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The online resource for better boards and better directors

Ralph Ward, Publisher/Editor

BOARD RECRUITING SUCKS PT. 2 – “HELP WANTED”

The editorial in our last issue called out the global board recruiting process for its many flaws, as being a system that’s so backwards and ill-designed that it can’t hope to deliver the board talent we need today.

So much for the indictment phase. Time for some blue-sky thinking on how to make board recruitment work better. How can we move forward on defining and then finding the skilled candidates boards need to do the job we demand of them now?

So how about a thought experiment? An idea for improving board search that’s so off-the-wall and crazy that it compels us to rethink all the *other* aspects of current board search that make it sound so odd. The idea – “*help wanted*” advertising to fill board vacancies.

Simply advertising for board talent like you would any other top skill need is not totally unheard-of. Indeed, a [BI article](#) from way back in 1999 looked at a company that used this approach to find not just one, but two highly skilled board members. Yet it remains an oddity. But consider the objections that come to mind – and what those objections really tell us.

You’d be deluged with board wannabe queries. When the company seeks top finance, legal, sales or other talents, are you drowned with applicants? Not usually, because you’ve put great care into shaping a specific job description with spelled-out experience, skill, education, certifications, and other requirements. Anyone who can’t tick the boxes never makes it past stage one.

But we don’t use such board job descriptions. Why not? You’re seeking someone who meets strict fiduciary duties to your corporation, and must deliver growing, hands-on oversight. Yet most board job descriptions are made up of fluff like “is of good character” and “shows sound, impartial judgment.” If you’ve built an in-depth board talent matrix (and you should), you can target specific skills and knowledge for each seat on your board – and then seek it out.

Our current board members don’t know any candidates like that. So? If you need a top finance staffer, do you limit the search to people in your current CFO’s network? That’s why you cast a wide boardroom net... but for very specific fish. More boards are using search firms for diversity board needs today. Why not let them do the legwork for *all* your board recruiting? If you give headhunters strong, objective search parameters, they’ll find the cream of talent you’d never stumble upon on your own.

These candidates might not fit in with our current board. Is that because they bring current skills rather than job titles? Too young? Too diverse? Not enough board experience? Then maybe your board profile problem isn’t fresh candidates who want in, but the incumbents who are already there.

-- RDW

VIRTUAL BOARD MEETINGS - 6 NEXT STEPS

We’re coming up on a year since the COVID virus abruptly evicted board meetings worldwide from their boardrooms and into the online world. We’ve all learned a lot of lessons in making this great migration effective (and become pros at using Zoom). But where do we go from here? Now that online board meetings have become the norm, where will virtual governance take us in the future?

■ Virtual board and committee meetings have (or about to) become our default, expected governance tool. In 2020, virtual meets were a clumsy substitute for “real” board meetings. By the end of this year, online will have become the *real* board format, and face-to-face will

seem odd and awkward. Hybrid boards will become “truly digital, unleashing the power of digital meetings, signatures and documents,” says Paroon Chadha, CEO of board portal provider Passageways. A governance phase change is underway.

- I’ve mentioned this recently, but the process is pointing toward the future – board meetings will be on-demand, modular, “drip feed” affairs. The big, singular “board book” a week before a discrete, day-long “board meeting” will seem clumsy. Micro agendas, convening the board for 15-30 minutes at a time on one item, will be arranged by intelligent tech that checks and juggles each board member’s schedule. Instead of holding up the board book mailing for last-minute items, each session will have its own board book, and a digital assistant will tell members when it’s available, and use AI to point up important items.
- The board chair will also gain digital tools to help run meetings. What is the best way to prioritize agenda items? Who hasn’t spoken up (*and* who’s dominating the discussion)? You’ve allotted 15 minutes for this item on the agenda, but now it’s pushing to half an hour. An AI timekeeper signals the chair on all of these, perhaps even giving you a graph on which speakers have the most air time. Meeting going on too long? “The software can remind everyone when it’s time to get up and stretch,” notes Chadha.
- Board meeting tech will become even more supportive (or creepy, depending on your viewpoint). AI monitoring of directors’ facial expressions, posture and voice tone can tell who’s bored or zoned out, when participation is lagging, or when a presentation is dragging. The chair will be able to gauge these “viewership ratings” in real time during the meeting ([Microsoft](#) is already working on such tools). None of us like having our enthusiasm constantly graded, but the unique membership of the board could push back on any Big Brother abuses. If a member of the board finds your meeting content boring, the director isn’t the one who’s in trouble.
- Coming board tech should be able to keep members more focused anyway. Rather than a separate onscreen boxes with presentations, board book info, financials, etc., these items will be immersive, part of the total visual presentation on screen, and probably with virtual reality tools. The board meeting will include VR plant tours, on-site discussion with employees and customers, walk-throughs of production or logistics issues. “You’ll be able to have a board meeting on the moon, or show the board what really happens at a company oil rig,” Chadha predicts.
- At the moment, your online board meetings consist of postage-stamp size images of attendees all squinting at their computer cams. Background “green screen” tools can make it look like you’re sitting in front of the Taj Mahal or Eiffel Tower, but most are just distracting. *Next up* - boardroom avatars with VR versions of attendees actually sitting together around a virtual board table. The chair really gets to set at the head of the table, the CEO at her side, and so on. Your computer cams, instead of just broadcasting your image, will capture your movements and facial language and process them into your avatar. We regain the context and subtleties of an in-person board meeting... and you can be a cartoon character if you want.

