

Diversity progress in the boardroom continues to drive debate

By Scott Chase

The competition for talent may drive diversity in the workforce and the boardroom.

That was the assertion by Deborah DeHaas, vice chairman and national managing partner for the Center for Board Effectiveness at Deloitte, who spoke in May at the Private Company Governance Summit (PCGS), an event that was founded six years ago by the editors and staff of *Directors & Boards* to transfer the core governance principles and best practices of public companies to the private company arena.

DeHaas kicked off PCGS 2018, held in Washington, D.C., with opening remarks that framed up an evolving dynamic of diversity. Among the top issues on the agenda for public company boards, DeHaas said, quoting from the 2017-2018 NACD Public Company Governance Survey, is competition for talent.

The future of work, and the rise of younger generations, signals a sea change in the composition of executive and board leadership, DeHaas explained. How does the future of work change organization design and behavior? How does it change leadership, talent, career and learning? How long will it take a rising cadre of executives to dismantle the once self-perpetuating structures of “good old boys clubs,” more recently termed “traditional non-diverse networks.”

Probably not too much longer, it seems. The issue of diversity continues to garner attention as it evolves into a measurable component of board structure that can yield thumbs up or thumbs down related to a board’s progressiveness.

In his annual midyear guidance to directors titled “Spotlight on Boards,” governance super-lawyer Martin Lipton of Wachtell, Lipton, Rosen & Katz counsels directors to “evaluate the board’s and committees’ performance on a regular basis and consider the optimal board and committee composition and structure, including board refreshment, expertise and skill sets, independence and diversity, as well as the best way to communicate with investors regarding these issues.”

The need to have a defined and transparent means of establishing board composition that is blind to color and gender is key, as well as a mechanism for letting key stakeholders know what is being done in pursuit of fairness and inclusion.

Another recent development designed to challenge continued barriers to board diversity is the establishment last month by WomenCorporateDirectors of the Nominating & Governance Chair Roundtable, comprising 18 male and female ethnically diverse board chairs, CEOs, and nominating and governance committee chairs. The N&G Roundtable is charged with address-



Photo by Drew Beamer on Unsplash

ing “persistent impediments to board diversity, even as investor groups have pushed for more women and other diverse directors around the boardroom table,” and is sponsored by KPMG.

“For many companies, the wake-up call has been from shareholders, investors, and fund managers who have put this issue squarely in their proxy voting guidelines,” says Kapila Anand, lead director of WCD, director at Extended Stay America and ESH Hospitality, and N&G Roundtable leader. “For others, it has been a journey to refresh board composition in light of the changing business environment.” (Anand was a featured *Directors & Boards* Director to Watch in its 2017 roster.)

“With regard to gender diversity in particular,” adds WCD CEO Susan C. Keating, “one of the obstacles to getting more women on boards has been a lack of agreement on why the numbers continue to stay so low.”

In a survey of more than 4,000 directors that WCD conducted with Spencer Stuart and researchers from Harvard Business School, male directors cited a “lack of qualified female candidates” as the reason for low diversity, while female directors assigned cause to entrenched “traditional non-diverse networks.” Both men and women agreed, however, that a key factor also was the board’s low priority to recruit diverse candidates.

“The N&G Roundtable will develop actionable recommendations to help reverse this course,” says 2015 Director to Watch Gabrielle Sulzberger, General Partner, Fontis Partners, and a director at Brixmor Property Group and Teva Pharmaceuticals.

To launch the effort, the group developed a five-point action plan, including nominating and governance peer group exchanges focused on board diversity, evaluating a centralized database of diverse directors and board candidates, devising a strategy to engage investor groups and alliance organizations, development of a library/resource for nominating & governance committees, and establishing best-in-class individual board member performance assessments.

“We encourage all board nominating and governance committee members to participate and join the dialogue about how to accelerate board refreshment, as a channel to both greater diversity and better governance,” Anand says. “Directors need more tools and resources to do so, and our N&G Roundtable action plan has already and will in the future lay out some lessons learned for the board.”

For advocates of greater diversity in the boardroom, these lessons can’t be learned fast enough.

Cheryl Miller

Director, Tyson Foods, Inc.



Cheryl Miller is executive vice president and chief financial officer of AutoNation, Inc., America's largest automotive retailer. She serves on the board of directors and as audit committee chair for Tyson Foods, Inc., one of the world's largest food companies.

Miller has over two decades of strategic, financial and governance leadership experience spanning across companies that include JM Family Enterprises, Inc., ION Media Networks and Alamo/National Car Rental. She holds a bachelor's degree in finance and business administration from James Madison University.

Miller has received many professional accolades including being named one of the "100 Leading Women in the North American Automotive Industry" by *Automotive News* and being ranked as one of "The Top 50 Female CFOs" by *Business Insider* magazine. She is a member of WomenCorporateDirectors and National Association of Corporate Directors.

