



2020 DIRECTORS TO WATCH

# Gender Diversity in the Boardroom

What a difference a year makes. By Scott Chase

Last July's presentation of our Directors to Watch Class of 2019, profiling 22 superlative women directors, occurred just days after the law firm Wachtell, Lipton, Rosen & Katz issued a memo citing "board diversity and expanding the pool" as a top priority for publicly traded companies in the coming months. The memo went so far as to suggest that boards increase their numbers "to accommodate new talent in advance of an incumbent director's departure, including in the case of highly qualified diverse candidates."

Nearly no one foresaw the strange new world we live in today. Everyone, everywhere — not just CEOs and directors — now knows that an "event," predicted or otherwise, can change the world almost overnight. This tells us that no amount of planning can really be too much planning, and that even the most outlandish scenarios must be evaluated within the context of a robust risk mitigation strategy.

Against this backdrop it might seem that issues of diversity and gender parity would slip off corporate and regulatory radar screens in favor of concerns such as pandemics, unemployment or supply chain disruption. But even as recently as last month, the state of Washington legislatively mandated that

Washington-based public companies subject to the Washington Business Corporation Act (WBCA) will be required to have a "gender-diverse board" by January 1, 2022, or comply with new board diversity disclosure requirements.

According to an advisory issued in May by Shearman & Sterling, if a public company's board is not sufficiently diverse by January 1, 2022, it must disclose in its annual proxy statement to shareholders or post on the company's primary website a "board diversity discussion and analysis" that includes information regarding the company's approach to developing and maintaining board diversity. The board diversity discussion and analysis must include, among other things, a discussion of:

- How the board (or an appropriate committee) considered the representation of diverse groups when identifying and nominating board candidates, or the reasons that diversity was not considered.
- Any policies adopted to identify and nominate members of any diverse groups as board candidates, or the reasons for not adopting such a policy.
- Mechanisms to refresh the board, such as term limits or mandatory retirement of board members.



A public company will be exempt from the new board diversity requirements if it is an emerging growth company or a smaller reporting company, more than 50% of the shares representing the voting power of the company are held by one person or group, the company's articles of incorporation authorize the election of all or a specific number of directors by one or more separate voting groups, or the WBCA or federal law does not require the company to hold an annual shareholders meeting.

If a public company fails to provide a diversity discussion and analysis in accordance with the WBCA, any voting shareholder may seek a superior court order requiring the company to provide the information to shareholders.

Washington's bill follows similar legislation passed in California in 2018 requiring each publicly traded company with its principal executive offices located in California to have at least one woman on its board of directors by the end of 2019. A few months ago, the California Secretary of State reported on the status of corporate compliance with California's board diversity statute. Of the 625 publicly traded corporations that identified principal executive offices in California in their 2019 10Ks, 330 have filed the required board diversity disclosure. Of those 330, 282 companies reported that they are in compliance with California's board gender diversity mandate.

A number of additional states, including Hawaii, Massachusetts, Michigan and New Jersey, have considered legislation similar to California's initiative. Other states, like Illinois and Maryland, have enacted board diversity reporting requirements, while others have mandated board diversity studies. For example, New York's "Women on Corporate Boards Study" law, enacted earlier this year, mandates a study on the number of female

directors on the boards of companies incorporated in New York or authorized to conduct business in New York.

Even if the WBCA's new stipulations are challenged in court, as has been the case with California's board diversity statute, the attorneys at Shearman & Sterling do not expect the attention on board diversity and related disclosure to wane.

Along with diversity, another "D" word — disruption — is getting its share of attention in these turbulent months. Women-CorporateDirectors CEO Susan Keating, when describing the impact of COVID-19, outlined several key takeaways, or lessons learned, from the first dreadful three months of the pandemic.

In short, and based on discussions with hundreds of public company directors, Keating found that cutting executive pay isn't that simple, cybersecurity is getting a big spend — despite cost cutting — supply chain "scenario-planning" was a weak spot for many companies, COVID-19 is "driving discussions around new strategies and new business and cost models," and boards are meeting much more frequently and expanding their role.

Keating noted that her discussions with WCD members in all sectors of the economy indicate that the best thing directors can do right now is help CEOs and senior managers focus on the crisis at hand: "Streamlining requests through the CEO and CFO and removing less critical demands and concerns lets management focus on the all-important tasks of keeping the business running," she says.