SHAPING YOUR BOARD’S CEO SEARCH COMMITTEE

The time has come to consider leadership change in the company. Maybe it’s part of planned succession. Or, maybe the CEO is retiring, or he or she just surprised the board with a new opportunity (or maybe the incumbent CEO “just didn’t work out”). Let’s assume that the choice of a new chief isn’t a done deal, and that the board wants to do a proper job of the succession. That means designating a board “CEO search committee.” But how to do the job right?:

- For starters, designating a distinct committee of the board to manage chief executive search offers many advantages over an ad hoc or full-board approach. It shows good governance — you’re telling investors and employees that sound CEO succession is a board priority, and that it will be handled properly. Membership can be hand-picked to assure board members with time, expertise, and independence for the task. And the board can write a charter for the committee that spells out timelines, priorities and role of the committee versus the full board (and you can set a discrete budget line item for its needs). Keep committee size compact — 3 or 4 members. A big search committee proves both political and unwieldy.
- Still, building CEO succession into the portfolio of a current committee has advantages as well. Since the tasks and needs of the committee will overlap with exec pay setting, “the compensation committee is often designated,” observes Keith Meyer, CEO and board search leader for Allegis Partners. The membership will already be independent, and likely include some skills in HR and talent search. The comp committee chair is a natural for chairing the search committee, even if you’ve formed a separate group.

- With either approach, membership should be fine tuned for the role at hand. The independent chair/ lead director should also be a member, as should the chair of your governance/nominating committee. And the incumbent CEO? Not a good idea, says Meyer. The outgoing chief will have too powerful of a say, and suck all the air out of deliberation.
- All this fussing over CEO search committee membership is vital because the group is doing far more than coming up with a name. “It’s crucial for the committee to get a strategic focus on what success factors are,” notes Steve Mader, who heads strategic board development for ONPartners. What strengths and weaknesses did recent CEO evaluations reveal? What coming changes in the company’s strategic plan will push you to “lead the target” in identifying tomorrow’s ideal CEO? How will your top succession plans fit in with the *rest* of your executive talent development structures?
- Since even the best CEO committee can’t do the legwork itself, it sets the plan and parameters, and then engages specialists for the actual headhunting and vetting. Usually this will be an outside search firm, and the search pros we talked with advise consulting them early in the process. Even if the committee has candidates in mind, the search pros will know what questions to ask, how to dig for a deep reference check, and what real-world, current pay and benefits packages look like.
- Typically, there is never enough time for the CEO search, but a rushed project often leads to later regrets. If the current CEO announces a planned retirement, a year to 18 months is ideal to form a committee, set parameters and strategy, work with a search firm, interview candidates, and bring a final recommendation to the full board. In a pinch, the process can be done in 6 months, but that’s far from ideal. The COVID-19 lockdown has made virtual interviewing of candidates the norm, but in some ways has actually sped the process. “Now, 90 percent of [CEO] candidates are either internal or known to the board,” Meyer notes.
- *Final notes on CEO search committee makeup.* Assure committee members will have time to devote to the work involved — it’s more time and labor intensive than you think. Also, stock the committee with directors who will be around for a few years — no one who’s soon to retire from the board. You want members “with skin in the game, who’ll actually have to work with the CEO they select,” says Meyer.

5 WAYS ROBERTS RULES CAN SAVE YOUR BOARD

Even the most established, stuffy boards of directors give little though to parliamentary procedure and Roberts Rules of Order. As for venture firms, family companies, and startups? Their board meetings can barely distinguish what a “motion” is. This is too bad, because parliamentary procedures are not some straitjacket that bogs the board meeting in bureaucracy. In fact, knowing the Roberts rules of the road keeps the company out of legal trouble, saves time, and makes the board chair’s job much easier.