With the continued rapid pace of innovation and disruption globally, it's incumbent on boards to be well positioned to help identify key external trends and to be prepared to move quickly on business opportunities. — *Cheryl Miller*

Challenging the status quo: With the continued rapid pace of innovation and disruption globally, it's incumbent on boards to be well positioned to help identify key external trends and to be prepared to move quickly on business opportunities. A diverse and action-oriented slate of directors with experience in different technical disciplines, geographies, business types and ways of thinking is a key component to enabling this. Boards need to set an expectation that directors will actively bring in outside experiences and be willing to challenge the status quo in areas where disruption can occur quickly.

Wendy Webb

Director, ABM Industries



Wendy Webb is an independent director on the board of Fortune 500 ABM Industries where she serves on the audit and strategy & risk committees. She is co-chair of WomenCorporateDirectors – Los Angeles/Orange County and is a National Association of Corporate Directors Board Leadership Fellow.

Previously, Webb was an independent director for TiVo, and for Jack in the Box, Inc. Her nonprofit board roles have included PetSmart Charities and the Smith College Board of Trustees.

Webb's background includes 20 years as a senior executive at Disney, then C-suite positions at Ticketmaster and at Tennenbaum Capital. Her early career was in investment banking. She has demonstrated leadership in investor relations, strategic planning, governance, mergers and acquisitions, digital initiatives, and innovative growth.

Webb is an honors graduate of Smith College, with an MBA from Harvard.

A governance formula for long-term value: The best boards of directors are champions of the interests of shareholders, while also mindful of a company's customers and employees. The strategic focus the board oversees, the cultural tone they adhere to, and the operational or service excellence they insist management execute, should add up to a governance formula that delivers long-term value.

Betsy Atkins

Director, Wynn Resorts, Ltd., Cognizant, Schneider Electric, SL Green



Betsy Atkins is the former CEO of Clear Standards, Inc., a provider of energy analytics management and "sustainability" software. She has served on some of the world's most visible global public company boards and has worked behind the scenes at companies like Chico's, Vonage, Darden Restaurants, NASDAQ, HealthSouth, Wix and Reynolds American.

How do you provide long term vision?

**You view possibilities through
a diverse set of eyes.**

Today's boards face an array of complex issues, when preparing for the future. The best way to understand these issues—and provide proper oversight—is to take advantage of a broader range of perspectives. As global lead sponsor of the WomenCorporateDirectors Foundation, and a supporter of many other diverse organizations, KPMG LLP is an advocate for the growth of diversity in corporate boardrooms. We're proud to salute all of the directors who are being honored as a Director to Watch, especially those who are WCD members. All of whom can be considered directors with vision.

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Atkins started her business career as an entrepreneur co-founding several successful digital tech and consumer companies including blockbuster \$5.4 billion Ascend Communications. Atkins is an effective operational leader, having been CEO three times, dramatically scaling, building and repositioning businesses. She has a strong operational perspective with focus on taking friction out of the consumer experience.

Atkins is serving on four public company boards: Wynn Resorts, Ltd., Cognizant, Schneider Electric and SL Green. She also is a board member of Volvo Car Corporation, a private company.

Be generous with your time: My philosophy on corporate governance focuses on being highly engaged and the belief that directors must be a competitive accelerant to the business, positively impacting the company in a measurable way. Directors need to leverage their professional Rolodexes to facilitate meaningful introductions for management for new business opportunities, strategic partnerships and professional development. Be generous with your time to help mentor and maximize the potential of the senior leadership team where you are a director.

Patricia L. Guinn

Director, Reinsurance Group of America, Inc.



Patricia L. (Tricia) Guinn is a director of Reinsurance Group of America, Inc., one of the largest global life and health reinsurers with operations in 26 countries around the world, and was also on the board of Allied World Assurance Company Holdings AG until its recent sale. Guinn is an association member of BUPA, an international healthcare group serving more than 22 million customers in over 190 countries.

Prior to retiring from Towers Watson in 2015, Guinn was the Risk and Financial Services business segment leader and on the company's executive committee. She led an \$800 million global business that spanned insurance consulting and software, reinsurance brokerage and investment services. During her 39-year career with Towers Watson

she also advised senior insurance company executives and boards on major strategic and financial issues.

Strong governance depends on strong culture: Along with having a sound strategy and the right talent, a company also needs strong governance to succeed for the long term. Governance starts with the tone of the board and how it holds itself and management accountable for how business is conducted and for the company's performance. Risk management, my personal background, is another important component of good governance. For me, governance and risk management are strategic issues, not mere compliance issues.

Grace Vandecruze

Director, SBLI USA, Resolution Holdings, M Financial Group



Grace Vandecruze is the founder and managing director at Grace Global Capital LLC, a consulting firm providing M&A financial advisory, restructuring and valuation to insurance executives, boards and financial regulators since 2006.