As the corporate world gradually returns to whatever the new normal will be, issues of diversity, inclusion and fairness will continue to command significant attention from enlightened boards. As events have shown, this is in everyone's best interests.



## Jacqueline Kosecoff, Ph.D.

Director, Houlihan Lokey, Sealed Air Corporation, STERIS Corporation, TriNet



Dr. Jacqueline Kosecoff is a seasoned corporate executive and board member with special depth of knowledge in health services and technology. Kosecoff helped found and lead PE-backed companies including Value Health Sciences and Protocare. She went on to serve as executive vice president of PacifiCare and CEO of OptumRx at UnitedHealth Group.

Currently, Kosecoff is working in private equity as managing partner at Moriah Partners LLC and senior advisor at Warburg Pincus where she identifies, selects, mentors and manages health services and IT companies. She sits on the board of directors of four public companies: Houlihan Lokey, Sealed Air Corporation, STERIS Corporation and TriNet, and a variety of private boards, including GoodRx, Prolacta Bioscience and Virgin Pulse.

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Most importantly, directors must navigate with a true North for their corporate compass.  
— *Jacqueline Kosecoff, Ph.D.*

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Kosecoff holds a B.A. from the University of California, Los Angeles (UCLA), an M.S. in applied mathematics from Brown University, and a doctorate from UCLA, where she served on the faculty of the Schools of Medicine and Public Health from 1975 to 2006.

**Leadership, experience, and integrity are vital elements of a successful board:** I have been privileged to sit on the boards of my own companies, PE-backed private boards, not-for-profits, and large public companies. In my experience, great boards and directors combine leadership, experience, and integrity. Challenging times are inevitable and require leadership to recognize and confront problems. A board member's expertise and past experiences can help guide companies to the best actions to address a problem or

to identify the best balance of risk/reward when evaluating new opportunities. Finally, and most importantly, directors must navigate with a true North for their corporate compass.



## Teresa Briggs

Director, ServiceNow, Warby Parker, Snowflake



Teresa Briggs serves on the boards of ServiceNow, Warby Parker and Snowflake, and is a fellow at Stanford University's Distinguished Careers Institute.

Briggs spent her career at Deloitte where she served as a vice chair and managing partner of the West Region, San Francisco and Silicon Valley practices and served on the board of directors. She was an adjunct member of Deloitte's Center for Board Effectiveness and built a program for Bay Area-based female directors that totals over 100 members.

She is a frequent speaker on topics including board diversity, mentorship, and inclusion. Briggs holds a B.S. degree from University of Arizona and was named Alumna of the Year in 2015.

**A successful CEO usually means a successful company:** It is often said that one of the most important roles of the board is to "hire and fire the CEO." I view it a bit differently: The role of the board is to support the CEO and help him or her succeed because if the CEO is successful, the company will be successful. Boards can do this by formalizing performance expectations and conducting thorough mid and year end evaluations, along with providing feedback after each board meeting. In addition, each board member brings unique expertise that can be shared with a willing CEO.



## Teresa DeLuca

Director, Surgery Partners



Teresa DeLuca, MD, MBA, a physician executive who has managed Fortune 50 P&L businesses and is serving as independent public board member. Dr. DeLuca



**DR. JACQUELINE KOSECOFF**  
**TRINET BOARD MEMBER**

Dr. Kosecoff is renowned for her extensive experience and inspirational leadership in health services and IT. Trinet is honored to have Dr. Kosecoff on our Board of Directors and applauds her on this well-deserved recognition.

is chair of compliance and ethics, and member of audit for Surgery Partners. She formerly was independent board member for NorthBud and served on the board of American Red Cross.

DeLuca has been the managing director of Columbia University Life Science Venture Fund, and a senior executive leader and/or as chief medical officer at Magellan, Humana, Walgreen, Medco, PRA International and GlaxoSmithKline.

DeLuca was co-founder of a luxury consumer goods company that received outstanding reviews from *The New York Times*, *O, The Oprah Magazine* and *Vogue*.

DeLuca, an NACD board leadership fellow, maintains NYS Medical and DEA Licenses, and volunteered fulltime to assist fellow physicians on the front lines of COVID-19 response.

