

Part I: Positioning Yourself for First-Time Board Service

The Path to the Boardroom is a three-part series of Executive Briefings designed to help first-time aspirants for a board seat negotiate the difficult route to success. Part I addresses the thorough preparation required to begin the process. Part II provides successful strategies for meeting the unique challenges of interviewing for a directorship. Part III offers guidance on getting off to a good start as a new director.

Board service can provide some of the most rewarding experiences of a career: the opportunity to see from the inside how another company works at the highest levels and to work with, and learn from, some of the most accomplished, articulate, and intelligent people you are ever likely to encounter. Given those rewards, it's not surprising that a great many leaders we encounter in our work aspire to board service.

What's surprising is the widespread notion that there are many board seats available, to be had almost for the asking by someone who is reasonably well-qualified. In fact, the number of vacant seats in any given year is miniscule. In 2012, for example, only 90 first-time directors were appointed to the boards of S&P 500 companies. The numbers are similarly low for the boards of other publicly-held and privately-held companies, private equity firms, and other large companies. Even a generous estimate would put the total for all of these vacancies at a very low number compared to the thousands of accomplished leaders who are eager to serve; and in this buyer's market, boards can set the bar exceptionally high.

As a result, the path to the boardroom can be long and arduous, requiring patience and persistence. Nevertheless, you can better position yourself on that path, beginning with the first big step – being invited to an initial interview – by conscientiously undertaking three critical tasks:

Objectively assess your readiness and qualifications. While the appeal of board service is obvious, its demands are considerable. Ask yourself if you are genuinely ready to meet those demands: the significant number of hours spent preparing for and participating in full board and committee meetings, the relentless public scrutiny, and the increasing liability and reputational risk directors face. Are you prepared to make the mental and emotional commitment required to mentor and monitor management, to act as an ambassador for the company, and to work unstintingly should a crisis arise?

Bring the same objectivity to your qualifications. Boards still overwhelmingly seek very senior executives who have been responsible for a significant P&L, who know how to read a balance

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sheet, who understand how a business works, and the range of functions that make it work. Typically, these include CEOs, CFOs, and presidents of large divisions. If you lack that big-picture experience, you should offer some other compelling qualification of the type that a number of boards are seeking today: exceptional expertise in one of the specialized disciplines like digital or big data that many companies now need, scientific knowledge for science-intensive companies, or experience navigating Washington, D.C., for companies in heavily regulated industries. Further, the more recent your experience – executive or otherwise – the more it is likely to appeal to boards.

Create a “board-readiness bio.” Your initial self-assessment lays the foundation for creating a focused, comprehensive story about your potential value and why you are interested in board service. While you could rely on a traditional CV, a document consciously constructed to make a case for the board-relevance of your experience and competencies can be far more effective. As you construct your bio, follow these three guidelines:

- Articulate what you really bring to the table. Board searches today are highly specific. If you are a divisional President, consider what sets you apart from other divisional Presidents – what unique strategic triumphs, market knowledge, operating experience, and leadership competencies you can vividly document. Having successfully planned your own succession, for example, would be highly appealing to boards – many boards have never been involved in a succession. If you are a CFO, you should be clear about what that has entailed, whether it’s international experience, M&A, a turnaround, or creating innovative capital structures. If you are offering special expertise, be sure it truly is special and in what way. If part of your value might lie in the diversity you could bring, be prepared to say, beyond glittering generalities, precisely how that might be relevant to a particular board.

- Do not rely only on your self-assessment. In the course of our work with board candidates, we have found that many leaders often overlook some of their greatest strengths, or have not given thought to how to articulate those strengths in terms that appeal to boards. Only under probing discussion with an objective third party do they arrive at a compelling personal and professional story. Further, leaders who have never served on a board and have therefore never been involved with a board search can benefit from the experience of sitting directors or executive search firms who have been deeply involved in the process many times.
- Do not overlook the unique responsibilities of directors. While your story should be specific, it should also speak to the central duties that all boards must discharge: addressing CEO succession, setting compensation for top management, validating strategy from the point of view of shareholder value, and ensuring corporate integrity and sound risk management. What has prepared you for these demanding roles? What qualities of temperament do you bring to them?

Raise your profile. You cannot of course apply for a board seat, but you can let it be widely known that you are interested in board service generally. If you are a current executive, your company’s CEO and board members should be engaged on your behalf – asking their permission to serve on an external board is a diplomatic way to begin. Whether you are active or retired, you should also network with any other board members you know, with mentors or champions you have had, and with people in your business circles generally. Expand your network by joining one of the organizations that focuses on board service. Reach out to private equity executives and management consultants you know, and alert corporate directors with whom you serve on not-for-profit boards. With talking points from your board-readiness bio firmly in mind, you will be well prepared for whatever turns

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these discussions take. Further, consider raising your profile by seeking speaking engagements, media exposure, and opportunities to publish thought leadership. Remember, too, that many board appointments come about through the work of executive search firms who, when conducting searches on behalf of boards, present candidates that the board would have otherwise been unaware of.

With an honest self-assessment, a compelling bio, and a higher profile, you can increase the chances that your effort will eventually bear fruit, though it may require several years. Should you get the call, your next task is to prepare for the interview. It is a conversation like no other, with unique challenges and little room for error. Engaging in it successfully is the subject of the next installment in this series.

If you would like to discuss any of the issues raised in this Executive Briefing, please contact:



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