Throughout her career, Vandecruze has delivered advisory expertise on over \$5 billion of insurance transactions. She was previously managing director at Swiss Re and was responsible for the firm's regulatory advisory practice in the insurance and financial services industries. She provided expert testimony on the valuation of Conoco during the largest bankruptcy in the insurance industry.

Vandecruze is a frequent keynote speaker on the M&A landscape and the future of work. She is an independent director of SBLI USA, Resolution Holdings and M Financial Group. She is a member of National Association of Corporate Directors. In addition, Grace was named "2018 Corporate Woman of the Year" by Pace University.

Innovation in the boardroom: The challenge for innovation is increasingly becoming the catalyst for a wave of change in the boardroom. Companies recognize that it is strategically imperative to remain competitive and to focus on transforming the customer experience while

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Coupled with her unwavering dedication to community and the Drive Pink movement, Cheryl's leadership is truly best-in-class.



A stylized white signature of Mike Jackson.

Mike Jackson

Chairman, CEO & President



AutoNation

Drive Pink. Drive Safe. Drive Now.

engaging and retaining the best talent in the organization. Successful innovation strategies must be inclusive and representative of a diversity of experiences, perspectives and backgrounds. Diversity that drives innovation is a result of a strategic focus that not only embraces difference but also cultivates it. Excellence in board performance and board diversity are key corporate governance imperatives.

Geeta Mathur

Director, Motherson Sumi Systems, IIFL Holdings, Ltd., NIIT



Geeta Mathur complemented her college degree at Shriram College of Commerce in India with a chartered accountancy at Pricewaterhouse (today PwC). She entered the world of credit and investment banking with ICICI, specializing in project and structured finance across diverse industries. Her

exposure to board service came early as a nominee director of the bank. She rounded off her knowledge of finance heading corporate treasuries, risk, investor relations and strategy for companies such as IBM and Emaar MGF.

Exposure to multiple industries' disciplines helps her cross-pollinate ideas and contribute effectively as a board member. She chairs and is a member of audit, compensation and risk management committees.

She straddles board positions in the manufacturing and services sectors including Motherson Sumi Systems, IIFL Holdings Ltd. and NIIT. She also co-chairs the India chapter of WomenCorporateDirectors Foundation.

Talent pool optimization as a key strategic asset: Boards need to facilitate talent pool creation as the key to manage multiple risks and disruptions. Directors must insist on an ongoing process of assessing the existing individual talent pool, upgrading it and engaging with potential external candidates for creating an organization capable of handling continuing challenges on strategy and risks including technology, culture and geopolitical risks besides regulatory uncertainty. The CEO and the board need to integrate human capital with financial capital in growth strategies and recognize the challenges and importance of a genuinely diverse workforce for success.

Nilsa Guerrero-Mahon

Director, NioCorp Developments, Ltd.



Nilsa Guerrero-Mahon, CPA and CFE, is an experienced financial and compliance expert who has served as a corporate finance executive for global corporations. She is a director of and the audit committee chair for NioCorp Developments, Ltd., a publicly traded mining company, the vice chair of the board of

the largest health system under Centura Health, and serves on Microsoft's Council for Digital Good.

Guerrero-Mahon worked as the financial controller for Microsoft Global Services and held positions with Arthur Andersen and Tyco International. She also served as an adjunct faculty member at the University of Denver.

Guerrero-Mahon holds an executive MBA from the University of Denver and a B.S. in accounting from the Interamerican University in San Juan, Puerto Rico. She is a member of National Association of Corporate Directors and WomenCorporateDirectors.

Digital transformation equates to business transformation. It is disruptive and a major force necessary to remain competitive in today's market. — *Nilsa Guerrero-Mahon*

Key performance indicators measure shareholder value: Digital transformation equates to business transformation. It is disruptive and a major force necessary to remain competitive in today's market. Frequently, corporations' digital transformation strategies do not meet expectations. Boards must embrace and drive a culture of innovation to provide the strategic guidance related to development and implementation of transformational goals. The board's role is leading the executive team to ensure the opportunities and risks associated with digital transformation strategy are identified and corporate resources are properly aligned. A high-performing board ensures key performance indicators effectively measure and monitor the success of the digital business model and the creation of shareholder value.

The mind has no barriers. Neither should learning.

In the past 36 years, NIIT has trained over 36 million learners in over 40 countries. We believe that learning should not be a privilege for the few. While we develop L&D programs for the world's leading companies, we don't forget those who don't have access to learning. Whether it is a Tsunami-hit village in Sri Lanka or a remote town in Africa, our pioneering technologies ensure that people around the world can experience the benefits of technology-enabled learning.