**Board committees provide timely information:**

While certainly time consuming, committee work is a crucial preparation element to productive board meetings. A board committee chair has the ability and the opportunity to dig deeper, learn more and engage with employees throughout the corporation. Regardless of industry every company is composed of people; and the chair must integrate at the committee level by bringing individuals together with their unique skill sets and varying professional experiences and have them work together and preform as a high functioning team. Simply put, board committees are established to provide timely and accurate information for the full board governance of the corporation.



**Merrie Frankel**

Director, Agree Realty Corporation



Merrie Frankel has extensive experience in REITs, real estate capital markets, credit ratings, restructuring and workouts. She serves as a director of Agree Realty Corporation, a retail net lease REIT, chairs the nominating/governance committee, and sits on the audit committee. She is the president and founder of Minerva Realty Consultants, LLC, providing independent REIT advisory

services and litigation support. Frankel has held positions as a ratings analyst, portfolio manager, investment banker, and tax attorney for Moody’s Investors Service, Argo Funds, EY, Cushman & Wakefield, J.P. Morgan and Salomon Brothers Inc.

Frankel is an Adjunct Professor at NYU and Columbia and was one of 50 “Women of Influence” for Real Estate New York in 2008. She is a trustee of the Urban Land Institute and board member of FWA of New York and the Martha Graham Dance Company. She holds J.D./MBA degrees from Hofstra University and a B.A. in English from the University of Pennsylvania.

**Corporate governance after COVID-19:** COVID-19 accelerated many trends in 2-1/2 months that might have taken another three to five years to develop. It fostered even greater communication between management and boards, a deeper review of portfolios, and a segregation of businesses that were “essential” vs. “non-essential” via an entirely new lingo. Themes such as tenant/client exposure, cost of capital, leverage, business pipeline, and dry powder have never been more important. Successful companies will be stronger, more resilient and agile.



**Nancy Calderon, CPA**

Director, Northern Technologies International, Arcimoto, Belden



Nancy Calderon is a board director and audit committee member of Northern Technologies International Corporation. She serves as the audit committee chair, and member of the nom/gov and compensation committees for Arcimoto, Inc. and recently joined the board and audit committee of Belden, Inc.

Calderon was an executive, senior partner, global lead partner and board member at KPMG, serving most recently as KPMG’s global lead partner for a Fortune 50 company in the technology industry, focusing on artificial intelligence and cloud solutions.

Calderon serves on the WomenCorporateDirectors Foundation board and chairs the audit committee. She is an author and contributor to board governance articles.



**WomenCorporateDirectors**  
*A Foundation Inspiring Visionary Boards Worldwide*

# Congratulations

The WomenCorporateDirectors Foundation (WCD) congratulates the following members for being recognized as a 2020 Director to Watch. Each of these directors are successfully leading in the boardroom and making an impact in corporate governance.

**Patty Bedient**  
**Nancy Calderon**  
**Teresa Deluca**  
**Sara Faivre**  
**Merrie Frankel**

**Kerrie MacPherson**  
**Kathleen McAllister**  
**Michele Meyer**  
**Diane Seloff**  
**Tracy Grooms**

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**Collectively and individually:** Governance is key to the board's success! Each director needs to be an astute student of the firm, its industry, current and emerging competitors, and enterprise risks. By understanding all of these, a director will help guide and protect the company and all its stockholders during these, and future, disruptive times. Collectively, the entire board needs to be inquisitive and collaborative which is best achieved by the diversity of the individual member's experiences.



### Sara Faivre

Director, Farmer Mac



Sara Faivre, Ph.D., was appointed in 2010 by President Barack Obama to the board of Farmer Mac, a public secondary-market ag mortgage company. She serves on the audit, compensation, strategy, and public policy/corporate social responsibility committees. She also serves on the board of a private tech company and the Austin advisory board for NACD.

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When it comes to corporate culture, the buck stops with the board. Starting with setting the tone at the top by hiring the right CEO, boards should pay attention to corporate culture in all aspects of board business. — *Sara Faivre*

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Faivre has broad experience in conventional and alternate agriculture as a founding executive of two multimillion-dollar ag biotech startups and a grass-fed beef company. Faivre was a scientist on human and animal genome projects at the USDA and several universities. She holds a B.S. in agricultural business and animal science and a Ph.D. in genetics.

Faivre chairs Austin 2020 Women on Board and mentors for DivInc., a diversity-focused startup incubator.