- Susan Leahy is a professional parliamentarian, and runs the [RobertsRulesMadeSimple](#) website (stop by for some great boardroom power tools). I recently asked her how and why proper board procedures make such a difference:
 - I’ve mentioned this recently, but the process is pointing toward the future – board meetings will be on-demand, modular, “drip feed” affairs. The big, singular “board book” a week before a discrete, day-long “board meeting” will seem clumsy. Micro agendas, convening the board for 15-30 minutes at a time on one item, will be arranged by intelligent tech that checks and juggles each board member’s schedule. Instead of holding up the board book mailing for last-minute items, each session will have its own board book, and a digital assistant will tell members when its available, and use AI to point up important items.
 - The board chair will also gain digital tools to help run meetings. What is the best way to prioritize agenda items? Who hasn’t spoken up (and who’s dominating the discussion)?
 - “Roberts rules can apply informally to any meeting, and they help get people focused in one direction, and save time and energy. the main reason the rules aren’t used in a lot of boardrooms is because the board members just aren’t trained on their benefits.”
 - “One tool I encourage chairs to use is what I call ‘bookending.’ At the start of the meeting, remind everyone of the way you want the meeting to run, and your commitment to be as effective as possible. A lot of chairs just jump right into the agenda, and miss an opportunity to set the context. Also, remind everyone of the importance of conciseness. It helps everyone get more work done.” (Then, at meeting’s end, bookend it with the same points, and ask attendees to note things that did or didn’t help achieve the stated goals).
 - Board meeting time is always at a premium, with constant demands for presentations and training to be added. But Leahy suggests “if a chair really wants to succeed, she should make sure to train every

board member on Roberts Rules of Order. Most have never had any training, but they should at least understand the fundamentals — how to make a main motion, how to amend a motion, and how to conduct a vote.”

■ “[Board] chairs should think of the board meeting as a learning environment. Too many meetings have a circumstantial drift, and chairs need to step in and ask themselves questions. After the meeting, most just say to themselves ‘Thank God that’s over.’ Instead, they should ask themselves what can we do to improve, and make sure everyone here is learning.”

■ The number one parliamentary boner Leahy sees in boardrooms — “when a motion is on the floor, most boards don’t know how to debate it — it just expands. If an amendment is on the floor, the only thing you should be discussing is that motion. If you make a motion to amend it, then the only thing you should be discussing is the amendment itself.” [This is why so many final board approvals are not what you recall as actually being the motion you thought you were discussing]

FIRST HAND – DAWN ZIER ON LEADING BOARDS

Having a major board career also means major board committee duties. *Dawn Zier* knows a thing or two about that. Former CEO and a director of Nutrisystem (where she sparked a major turnaround), her current board commitments include Hain Celestial, Spirit Airlines, gohenry, and Purple. In these board roles, she’s served on multiple committees, chairing nominating/governance and compensation. What lessons has she learned in making board leadership – and boards overall -- effective?

■ “One of the most common challenges when new board members join is the onboarding process. That’s a responsibility of the board and management, and it’s critical, but too often doesn’t get the attention it deserves. Lots of companies don’t have good board onboarding, but you have to bring everyone up to speed, especially now, when we’re all operating virtually.”

■ “One of the most important roles as a chair is to facilitate constructive dialogue during the board meeting. As a chair, you have to be willing to move conversations along, and not let it go down rabbit holes. It’s important for the chair to be able to park an item, or call an ELMO (enough - let’s move on).”

■ “When I first started as CEO at Nutrisystem, I would push to get through material in a board meeting, and would get frustrated when there were too many questions. But as a chair or a director, it’s important to do just that – ask the right questions, and that’s a challenge. It’s important to move people from presentation mode to conversation mode. Lots of people want to get their opinion across and show off their expertise, so you have to work to manage that.”

■ “As a committee chair, I find online meetings work fine -- in some ways, it’s even better. We’ve gotten used to Zoom and Teams, and getting info when we come to the table. You can better focus in these meetings, with shorter snippets. An 8-hour in-person committee meeting now might be 4, 2-hour sessions, so you become more efficient. But onboarding [new directors] is more difficult now. I’ve just brought 2 new people onto boards, and it takes a lot more effort. Building relationships among board members and with management is critical, and it’s hard to make that happen now. You used to have dinners the night before a meeting, or have them spend a day in the office, but that interaction just doesn’t happen now.”

■ “As a woman, I haven’t found board leadership that difficult, but I’ve been a CEO, and you can assume a CEO will know what happens on a board. I’m often asked by women [joining their first board] how should they act, and I tell them ‘The same way a guy would.’ You have to have confidence in your qualification, and what you uniquely bring to the table. But I do think I bring a different perspective. As a female, I focus more on human capital issues and ESG, more than a male director would. In the pandemic, that view has served well.”

■ Do CEOs make the best board members? “It depends. When you join a board, you have to understand oversight versus operations, and a CEO on a board who’s used to taking charge has to get comfortable with a more consultative and advisory role, or they’re not going to succeed as a director. But as a CEO on a board, I know what it’s like to be in the driver’s seat. Sitting CEOs are looking for people who they can view as a peer in that situation.”