NIIT congratulates our board member, **Geeta Mathur** for being featured in the "Directors to Watch" list 2018.

Carla D'Andre

Director, Kingstone Companies, Inc., Kingstone Insurance Company, Inc.



Carla D'Andre is co-founder of D'Andre Insurance Group, Inc., and a board member of Kingstone Companies, Inc., and Kingstone Insurance Company, Inc.

Formerly, D'Andre was executive vice president at Willis Group Holdings, managing director at AON Risk Services, chief operating officer at XL

Capital's Inquis Logic Inc., managing director of Swiss Re, senior vice president of Sedgwick North America, and a vice president of Johnson & Higgins.

D'Andre holds Chartered Property Casualty Underwriter (CPCU), Chartered Life Underwriter and Associate in Re-insurance designations. She chaired The Institutes' CPCU Society Insurance and Risk Management Interest Group and is also a committee director of that organization's Re-insurance Interest Group. She chaired the American Management Association's Insurance and Risk Management Council. She sits on the Executive Advisory Council of St. John's University School of Risk Management, Insurance and Actuarial Science.

She has a MBA from Pace University's Lubin School of Business and a BA from St. John's University.

Risk management should have the active involvement of a company's board. Best practices mandate that the board oversees enterprise risk with responsibilities specifically assigned to a board committee or committees, covering a broad spectrum of risks with the goal of addressing the needs of all stakeholders. — *Carla D'Andre*

Identifying risks at the board level: Risk management should have the active involvement of a company's board. Best practices mandate that the board oversees enterprise risk with responsibilities specifically assigned to a board committee or committees, covering a broad spectrum of risks with the goal of addressing the needs of

all stakeholders. Boards should oversee and monitor the processes that management uses to identify and proactively address risks and opportunities in all areas including regulatory, financial, environmental, cyber, commercial and operational, compliance, diversity, wage equality, human capital, ethics and social responsibility.

Susan Somersille Johnson

Director, Constellation Brands



Susan Somersille Johnson is executive vice president and chief marketing officer for SunTrust Banks, Inc. A strategic marketing and branding executive, she leads brand strategy, digital marketing and corporate and line of business marketing operations.

Having served in leadership roles for a number of technology organizations including NCR, Nokia, Apple and Fujitsu, Johnson specializes in driving innovation — bridging digital technologies and analytics with traditional marketing.

Johnson serves on the board of Constellation Brands, a Fortune 500 company and leading international producer and marketer of beer, wine and spirits with operations in the United States, Mexico, New Zealand, Italy and Canada. She holds a bachelor's degree in engineering sciences from Harvard University (cross-registered at MIT) and an MBA in finance from The Wharton School. She was named among the "50 Most Powerful Women in Corporate America" (*Black Enterprise*, 2016 and 2017) and "Top Influential Women in Corporate America" (*Savoy*, 2016).

The importance of challenging conventional thinking: Disruption is a core driver of innovation. Ever-changing trends and technology — big data, AI, blockchain, e-commerce, the "gig economy," etc. — are upending how organizations approach markets and reshape business models to adapt to the changing landscape. The shift provides a compelling opportunity for directors to challenge conventional thinking, regardless of industry, as they evaluate the long- and short-term strategy of an organization. It means understanding the opportunities and threats rapidly changing issues present and creating a board culture that values diverse thinking.

Congratulations, Cheryl.

—
20 years in finance.
9 years in the *Fortune* 150.
2 years on our board.

**This year, a 2018
Director to Watch.**



Cheryl S. Miller
Board of Directors, Tyson Foods
Executive Vice President &
Chief Financial Officer, AutoNation, Inc.



Linda Rebrovick

Director, HealthStream



Linda Rebrovick is leveraging her CEO experience, track record building business and technology consulting teams, and expertise in strategy and innovation as an independent board member. She serves on the HealthStream board and was chair, governance and nominating committee. Rebrovick previously

served on the boards of Pinnacle Financial Partners, Tribridge Enterprises and KPMG LLP.

Rebrovick is CEO, Integrated Healing Technologies, a healthcare technology company providing innovative wound care products to improve the healing process and patient experience. She was previously senior partner, Morgan Samuels, an executive search firm, and CEO, Consensus Point, a prediction market research software as a service company. She also gained executive experience at KPMG and Dell, leading

national healthcare sales and services businesses. As the chief marketing officer, she led KPMG Consulting through a global re-branding to BearingPoint in 40 countries.

Her career began with IBM where she spent 16 years as a sales representative, manager and services business unit executive.

Annually, our board directors provide valuable anonymous ratings of themselves and other board members' performance. Each director receives their ratings from their peers compared against their self-ratings and the board's median ratings.