**The buck stops here:** When it comes to corporate culture, the buck stops with the board. Starting with setting

the tone at the top by hiring the right CEO, boards should pay attention to corporate culture in all aspects of board business. In setting compensation, consider how the incentive structure impacts decisions that influence culture. The board should ensure that culture is measured and reported on a regular basis. Committees should have regular executive sessions with members of senior management, during which they ask probing questions about the state of cultural bellwethers such as trust, transparency and support for diversity of opinion.



### Patricia M. Bedient

Director, Alaska Air Group, Suncor Energy, Parks Hotels and Resorts



Patricia Bedient serves on the board of Alaska Air Group as lead independent director, and on the boards of Suncor Energy (audit committee chair), and Park Hotels and Resorts. She also serves on the boards of Overlake Medical Center, Oregon State University, and the advisory board for Foster School of Business at University of Washington.

Bedient joined Weyerhaeuser Company in 2003, was appointed EVP and CFO in 2007, and served until her retirement in 2016. Prior to joining Weyerhaeuser, she was with Arthur Andersen for 27 years. She is a CPA and a member of NACD and WCD.

In 2019, she was recognized as Director of the Year for the Puget Sound. In 2012, *Wall Street Journal* named her one of the Top 25 CFOs in the country.

**Boards should think strategically about board succession:** Too often, the discussion of new board members only happens when a retirement approaches or an unforeseen resignation occurs. A robust annual evaluation process is a critical tool. The process should include a review of skills and experience necessary to oversee strategic planning and execution. The fast pace of change in technology and disruption may necessitate replacing an existing member or expanding the board. Diversity is also a key component. Diversity of gender, ethnicity, geography, age, and board tenure should be considered. An ongoing review of board refreshment will lead to a stronger board.



## Congratulations all Directors to Watch 2020 honorees

Deloitte is proud of our retired partner, **Teresa Briggs** for her ongoing commitment to excellence and embracing the benefits of diverse board composition.

[www.deloitte.com/us/missingpieces](http://www.deloitte.com/us/missingpieces)



## Beth A. Brooke

Director, eHealth



Beth Brooke is a recognized voice on corporate reporting and accounting matters, respected by regulators worldwide. She is a global advocate of diversity and inclusion for the LGBT community and women, named to *Forbes* "World's 100 Most Powerful Women" list 11 times.

Brooke now serves on the public and private boards of eHealth and SHEEX, as well as the USOPC, Aspen Institute, Conference Board, Vital Voices, and APCO's International Advisory Council. She chairs audit, strategy, and regulatory committees.

Brooke spent 38 years at EY. As a former tax leader, Brooke concluded her career as global vice chair-public policy and a member of EY's Global Board. In the Clinton Administration, she played roles in the health care and superfund reform efforts and had tax policy responsibility for insurance and managed care.

**“Purpose” as the north star:** “Purpose” — why a company exists and how it creates long-term value for all stakeholders — is the north star that continually guides a board to think forward. But board members must think forward as a team. It takes a diverse mosaic of skills and perspectives, each of whom are intellectually curious, listen well, value each other's views, are willing to challenge and eager to learn. When these ingredients exist, my experience has shown that as a team, you can always get to simplicity on the other side of complexity and consistently deliver long-term value.



## Sharda Cherwoo

Director, World Fuel Services

Sharda Cherwoo serves on the board of World Fuel Services Corporation and is a member of its governance, technology and operations, and sustainability and corporate responsibility committees.

She also is a member of the boards of trustees of International House and Tax Analysts nonprofit organizations.

Cherwoo recently retired after a 37-year career at Ernst & Young LLP (EY), where she served in numerous senior leadership roles and left a legacy of creating enterprise value through building and growing successful business units that tracked with emerging business and technology trends. Among her key achievements, Cherwoo spearheaded the firm's efforts in introducing intelligent automation and was architect of EY's first shared-services, offshoring strategy.

Cherwoo has received accolades for innovation, including the 2018 Stevie for Most Innovative Woman of the Year.

**Voice has never been more important:** Attributes of highly effective boards have changed dramatically over recent years, largely due to market and social changes that have had great impact on corporate and nonprofit governance. Technological innovation, continued globalization and social movements around women and minorities have reshaped organizational missions and redefined what constitutes strong and balanced board composition. Destabilizing events such as the COVID-19 pandemic underscore the importance of a board that possesses a vast range of skills and diversity of experiences and ideas required to help an organization succeed during such a period of disruption and uncertainty. The “voice” of an effective board has never been more important.



