-Credaire**
 - **Women on Board by Nancy Calderon and Susan Stautberg**
- **Board Biography and Resume**
 - **Paula Asinof – Yellow Brick Path**
 - Article -- “The Board Bio – Getting into the Game” – January 2019
 - Website – www.yellowbrick.com
- **Member Organizations – good sources of education and opportunities to network**
 - **American College of Corporate Directors**
 - **DirectWomen (for lawyers)**
 - **Mutual Fund Directors Forum**
 - **National Association of Corporate Directors (NACD)**
 - **Women Corporate Directors (BoardNext Program)**
 - **Women in the Board Room**



Seeking A Board Director Role -- Reference Materials (Cont'd.)

Alums need to determine themselves which materials are useful for their specific needs

- **Resume Databases**
 - National Association of Corporate Directors
 - Mutual Fund Directors Forum
 - Recruiters have on-line portal to submit resumes
 - Others exist at universities, etc. – keep asking
- **Electronic Platforms – some fees**
 - AdvisoryCloud (it was ExecRanks) -- <https://www.advisorycloud.com/>
 - BoardProspects -- <https://www.boardprospects.com/>
 - BoardSpan -- <https://boardspan.com/>
 - Equilar -- <https://www.equilar.com/>
 - In Touch Network -- <https://us.intouchnetworks.com/memberships>
- **Educational Resources, Keeping Current – printed information, webinars, conferences, etc.**
 - Law firms, accounting firms, recruiting firms, NACD, etc.
 - Universities/Business Schools with courses – Booth, Drexel, Harvard, Kellogg, Penn, Stanford, etc.
- **Reverse Recruiting – Presents Executive Profiles to Boards On Behalf of the Executive – JamesDruryPartners**