— Linda Rebrovick

Evaluation process is a governance best practice: Annually, our board directors provide valuable anonymous ratings of themselves and other board members' performance. Each director receives their ratings from their

RGA congratulates Tricia Guinn on being named one of the 2018 Directors to Watch. Her positive impact on RGA's Board of Directors and on the insurance industry demonstrates the power of inclusion.





peers compared against their self-ratings and the board's median ratings. The HealthStream board uses this self/peer evaluation process and has experienced enhanced board effectiveness driven by each board member's self-improvement. My passion for board governance started while serving as chair, board process and governance, KPMG LLP, when we created our governance processes, including the self and peer evaluations, with the guidance of Ira Millstein, senior partner, Weil Gotshal & Manges LLP.

all the areas of expertise from each board director and to collaborate constructively with different personalities in order to achieve the best decisions. A background in leading a smaller company to growth in the highly regulated securities industry hones those skills of being adept and agile in becoming multi-talented to effectively compete. Small company leaders have a breadth of knowledge that can enrich a board's collective knowledge.

Susan B. McGee

Director, Goldman Sachs Private Middle Market Credit LLC, Goldman Sachs BDC, Inc. and E TTL Engineers & Consultants, Inc.



Susan McGee served as president of U.S. Global Investors, Inc. (GROW), a publicly-traded registered investment advisor,

from 1998 to 2018 and as the company's general counsel since 1997.

McGee was responsible for directing the overall policy, planning, financial, budgetary and operations functions of the organization. As general counsel and chief compliance officer, she was responsible for the organization's compliance and risk management functions. McGee joined the company in 1992.

She currently serves on the boards of Goldman Sachs Private Middle Market Credit LLC, Goldman Sachs BDC, Inc. and E TTL Engineers & Consultants, Inc.

Smaller teams can yield governance insights: Board success involves the ability to utilize

Wendy Webb

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Dr. Cheemin Bo-Linn

Director, SNOMED, Evana Med Inc.,
Sphere 3d Corp.



Dr. Cheemin Bo-Linn is CEO and president of Peritus Partners, a leading global analyt-

ics platform and business IT consultancy. Previously, she was an IBM vice president running a \$3.5 billion group and digital chief marketing officer/CRO for a tech firm.

Her director experience spans Canada, the United States and Europe, including audit chair of two U.S. public companies, while also leading risk and tech (innovation, digital transformation, and cybersecurity.) She was inducted to the “Hall of Fame for Women in

Technology,” is a “Most Influential Silicon Valley Exec” award-ee, named a “Top 100 CEOs in STEM,” and invited to speak at the United Nations.

Bo-Linn’s doctorate degree is in computer information systems from the University of Houston with work experience in the application of technology (big data analytics and artificial intelligence) to drive global competitiveness.

Creating opportunities out of market disruption: Great boards see market disruption as opportunities, not threats. Digital disruption facilitates exploring new business models, challenging assumptions, executing cybersecurity and strengthening ecosystem partnerships. Transforming how we (digitally) engage our customers and deliver innovative solutions is key. Innovation makes dreams reality. The customer is the focal point with its “DNA” visible in management’s operations, company culture, and values. This customer-centric focus also applies to the board as it fulfills strategic oversight and creates and delivers value for all stakeholders, while embracing diverse views with strong governance and optics on the future.

Always Striving to reach new heights

We recognize that truly significant achievements are best realized by a diverse board room and a corporate culture that embraces all of our voices.

We Congratulate Betsy Atkins as she is recognized by **Directors & Boards Magazine** as one of the 2018 prominent women directors to watch.

SL GREEN REALTY CORP.

Alice Schroeder

Director, Prudential plc, Quorum Health Corporation, Bank of America Merrill Lynch International



Alice Schroeder serves on the audit and risk committees of Prudential plc, a FTSE 20 global financial services company. She is an audit committee member of Quorum Health Corporation, and a governance committee member and audit committee chair of Bank of America Merrill Lynch International. Schroeder was CEO of WebTuner Corp., a media platform developer, and executed a turnaround that led to its sale in 2017.

She began her career as a CPA at Ernst & Young and spent two decades at investment banks, becoming the top-ranked analyst in the non-life insurance sector while a managing director at Morgan Stanley. She is author of the #1 New York Times best-seller *The Snowball: Warren Buffett and the Business of Life*.

She began her career as a CPA at Ernst & Young and spent two decades at investment banks, becoming the top-ranked analyst in the non-life insurance sector while a managing director at Morgan Stanley. She is author of the #1 New York Times best-seller *The Snowball: Warren Buffett and the Business of Life*.