## Barbara Goodstein

Director, Manning & Napier, Kush Bottles



Barbara Goodstein is a strategic leader and business builder able to assess competitive business landscapes and emerging opportunities and turn them into long-term opportunities. An experienced director, Goodstein is chair of the nominating and governance committee, for Manning & Napier, a \$20B AUM firm, and serves in the same capacity for Kush Bottles, Inc., a leading provider of packaging for the regulated cannabis industry. She is an advisory board member for FOX (Family Office Exchange), a global member network for enterprise families.

Goodstein is the Founder and CEO of the B GREAT line of CBD products. B GREAT has been recognized as

Houlihan Lokey  
is proud to congratulate  
board member  
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by *Directors & Boards*.



CORPORATE FINANCE

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Houlihan Lokey is a leading global investment bank with expertise in mergers and acquisitions, capital markets, financial restructuring, and valuation.

one of the best new CBD brands by *Rolling Stone*, *Newsweek*, *The Hype Magazine* and *Yahoo Finance*.

**Assessing the effectiveness of fellow executives:** A necessary attribute for world-class governance is the ability to assess the effectiveness of team members, at the board and the senior executive level, and identify what is missing in their collective experience. An engaged director who can identify gaps usually is able to work constructively with the board to fill them. Being able to replace and recruit a CEO, a chairman or a key board member and advise management and the board on how to transition C-level executives out in order to upgrade talent is critical to accelerate improvements in corporate culture and tone at the top.



**Julie Klapstein**

Director, Amedisys, Nextgen



Julie Klapstein has more than 30 years of experience in the health care information technology industry, including executive roles at several leading health care IT companies. She was the founding CEO and board member of Availity, a leading IT company servicing providers and payers throughout the United States.

She currently serves on the board of directors for two PE-backed companies, eSolutions and Revecore, and two public companies, Amedisys, focusing on home health, hospice and personal care; and Nextgen, serving revenue cycle management and electronic medical records for provider practices. She is also an advisor to private equity firms. Klapstein chairs the compensation committee at Amedisys and has chaired the nominating and governance committee on other boards.

Klapstein earned her bachelor’s degree from Portland State University in Portland, Ore. She is the recipient of multiple awards for top business leaders.

**Preparing for the new business norm:** The challenges of board governance have expanded this year requiring an entire new degree of nimbleness on the part of directors. Would we have predicted that issues of safety and economic survival are top of mind in almost every company

and in discussions on nearly every board call? The urgent alignment of the management team and board is critical as we imagine and prepare for the new business norm after COVID-19. Two examples of nimbleness include the transition to TeleHealth for many healthcare providers as well as the move to a remote workforce for companies — we can expect both to change the way we do business in the future.



**Kerrie D. MacPherson**

Director, Community Bank Systems



Kerrie D. MacPherson, FCPA, FCA serves as independent director at Community Bank System, Inc., and on the audit and compliance and risk committees. She is also a longstanding director at New York’s City Harvest, co-chairing the governance committee.

Leveraging over three decades of international business experience gained while serving a broad range of clients and in multiple leadership roles at Ernst & Young LLP (EY) in both Toronto and New York, MacPherson values diverse views and seeks opportunities to work with individuals and organizations that are interested in challenging the status quo in search of opportunities to grow, particularly when there is an international aspect to the organization.

MacPherson’s areas of expertise include accounting, auditing, M&A, human capital, leadership development, risk assessment and governance.

**The importance of strong, agile governance:** Crises, like the COVID-19 pandemic, highlight the importance of strong, agile governance. Boards and management teams need to partner in addressing risks, taking care of employees, customers, and other stakeholders, and communicating effectively. The right combination of diverse perspectives and experiences and openness to learn from each other leads to innovative solutions and stronger organizations. The opportunity to completely re-think business models is enabled by board members challenging “what else could be true?” Great governance always maintains a focus on shareholder value, corporate culture and on the organization’s strategy and purpose.



Dr. Jacqueline B. Kosecoff  
*Director since 2003*

# CONGRATULATIONS

to STERIS Director, **Dr. Jacqueline B. Kosecoff**  
for being named to *Directors & Boards*  
**2020 Directors to Watch.**

***We are grateful for your leadership.***

At STERIS, OUR MISSION IS TO HELP OUR CUSTOMERS CREATE A HEALTHIER AND SAFER WORLD by providing innovative healthcare and life science product and service solutions around the globe.



