



The Path to the Boardroom

- I. Positioning Yourself for First-Time Board Service
- II. Interviewing for First-Time Board Service

We at Corporate Boards USA would like to help you on your journey to board service. This two-part series, “The Path to the Boardroom,” is designed to help those who are seeking their first paid corporate board seat.

- **Part I - Focuses on the thorough preparation required to begin the process; and**
- **Part II - Successful strategies for interviewing for a board seat**



The Path to the Boardroom - I

Positioning Yourself for First-Time Board Service

Board service can be a very rewarding career experience. It's why many executives decide to start down the path to the boardroom. It's also why the number of qualified boardroom candidates outweighs the number of board seats available. However, the landscape for first-time directors is improving. In 2019, shareholders elected 428 new directors to S&P 500 boards -- the largest number of new directors since 2004. And of that number 27 percent were women.

Additionally, legislation is increasing the number of available boardroom seats for women and under-represented communities. In 2018, then Governor Jerry Brown signed Senate Bill **826 (SB 826)**, which required publicly traded corporations with principal executive offices in **California** to have one to three female directors depending on the size of their boards by the end of 2021. In September 2020, Governor Gavin Newsom signed Assembly Bill **979** into law, requiring boards of **California** public corporations to include directors from underrepresented communities by Dec. 31, 2021.

One of the major factors contributing to the limited number of boardroom seats is the slow rate of board turnover. Tenure limiting mechanisms vary by board – some use term limits or age limits – and some companies choose not to implement any limits, contending that age and time are not indicators of when a director stops making valuable contributions to the board.

As a result, the path to the boardroom can be long and requires patience and persistence. Estimates put the average length of time for finding your first corporate board seat at more than 18 months. This is not meant to discourage you; only to help you realistically set goals and expectations. Our Path to the Boardroom guide will help you better position yourself in your journey to directorship.

The first step is to tackle the following four tasks:

- I. Assess your Readiness
- II. Assess your Qualifications.
- III. Develop your Board Biography
- IV. Raise your Profile

Assess your Readiness

While board service is appealing, it is a demanding job with a significant time commitment. It's often described as a part-time job with full-time responsibilities. McKinsey & Company puts the number of hours directors spend on board matters is approximately 200 annually. Ask yourself if you are genuinely prepared for the significant number of hours spent preparing for and participating in full board and committee meetings.

You will also want to ensure you are 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 generously should a crisis arise.

Assess your Qualifications

Bring the same objectivity you used to assess your readiness to assess your qualifications. Boards usually seek very senior executives who have been responsible for a significant P&L, who know how to interpret a balance sheet, and who understand how a business works and the range of functions that make it work. In the past, the sought-after roles have typically been CEOs, CFOs, and presidents of large divisions, but that profile is expanding. In fact, research shows that in 2019 only 35.5 percent of new directors appointed to boards were CEO-level (active or retired CEOs, chairs, vice chairs, presidents or COOs). Today's environment needs different skill sets on the board for companies to thrive, so do not count yourself out of board service if you haven't been a CEO, especially if you have expertise in an area such as digital, technology, healthcare, scientific knowledge or experience with heavily regulated industries. One other consideration is the more recent your experience – the more likely it is to appeal to boards.

Develop your Board Biography

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. This is not just a revised version of your CV. You want to focus on the board-relevance of your experience and keep it succinct.

As you construct your biography, here are some guidelines to follow:

- Articulate what you really bring to the table. Board searches are highly specific. Think about what sets you apart from others who have held your role.
- What unique strategic triumphs, market knowledge, operating experience, and leadership competencies you can vividly document.
- If you are a CFO or General Counsel, you should be clear about what that has entailed, whether it's international experience, a turnaround, or creating innovative capital structures.
- If you have special expertise, be sure it truly is special and that you can explain how.
- We have found that many executives often overlook some of their greatest strengths or have not explained those strengths in terms that appeal to boards.
- Having a discussion with an objective third-party can help you tell a compelling personal and professional story. They can benefit from the experience of sitting directors or an organization that has 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 address: CEO succession, setting compensation for top management, developing strategy 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 do not apply for a board seat the way you apply for a traditional job. You need to let your networks know that you are interested in board service and what value you bring and what industries you have expert knowledge and experience. You should also network with other board members you know, with mentors or champions you've had, and with people in your business circles.

You can also expand your network by joining an organization 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 that you are seeking a corporate directorship. You can use the talking points from your Board Biography to help guide your conversations.

You may also want to consider raising your profile through speaking engagements, media exposure, and publishing articles and research.

With an authentic self-assessment, a compelling board biography, and a higher profile, you can increase your chances of landing a paid board seat. If you get a call for an interview, your next task is to prepare for that discussion. It is a conversation like no other, with unique challenges and little room for error. How to successfully interview for a board seat is the topic of the next section.