Transformation as a board skill: Overseeing business transformation is becoming a key skill set. Boards that understand complexity and risk management of transformation can help reinvigorate governance, develop target operating models, oversee multi-dimensional work-streams, review talent and reward, think strategically about business models, and address legal issues. Company leaders often are double-hatting and stretched for resources, and appreciate boards that help them to step back and contemplate the big-pic-

Company leaders often are double-hatting and stretched for resources, and appreciate boards that help them to step back and contemplate the big-picture issues. — *Alice Schroeder*

ture issues. When companies face truly severe problems, boards can be a make-or-break resource. A steady hand,



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Congratulations to Grace Vandecruze for being recognized as a Director to Watch.

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Grace continues to chart a path for others and we are grateful for her contributions to our community as a Director on our Board.



calm approach, can-do attitude and experience with oversized challenges are key, and the reward of contributing them is exceptional.

Britt Ide

Director, NorthWestern Energy



Britt Ide serves on the board of directors and governance and innovation committee of NorthWestern Energy, a gas and electric utility. Ide has over 25 years of experience as an engineering, legal and business leader working on all sides of energy issues including with associations, industrial users, large commercial users, utilities, NGOs, developers and regulators.

As president of Ide Energy & Strategy, Ide consults on energy policy, strategy and collaboration. She serves as a

clean energy ambassador for a U.S. Department of Energy/MIT/Stanford collaboration and is on the Fulbright Roster of Specialists. Ide recently was an invited keynote speaker to Santiago, Chile, on corporate governance and energy.

Ide's additional board service includes nonprofits and small public companies in geothermal and education fields.

Thoughtful engagement and preparation are key attributes: Having worked on and with many boards from small startups to major NYSE firms, I have found that thoughtful engagement of board members is a key best practice. Engaged board members come prepared to meetings, they ask critical questions, they make insightful observations and connections, and they are solutions-focused. They use their time wisely to speak with management in formal and informal settings to get to know the people and understand the operational roles. They are engaged outside of meetings in the industry and beyond, allowing them to contribute at a strategic level directly and indirectly.



Great leaders inspire confidence.

Congratulations Susan Somersille Johnson on being named one of the 2018 Directors to Watch.

Thank you for leading our journey to inspire financial confidence across America.



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The management and staffs of Kingstone Companies, Inc. and Kingstone Insurance Company congratulate board member **Carla D'Andre** on her selection as a *Directors & Boards* 2018 Director to Watch.

Carla's passion for governance best practices is an inspiration to us all.



Cordia Harrington

Director, Zoës Kitchen, Emergent Cold, Tennessee Education Lottery



Cordia Harrington is CEO/founder of The Bakery Cos., a highly automated manufacturing firm producing over 8 million buns and artisan bakery items per day for customers in the United States, Latin America and Caribbean.

She excels in manufacturing, financial services, transportation, the quick service restaurant segment, real estate and construction. Harrington’s focus on regulations, sustainability, technology, employee policies and state-of-the-art equipment has grown the company into one of the Top 50 Fastest Growing Woman-Owned Businesses (*Forbes* 2017). She recently was inducted into the 2018 Baking Hall of Fame by the American Society of Baking.

Her current board service includes Zoës Kitchen; Chief Executives Organization, president-elect 2019-2020; the American Bakers Association, president-elect 2021; Emergent Cold and Tennessee Education Lottery.

The most important focus a board has is to protect the shareholder. — *Cordia Harrington*

Protect the shareholder: The most important focus a board has is to protect the shareholder. The best way to protect the shareholder is to hire top talent and trust them to do their best every day. If we take care of the company associates, they will take good care of the customers and the business. The board compensation committee has great opportunity to impact human resources best practices and salaries of associates, supporting the culture, and insuring salaries and bonus structures are appropriate to motivate leadership. A cohesive board should take sincere interest in individual leaders across the enterprise.



Just as every patient deserves the best developed workforce, every board deserves the best directors. We are proud to count **Linda Rebrovick** as one of ours and we congratulate her and all the *Directors & Boards* 2018 Directors to Watch.



CONGRATULATIONS, NILSA!

Nilsa Guerrero-Mahon

2018 Directors to Watch Honoree

Member, Board of Directors and Chair, Audit Committee

NioCorp Developments Ltd.

NioCorp
SUPERALLOY MATERIALS

Terry Allison Rappuhn

Director, Quorum Health Corporation, Akorn, Inc., Genesis Healthcare, Inc.



Terry Allison Rappuhn has served on the boards of six public companies. She focuses on companies that are building infrastructure, processes, and teams. She also works with leadership teams through significant and successful transformations.

Rappuhn is board chair of Quorum Health Corporation, an operator of general acute care hospitals and outpatient services. She chairs the audit committee of Akorn, Inc., a specialty pharmaceutical company, and serves on the executive and audit committees of Genesis Healthcare, Inc., one of the nation's largest post-acute care providers. She serves on the nominating and governance committees of all three companies. Her previous three boards were also health care-related.

Rappuhn led an industry initiative to promote patient-focused practices and engagement and is passionate about the consumer's healthcare experience.