STERIS is a leading provider of infection prevention and other procedural products and services. Learn more about our story at [steris.com](https://www.steris.com).



## Kathleen McAllister

Director, Black Hills, Hoegh LNG Partners, Maersk Drilling



Kathleen McAllister manages an active board portfolio, serving on the boards of Black Hills Corp., Hoegh LNG Partners and Maersk Drilling. McAllister serves on the audit and conflicts committees for Hoegh LNG Partners and chairs the Maersk Drilling audit and risk committee.

As a former public company CEO and CFO with diverse leadership roles in global, capital-intensive companies, McAllister brings a broad strategic perspective to the complex challenges of operating cyclical businesses in the global marketplace and is known for her deep commitment to talent development.

Focusing her philanthropic activities on families in need, education and mentoring, McAllister serves on the board of Aid to Victims of Domestic Abuse, the University of Houston-Clear Lake accounting advisory board, and co-chairs the WomenCorporateDirectors Houston chapter.

**Making high-quality strategic decisions:** Strong corporate governance is fundamental to successfully pursuing opportunities and managing risk. Every decision taken to create a sustainable enterprise is a calculated risk. The ability of the board to make high-quality decisions in ambiguous and pressure-filled situations is what distinguishes great organizations from all others. Strong corporate governance ensures the board has access to the best information available and is composed of members who embody the diversity, integrity, experience and judgment necessary to make high-quality strategic decisions.



## Michele Meyer

Director, GNC



Michele Meyer is an enterprise leader with broad general management experience as an operating president, brand/consumer advocate and an international leader with General Mills, a \$16 billion giant within the food industry. Over

30 years of P&L experience across leading brands, emerging and developed markets, retail channels, and joint venture partnerships helps set her apart as a strategic thought leader and brand champion in the industry.

Meyer retired from General Mills in 2019 as SVP, president, Snacks Operating Unit.

Meyer has public company board experience with nutrition retailer GNC and she serves on the board of directors for various nonprofit community organizations. Meyer possesses an MBA from the University of Texas McCombs School of Business and a B.A. in economics from Vanderbilt University.

**Don't confuse your governance role with your interest in management:** Public boards are inherently made up of individuals who played a senior management role within their organization. It is tempting to try to help management manage when we have legal responsibility to provide effective corporate governance. Corporate strategy, CEO effectiveness, compensation oversight and financial integrity are key roles that we agree to when we become a board director. Staying clear on our key responsibilities improves not only the board/management relationship but also board culture and ultimately corporate effectiveness.



## Diane Seloff, MBA

Director, Catasys, Inc., Healthy Bytes Inc.



Diane Seloff is a visionary and growth-focused health care executive and board member with an exceptional record of innovation and execution at early stage and established healthcare companies.

She is currently the COO for CareBridge, an innovative healthcare technology and services company in the Medicaid space. Prior to CareBridge, she was the COO of Aspire Health the nation's largest home-based palliative care company where she was part of the founding leadership team and successfully sold to Anthem in 2018.

Seloff serves on the board of one public and one private health care company including serving on the audit and technology committees. In addition, she is an operating adviser for a private equity firm.

# CONGRATULATIONS MERRIE FRANKEL



The Agree Realty Team thanks Merrie Frankel for her service and dedication to our Company. Our Team is thrilled to celebrate Merrie being selected as a 2020 Director to Watch.

# Four Principles of Risk Management

Defense wins championships. **By Tracy Grooms**

Strong enterprise risk management is an imperative in the 21st century in a flattening world with growing complexity, the global movement of people and arguably more frequent disruptions and disasters. Organizations must match the evolution of strategies and operating models to mitigate potentially devastating brand and reputational risk. There's a well-known quote from football coach Bear Bryant: "Offense wins games, defense wins championships." A rigorous risk management program can provide great defense and readiness before, during, and after disruption occurs.

In my 30 years at Bank of America, we managed a wide spectrum of risks with particularly acute periods of financial, credit, brand, merger integration,

political and regulatory risks. I distinctly recall a mid-2000s business continuity risk review in which a respected colleague walked us through preparation for pandemic risk as SARS had emerged. I admit now to a bit of disbelief that a pandemic was particularly pertinent to building our plan but am grateful for his expertise and insistence that we develop appropriate risk mitigation plans.