The Path to the Boardroom - II

Interviewing for First-Time Board Service

The process of interviewing for a corporate directorship is similar to interviewing for a traditional executive role. The interview process for a board seat typically involves a series of conversations rather than a very formal HR interview and often begins with a phone call to gauge your interest. You will likely be interviewed by the head of the Nominating Committee, the Board Chair, and the CEO if the roles are split. But the tone and content of these discussions is what sets a board interview apart, as we noted in Part I of this series.

Based on our experience working with boards of directors, we have developed guiding principles to help you ace your boardroom interview(s):

Keep the conversation focused on boardroom matters

A board interview goes beyond discussing your strengths as a manager; it is a higher-level conversation about the company you are hoping to join the board of and your readiness and potential to help oversee the company. The interview will also likely focus on the chief responsibilities of directors: protecting shareholder value, addressing CEO succession, setting compensation for top

management, safeguarding corporate integrity, and ensuring enterprise risk management. The issues surrounding these responsibilities can be nuanced and controversial, so you will want to be well-versed in them so that you can discuss them deeply and diplomatically. Be sure to do your research on the company—see how it has been portrayed in the news and on social media. You will also want to spend some time ensuring you fully understand your responsibilities as a director. A great place to start is by reviewing fiduciary duties.

Be Inquisitive - Ask the right questions

You should be prepared to ask questions about the company that demonstrate you have detailed knowledge of it. Showing that you have “**done your homework**” in the form of asking insightful questions is more diplomatic than telling the company its business. For example, you might ask about how the company is overseeing specific risks, such as data security. How are economic conditions affecting plans for growth? How does the company create and foster a culture of innovation? You may also want to ask questions about boardroom culture and dynamics, the role management plays at meetings, and how the board walks the fine line

between oversight and interference. You may also want to ask what role does the board play in strategy – do they simply receive reports from management, or do they offer suggestions and see what strategies are rejected and why?

Focus on your value to the board; not the board's value to you

In our experience, the gaffe most frequently committed by first-time board candidates is the answer to this question: **Why do you want to be on this board?** Many interviewees have been known to reply: "Because it's a great learning opportunity for me." Some may be even more explicit: "Because of what I can take back to my own company" or "Because I think it's the next logical stage in my career." With these type of answers, interviewers will conclude that you are interested in getting on a board – purely for its value to you professionally. **What they really want to know is why you are interested in their board.** What is it about the company that intrigues you? What issues does it face that you could help with as a board member? Having created your Board biography, you should be well prepared to discuss the specific value you could add.

Do not gush about the company

At the other extreme, is another common gaffe: over-enthusiasing about the company. As fortunate as you might feel to be interviewing with the board of a company you greatly admire, refrain from over-the-top praise, which, no matter how sincerely you may believe it, could be taken for empty flattery. Boards are not looking for cheerleaders; they are looking for board members with the requisite expertise and knowledge of boardroom fundamentals.

Demonstrate your commitment to board service

Board service is not for the faint of heart. It is time-consuming, including four or more in-person meetings yearly and the travel time to each in addition to telephonic meetings, and also many hours of preparation. A sudden crisis, an unexpected CEO succession, or other unforeseen events can require more hours of intense work.

Demonstrate that you understand and welcome the rigors of board service. Ask about the opportunities to serve on particular committees – Audit, Compensation, Nominating and Governance, and any committees that might be unique to that board.

Draw on your experience interacting with your company's board

If you are a member of senior management, you likely have a great deal of experience presenting to your board. Synthesizing insights and impressions from those experiences and weaving them into the conversation indicates that you are no stranger to the boardroom and understand the level on which it operates.

Suggest high-level, credible references who can discuss your board readiness

Ideally, these references will include people who are themselves experienced corporate board members.

Be prepared for a lengthy vetting process

Director searches take as long, or longer, as searches for top executives, with stretches of time between steps. Boards have their own cadences for adding directors and they often advance the process in a deliberate way.

Be certain, in advance, that your board and CEO approve of you accepting a directorship

As we advise in Part I, making your aspirations known to the board and CEO of your current company is a key first step in positioning yourself for board service. Otherwise, you might find yourself in the uncomfortable position of having to turn down an offer, which could hurt your chances with other opportunities in the future.

Interviewing successfully for a board seat is a subtle matter of substance and style, of depth and demeanor, and gravitas and grace. The same can be said for successful board service.

For more information on preparing for board directorship or becoming a member of Corporate Boards USA, please contact:



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Corporate Boards USA's Mission is to Prepare our Members to be Highly Qualified Board Candidates.

We Make You Board-Ready!

For more information visit www.corporateboardsusa.com

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