Effective boards learn from each member. They think from the consumer's perspective. They treat everyone with respect. They build incentives with the desired outcomes in mind. And they expect results. When the company is successful, we all win together. — *Terry Allison Rappuhn*

Persuasiveness is a necessary skill: A board is a team. A board member leads through persuasion as a member of a group. Each person brings skills as a business leader, mother, operator, banker, patient, employer — a mix of perspectives. Effective boards learn from each



Black Diamond Group
is pleased to celebrate
these 2018 Honorees
for their many contributions
to the Insurance Industry

Carla D'Andre
Tricia Guinn
Grace Vandecruze

Jay Novik, Chairman
Heidi Hutter, CEO
Nancy Corbett, EVP - Europe

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member. They think from the consumer's perspective. They treat everyone with respect. They build incentives with the desired outcomes in mind. And they expect results. When the company is successful, we all win together.

Karen Poniachik

Director, Nuevo Pudahuel, Subway Metro SA (Santiago)



Karen Poniachik is director of Columbia University's Global Center in Santiago, Chile. She is also member of the corporate boards of Santiago's Subway Metro SA and of the new airport's build-operate-transport international concessioner Nuevo Pudahuel.

She has previously served on the corporate boards of Engie Chile, British American Tobacco Chile and Terpel Chile. As minister of mining from 2006 to 2008, she chaired the boards of state-owned companies Codelco, Enap and Enami. She was Chile's special envoy to the Organisation for Economic Co-operation and Development in charge of the country's accession process to the organization, which was successfully completed in January of 2010, and has served as minister of energy, CEO of Chile's foreign investment committee and director of business programs at the Council of the Americas in New York.

Currently, Poniachik is a consultant to Maersk Container Industries San Antonio and Maersk Lines in Chile and a board member of the Chilean-American Chamber of Commerce.

Poniachik graduated as a journalist from the Universidad Católica de Chile and holds a master's degree in International Affairs from Columbia University in New York.

ESG metrics now as important as financial KPIs: More than ever before, board members need to pay attention to non-financial aspects when evaluating risks and working on the strategic planning process to achieve long-term sustainable growth. Environmental, social and governance metrics (ESG), which go from the environmental impact of the firm's operations to the diversity of its workforce and from its occupational safety standards to the independence of its audit committee, are now as important

as traditional financial KPIs when measuring performance. It is a fiduciary duty to address them. If not managed well, they can translate into reputational problems, the loss of the "license to operate" or of the loyalty of employees and customers, and legal/regulatory challenges.

Jan Stern Reed

Director, AngioDynamics Inc., Stepan Company



Jan Stern Reed is an independent director and a former C-suite executive with more than 30 years of experience in publicly traded, family-owned and private equity-backed companies with in a wide range of industries. She serves on the boards of two public companies, AngioDynamics Inc., a medical device

company, and Stepan Company, a global specialty chemicals manufacturer.

At Stepan, Reed is chair of the compliance committee and also serves as a member of the audit, compensation and governance committees of the board. She serves as a member of the audit committee at AngioDynamics.

Reed has held leadership positions within the legal, corporate governance, compliance and human resource fields, most recently serving as senior vice president, general counsel and corporate secretary at Walgreens Boots Alliance, Inc., a Fortune 20 company. Having attended hundreds of board meetings as an executive or as a board member, Reed brings a wealth of practical knowledge and a common sense approach to board service.

Boards need to "do the right thing:" It sounds simple: do the right thing. But so often "the right thing" isn't crystal clear, and making the right decision can be an arduous process. The boardroom is filled with differing views, and oftentimes board dynamics or even one director's strength of conviction can influence — positively or negatively — conversations needed to make the right decision. In my time working with and serving on boards, one thing has become evident: Directors must not take the easy road to critical decision-making. The best decisions are made when directors devote the time needed to effectively analyze an issue from all angles. Directors willing to

Diversity in the Boardroom: Consider a Nurse

By Laurie Benson

With many changes occurring in the health care industry, and with health care projected to remain the largest employee-related expense for U.S. employers, now is the time for the voice of nurse leaders to be heard.

As a nurse leader and board director for many years, I have experienced firsthand the importance of nurses serving in a wide range of governance roles.

Nurses historically are underrepresented on hospital and other boards of directors of publicly traded companies. Without a nurse, boards miss the perspective of the most honest and ethical profession, as ranked in the annual Gallup poll for the last 16 consecutive years, as well as representation of the largest segment of the health care workforce.

As health care costs grow for all companies and corporate concerns about funding and compliance multiply, nurses can offer insights into how to manage these and other risks.

"Without exception, nursing representatives on the board have proved to be invaluable," says John W. Bluford, III, past chair, American Hospital Association; president, Bluford Healthcare Leadership Institute; and president emeritus, Truman Medical Centers.