Over time, I have narrowed in on the following principles of risk management:

Transparency is vital in terms of process, assumptions, and dialogue to ensure full understanding of inherent risks and risk mitigation. Transparency of financial performance is routine in board discussions as plans and assumptions are developed, results are

recorded and updated through forecasts and multi-year plans. Robust discussions between management and the board establish expectations and the ability to pivot as expectations change. Isn't the same transparency appropriate for risk plans, including full transparency of assumptions and scenario analysis? In one of my recent board roles, financial and credit risk accelerated with the trade and tariff wars. Management was swift to assess potential impacts and come forward with analysis for review and discussion with the board. Result? Management was prepared, the board was informed, and there were no material surprises as the tariff actions unfolded.

Analysis and adaptation are on-going dimensions of sound risk management with enhanced model-

Seloff earned an MBA from Columbia University and B.S. in engineering from the University of Michigan.

**Executing today while considering the changing landscape:** In an environment of constant change and disruption it is imperative that boards be forward-thinking yet at the same time focus on what is most important today. Boards must challenge the status quo and their executive teams about what could impact their business model and how to mitigate, even if it means turning the business model upside down and becoming the disruptor. It is increasingly important to today's CEOs to have a board that brings a diversity of points of view and deeply engages, shares knowledge, discusses and debates emerging trends to move timely on opportunities.



## Deborah Rosati

Director, Khiron Life Sciences, Lift & Co.

Deborah Rosati is an accomplished corporate director and entrepreneur with more than 30 years of experience in technology, consumer, retail, cannabis, private equity and venture capital.

She provides extensive knowledge as a corporate director in the areas of financial and enterprise risk management, corporate strategy, transformational changes, M&A, corpo-

rate governance, and CEO and board succession planning.

Deborah currently serves on Khiron Life Sciences Corp. as lead director and audit committee chair and Lift & Co. as vice chair and chair of the audit committee.

She is the founder and CEO of Women Get On Board Inc., a leading member-based company that connects, promotes, and empowers women to corporate boards.

## Why a diverse board makes good business sense:

There is a lot of focus currently on the topic of diversity on boards. The underlying premise for diverse boards is no longer about good corporate citizenship but rather about contributing value to a business, and that makes good business sense. The top five business reasons for diverse boards: Improve corporate financial performance. Enhance decision-making quality. Broaden networks to tap into for board renewal. Foster innovation and creative thinking. Enhance board effectiveness.



## Karel Czanderna

Director, BlueLinx Holdings

Karel Czanderna, Ph.D., serves on the boards of BlueLinx Holdings, Weber-Stephen Products, and Balcan, representing building materials distribution, consumer goods, and plastic

ing techniques available through new technologies. Analysis should be robust and not just based on historical data as “unprecedented” events appear to be occurring more frequently. The loss rates in mortgage and home equity loans spiraled during the financial crisis and were termed “unprecedented,” but was it unpredictable with the changes in consumer debt-load and wildly accelerating asset prices? Adaptation to abrupt changes in the environment and operating model are hallmarks of strong risk-defense strategies as, for example, organizations around the world have adapted to remote work options that may prevail in go-forward operating models.

Imagination is not just for kids. It is the essence of creative thinking and dialogue as risks are assessed and analyzed, including the difficulty and probability of the unimaginable. While some would say that the current pandemic was unforeseeable, there was

sufficient prior experience and predictions of a widespread pandemic that simply should not have been ignored. Perhaps the speed of spread and depth of supply chain disruption was surprising, but overall readiness should have been part of a strong defense playbook. The beauty of imagination is also the ability to identify and pursue new opportunities as organizations have quickly found new ways to serve and reach their customers during the current pandemic.

Look around the corner for what is coming, even the most improbable and uncontrollable environmental shifts. During my leadership of the Bank of America student lending business, enormous political and economic changes began to emerge which could have had profound brand

and financial impacts. As we analyzed and modeled the potential changes, our long-term view of the business became less favorable and ultimately recommended an exit from the industry.

These principles can help form a solid foundation for risk management as a leader and as a board director and are best served through robust dialogue between management and the board and benefit from board diversity in experience, industry and tenure.

