



An Insider's View of Board Recruitment

by Pamela F. Lenehan

Boards of directors of publicly-traded companies are not well understood. Despite public documents that describe director criteria and the selection process, how people are chosen to serve on boards is not always obvious. This article is intended to demystify board recruitment to allow individuals to better position themselves for director opportunities.

Boards Do Succession Planning:

- Director search starts with the company's strategy. Boards discuss the skills needed for the challenges the company will face in the future. Every board needs financial and people skills, but other desired experiences vary by company: industry knowledge; marketing; technology; cyber security; international; risk management; government relations; communications; strategic planning; M&A; procurement; AI & data analytics, etc. The Nominating & Governance committee creates a matrix of skills desired and maps the existing directors on the skills matrix. The committee can then see talent gaps the board would like to add or future needs due to expected director retirements.
- To further complicate the matter, there are three standing committees, Audit, Compensation and Nominating & Governance and there may be others such as Technology or Strategic Planning. What seats will need to be filled on these committees?
- Think of building a board the way a college builds its freshman class. Boards are not looking for well-rounded individuals, they are looking for experts in the areas where they think the board skill set is weak.
- You may have the right industry experience and on paper look like a perfect fit for the company, but if you are a financial expert and they are looking for technology or marketing expertise, you won't be considered for the current opening.

Advice:

- Decide what your "personal brand" is going to be before you set out on a director search. Are you positioning yourself as a financial expert? Technology specialist? Marketing leader? Don't claim to be an expert in too many categories: it will only dilute your value as an authority and reduce your chances of being chosen.
- Audit and compensation committees always seem to need people, so offer to serve on those committees if you can reasonably do the work. You do not need to be a CPA to be on an audit committee, you just need to be financially literate. Have you managed a P&L? Do you understand key metrics needed to run a business? Compensation committees today are charged with overseeing a broad range of personnel issues. Have you managed groups of people? Recruited and mentored colleagues?

Have An Impressive Board Bio:

- You need a great board bio. Consider your LinkedIn profile your online bio. Be sure the board bio and LinkedIn profile match.
- Very few people have a bio that highlights what they can bring to the boardroom. It seems most of us are better at selling our company or our services than ourselves.
- The key to a good board bio is translating job experiences into higher level skills needed at the board level. Think of the recruiting process through the lens of the board and the committees: directors provide oversight and governance. They challenge management to think about problems by asking the right questions. What in your background will add value to this conversation?
- Board bios should be one page, have a picture, and be visually interesting. Make it easy for the reader to absorb the key points.

Advice:

- Don't expect people to tease out your skills from your jobs. Be able to explain how your experience is relevant. Be specific and able to provide examples of how you solved problems in these areas, including growing revenues or cutting costs.
 - *Finance background:* Talk about your skills in financial analysis that have allowed you to focus on the key metrics for an individual business. Discuss any experience in mergers and acquisitions or capital markets.
 - *Human Resources:* Discuss your familiarity with recruiting and retaining talent, managing a multicultural work force, or inspiring Millennials. Discuss the value you bring to a compensation committee as it considers recruiting and retaining its workforce.
 - *Technology:* Explain how you have managed technical projects. The board may be looking for an interface with management on technology issues, so be able to explain complicated topics in clear, concise language.
 - *Marketing:* Provide examples of customer engagement, especially in the company's industry, and uses of social media and marketing technology.
 - *Legal:* Talk about weighing the risks and opportunities of business decisions, risk management, and crisis control.
- Sell yourself but don't oversell. You don't need phrases like: "visionary leader", "game changing executive" or other clichés. You have great experience. Let it speak for itself. Boards don't want someone who thinks s/he is better than the other directors.

Network Strategically:

- Once you are comfortable with your board bio, send it out to your own network and let them know you are interested in a board seat. Focus on your friends or colleagues sitting on boards.
- Attend seminars or conferences that cover issues relevant to corporate boards. Not only will you get smarter, you are likely to meet corporate directors in a casual setting.

Advice:

- Your friends and colleagues usually know you in a narrow context, so make it easy for them to share your bio. Send them a one or two sentence summary of your skills in the email and encourage them to send out your bio to their network with the introduction you provided.
- Network with current directors and other people who are interested in going on boards. These people are not your competition: they may hear of ideas that are not right for them but are a good match for you.
- Getting a board seat is a multi-year process and takes patience. Do not “over network” with people and become a nuisance who is avoided.

Board Interviews Are Different Than Job Interviews:

- Always remember that board members want to talk about the skills you will bring into the boardroom, so do not focus on your jobs, rather what you have learned and how it is relevant to the needs of the company. Think about how your experiences might apply to challenges the company is facing and be able to articulate them.
- The initial contact with a recruiter or board member is often an hour-long video or audio call. Once there is a short list, the candidates will be brought to the company or a central location to personally interview with 3-4 directors and the CEO.

Advice:

- Understand what skills the board is looking for and frame your experience to focus on the board’s needs.
- Carefully watch the time and make sure you cover everything in an hour or less. Be concise in your answers so your interviewer can move on to another question.
- Have thoughtful questions since you will be judged as much by your questions as by your background. Listening is a key skill of directors.
- Read the most recent 10K, 10Qs, proxy and press releases. The financials and press releases tell you how the company is doing. The proxy tells you how the board works. In each proxy there is a list of the directors, their backgrounds, and the skills that are relevant to their service on the board.
- Google the people you will be talking to and know who they are.
- Arrive with plenty of time and be flexible around when you leave in case your interviews run longer than expected.

Who Gets Chosen and Why?

- Assuming your skills match the needs of the company, what else is important? The wild card in the selection process is “fit.” While boards are looking to recruit new talent, directors do not want someone *too* different from themselves.
- Understand that boards have very little authority but when they weigh in, it is on an important issue: hiring and firing the CEO, and approving the company’s strategy, acquisitions and annual budget. At the committee level, directors approve the financials and compensation. Boards want to know directors will be constructive in their comments and when a decision is made, every director will support it.

Advice:

- Eliminate inflammatory posts from your social media profile. You can be a change agent once you join a board, but first you need to be invited into the room.
- Board recruiting is a two-way process and you need to assess the board as much as they are interviewing you. Do you like these people? Do you respect them? When the company is facing major problems, which it certainly will at some point, do you want to be in the room with these directors? If your gut says no, listen to it and find a graceful way to withdraw from the process.
- If you do not get offered the board seat, be gracious. Follow-up with each person you met and thank them for the opportunity to have been considered. Board members get calls all the time and you want them to think of you for future openings at the company and elsewhere.
- If you are offered the board seat, congratulations! Now the real work starts, but before it does, find an opportunity to meet each board member you have not previously met and talk to each committee chair about their focus. Get to know your fellow directors before you are facing challenges in the board room.

Pamela F. Lenehan is currently on the board of New Residential Investment Corp.. Previously she was on the boards of Monotype Imaging, Civitas Solutions, Spartech Corporation, American Superconductor and Avid Technology. She has been board chair, presiding director, audit committee chair, and compensation committee chair.