"They were not so much an advocate for nursing, but they advocated for the needs of patients," he explains. "As the board focused on matters of care quality, the voice of nursing was both critical and creditable."

The Nurses on Boards Coalition (NOBC) was launched November 2014 with support from the Robert Wood Johnson Foundation and the Center to Champion Nursing in America. The Institute of Medicine's 2011 report, "The Future of Nursing: Leading Change, Advancing Health," called for nurses to play a more pivotal decision-making role on boards and commissions. NOBC represents national nursing and other organizations working to build healthier communities in America by increasing the presence of nurses on corporate and health-related boards, as well as other boards, panels and commissions.

All boards can benefit from the nursing perspective.

The nursing profession has evolved to include a diverse group of professionals dedicated to serving patients, families and communities and is ideally suited to bring unique perspectives to the boardroom.

Nurses possess a wide range of skills including strategic planning, critical thinking, communications, quality and process improvement, human resources, finance, and complex problem solving. Accustomed to working in teams, nurses fit naturally into the boardroom environment. Always connected to the mission, they understand the challenges, opportunities and implications of decisions on many levels.

NOBC has a ready pool of diverse candidates with over 10,000 nurses registered in the NOBC database, many who are interested in serving on an additional board, or their first board. To advance its mission, NOBC works with organizations to identify candidates who are a good fit with the desired skill sets, qualifications and experience for board leadership.

The evolving health care landscape calls out for change. As you expand your board candidate pool to include more diverse candidates and perspectives, include a nurse.

participate in fulsome, honest, fact-based decision-making, including respectful disagreement and debate, will ultimately reach a decision that all can agree was "the right thing."

Patricia (Trish) A. Oelrich

Director, Federal Home Loan Bank



Patricia A. Oelrich has served as the audit committee chair for the Federal Home Loan Bank Office of Finance since 2014. She also served as the audit committee chair for Pepco Holdings, Inc., from 2010

until the utility was sold to Exelon in 2016. In addition, Oelrich serves on the boards of the Association of Audit Committee Members, Inc., and the National Association of Corporate Directors New Jersey. She also co-chairs the WomenCorporateDirectors Philadelphia chapter.

She was a senior executive at GlaxoSmith-Kline first serving as vice president of internal audit and then vice president of global IT risk management. Prior to that, Oelrich was an audit partner with Ernst & Young, serving the audit assurance practice. She headed the information technology audit and security practice in Chicago.

Digital disruption and the fast pace of change: There is no doubt that digital disruption is creating an emerging global marketplace and causing many businesses to reinvent themselves. Boards need to grasp the impact technologies such as artificial intelligence, block chain and the internet of things will have on their company's future. I enjoy guiding the conversation and inspiring others to think more broadly about the impact of technology, the importance of building a moral and ethical culture, forming a balanced

approach to enterprise and social risk management, and addressing cybersecurity risks.

Mary Petrovich

Director, AxleTech International, Woodward, WABCO



Mary Petrovich is a senior operating executive with private equity leader The Carlyle Group. She also serves as chairman of AxleTech International. Additionally, Petrovich is a board member of two public companies, Woodward and WABCO.

Earlier, Petrovich spent a decade as CEO of AxleTech, where she transformed a dying business into its markets' fastest growing, most profitable business. Before AxleTech, she presided over Dura Automotive's largest division. She also has led industrial businesses

with increasing responsibilities for AlliedSignal, Chrysler and GM.

Petrovich graduated from the University of Michigan with a BSE in Industrial & Operations Engineering, and graduated with an MBA from Harvard Business School.

A well-decorated business woman and athlete, Petrovich has won numerous business awards and competed in three U.S. amateur golf championships.

Compensation practices a key to great corporate governance: One of my proudest contributions as a board member has been as chair of the Woodward compensation committee. Compensation practices are key to great corporate governance. I personally enjoy aligning management compensation with shareholder interests. Pay-for-performance accountability is an absolutely essential role of the board. When this happens in harmony, true value is created. It is an honor to serve as vanguard for the company and balance the best interests of all of its stakeholders, with shareholders and management as top priorities. ■

Directors & Boards' 12th Annual Directors to Watch highlights accomplished women board members, and is made possible in part by the support of KPMG, Diversity in the Boardroom, a board diversity consulting firm, and WomenCorporateDirectors Foundation, a global organization dedicated to advancing the careers and contributions of women directors.

In our Fourth Quarter 2018 edition, to be published later this year, we'll feature Directors to Watch focused on ethnic diversity. Nominations are now open.

To nominate a "Director to Watch" for inclusion in *Directors & Boards*, please send your candidate's name, current primary corporate and board positions, contact details for your choice, and a sentence or two on why you believe this person is a "Director to Watch" to Scott Chase at scottchase@verizon.net.