**Tracy Grooms** served on the board of Rabobank, N.A. until its sale in 2019. She currently serves on the Charleston Symphony Orchestra board and is seeking her next public company board assignment.



Tracy Grooms

packaging industries. She is a member of audit and compensation committees, and previously co-chaired the board of A&E Factory Services.

She is an inclusive global business executive known for

maximizing people’s potential to deliver profitable growth when serving as CEO and director of Flexsteel Industries, group president at Owens Corning, and as a vice president at Whirlpool and Kodak.



# CONGRATULATIONS

## Dr. Teresa DeLuca

Directors & Boards *magazine*  
2020 Director to Watch

Surgery Partners proudly congratulates our board director Dr. Teresa DeLuca for being recognized as a 2020 Director to Watch. The recognition is well deserved, and we are honored to have you as a part of our organization.

Thank you for your guidance, vision, and commitment to our mission of enhancing patient quality of life through partnership.



Czanderna earned an engineering PhD from Cornell, and a B.S. in physics from Clarkson and was honored by both with distinguished alumni awards. She broadened her experience attending the Director's Consortium at Stanford and a Harvard Business program and was featured in *Profiles in Diversity Journal's* "Women Worth Watching."

**Building value through strategy and risk assessment:** Boards need to be highly attuned to reviewing global enterprise risks from both proactive and defensive perspectives. In today's highly interconnected world, boards bring immediate diversity to assess geographic, industry and market factors, often helping management reframe risks into competitive opportunities. Therefore, robust board succession planning is critical. As technologies, supply chains, and markets evolve, continually recalibrating and "fine tuning" board membership will strengthen future strategic choices. When disruptive changes are needed, the cultural alignment of the board will speed up value creation. This dynamic is true across public, private, and not-for-profit boards.

nology startups are trying to get ahead of the breakthroughs and cultural shifts that will shape their businesses in the years to come. By viewing life as a constant opportunity for education, taking classes on new topics, and forming relationships with a diverse network of scientists and entrepreneurs, board members can act as catalysts for change within the companies they serve. Whether it is AI, new cybersecurity threats or the direct-to-consumer e-commerce shift that's causing disruption in an industry, staying connected to insightful scientists and entrepreneurs helps board members inform a company's strategic direction.



**Laurie Yoler**  
Director, Church & Dwight



Laurie Yoler is a general partner at Playground Global, a venture capital firm that invests in transformative technology companies with the potential to deliver multi-generational impact. Yoler serves on the boards of directors of Bose, Church & Dwight, Zoox, Leaf Logistics and the Computer History Museum. She previously served as a founding board member of Tesla and served on the board of Interactive Investor in London.

Yoler has been an integral part of the development and launch of many new technology innovations and products, both from within large companies like Qualcomm, Visa, Sun Microsystems, Accenture and PwC, and as one of a small group of founders/investors of a new entrepreneurial venture with a radical idea like Tesla, DNA Direct and Zoox.

**Connecting to the future:** Change is coming at an ever-increasing pace. Both Fortune 500 and emerging tech-



**Kathy Rouan, Ph.D.**  
Director, Navidea Biopharmaceuticals,  
Viking Therapeutics

Kathy Rouan is a non-executive board member at Viking Therapeutics and Navidea Biopharmaceuticals, Inc. She is an experienced drug developer and leader with 29 years of pharmaceutical industry experience. Her most recent role was at GSK as SVP and head of Global Clinical Operations, Statistics and Programming, Clinical Pharmacology, GCP Quality, Third Party Resourcing and Project Management functions. In this role, Rouan was a member of the R&D Executive Management Team and Scientific Review Boards. She previously was the head of R&D for Stiefel, a dermatology focused subsidiary of GSK. Rouan earned a Ph.D. in pharmaceutical sciences from the University of Rhode Island, while conducting her research at Pfizer's Immunoinflammation Research Group in Groton, Conn.

**Diversity and balanced expertise:** Countless business reviews support increased focus on gender diversity as a feature of business success. Similarly, board composition should balance skill sets with consideration of technical, financial and management expertise. The ability of a board to guide decision making and strategy is reliant on the expertise and good judgment of its members. In a business that focuses on advancing medicines and diagnostics, this requires sound understanding of the technical and regulatory hurdles that lie ahead. This understanding allows the board to calibrate risk in decision making, anticipate future hurdles and identify key points of value creation. ■