MY VIDEO SERIES ON VIRTUAL BOARD MEETINGS

As regular *BI* subscribers know, we've been closely following the mass migration to online, virtual board meetings that's been underway worldwide since last spring. What you may *not* know is that I've been producing a series of brief "[Virtual Board Meetings](#)" videos on the why and how of making virtual board governance work.

There are five videos, 4 to 8 minutes each, and I'll likely add more as the body of knowledge develops. Current episodes include:

- #1 - Keeping virtual board meetings safe, legal and effective.
- #2 – Online board meeting etiquette.
- #3 – Reshaping board agendas for an online boardroom.
- #4 - Security, security, security.
- #5 – Chairing the virtual board meeting.

I've put these five episodes into a [YouTube playlist](#), so just click on the link for the whole series, or pick and choose. Let me know your thoughts for future topics.



Q&A: “Journaling” Your Way Into a Board Seat

Q: *I'm at a stage in my career where outside board of director roles seem like a real possibility. I have a strong, multi-page career resume that I developed with a professional, but find it doesn't really offer much when it comes to board experience. What should I do to build up a real “on-boarding” package?*

A: I often consult with “board wannabes” in your position, and find they tend to sell themselves short on board exposure. After a few decades of working your way up through corporate positions and gaining P&L achievements, you'll often have far more board seasoning than you give yourself credit for. Once we start digging into nonprofit and industry group experience, board presentations, acting as a director resource person, sitting in on board meetings, advisory panels, company committees, etc., execs usually say “I never thought about all that!”

I suspect that you too have more board and governance exposure than you realize. The problem is capturing it and getting it down on paper. That's why I urge execs to take up professional “journaling” as a career tool. Journaling as a self-help and personal centering technique has been trendy for a while now. You make a discipline of regularly writing down your thoughts, ideas, impression and concerns as a way to gain self awareness. But journaling is also a valuable career tool in helping you memorialize all your day-to-day achievements, little victories, and knowledge that get lost along the way.

Try this exercise. Get yourself a snappy notebook (or sign up with one of the handy online journaling apps, like [Evernote](#), [Journey](#), or [Penzu](#)). Over the next several weeks, discipline yourself to write notes to yourself daily for at least 10 minutes on your work day. Don't worry about structure, privacy, or making sense of it all – just write about what you did, what happened, your impressions, and what occupied you. Make this a habit.

Now, go back and review occasionally, and you'll discover hidden threads that fill out your experience. A note on how random a director's question was in a board meeting will remind you that *you* were the staffer who came up with a quick, informed response. Grumbling about the boob on your industry association online meeting (the guy who couldn't get his camera to work), will set you thinking about all the projects you contributed to as a member of the group.

What about all those lost boardroom tidbits in your past? Try “retroactive” journaling. Dig through your files of memos, notes, past resumes, reports, etc., and dash off quick notes to yourself as these items trigger memories. Oh that's right! – when the board was working that big acquisition five years ago, the chair kept calling *me* as a data resource.

Try smart journaling, both in future and to uncover the past, as a board-wannabe (and overall career) tool. You'll end up amazing yourself.

BI ONLINE FINDS – 2/21

- If you're not familiar with the work of Broc Romanek from his past gigs with CorporateCounsel.net or DealLawyers.com, you've been missing out on some of the best insights on corporate governance and law out there. Now Broc has popped up with a new newsletter/blog/manifesto called *ZippyPoint* that's crammed with links to excellent video resources on governance. Check out the latest [issue](#), and be wowed.
- Here's a good [article](#) on virtual board meetings from Vinnie Lauria, a partner with Golden Gate Ventures in Singapore. Best part is near the end, when he discusses ways a venture-stage firm can use online tech to build and launch its first board.
- Speaking of launching a new board (or trying to identify talent that can make your startup board shine), both [BoardroomAdvisors](#) and [First Round](#) offer some great board-seeding ideas online.

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- *REIT GOVERNANCE BEST PRACTICES*
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Ralph Ward's upcoming Boardroom Masterclass and speaking engagements:

The global COVID-19 crisis may recent *Boardroom Masterclass* programs, but a boom in *BI webinars* is taking up the slack, with online Masterclasses for **Marcus Evans** in the [U.S.](#) plus the [FinMan](#) Group in the Middle East and a series of programs for [GRC Educators](#).

For info on the [webinar](#) versions of my board trainings, [write me](#) for details. Visit the [speaker](#) page on the *Boardroom INSIDER* site for links to keynote speech videos, and also my listing on the [eSpeakers](#) site.



Ralph Ward is author of the books *BOARD SEEKER*, *BOARDROOM Q&A*, *THE NEW BOARDROOM LEADERS*, *SAVING THE CORPORATE BOARD*, *IMPROVING THE CORPORATE BOARD* and *21st CENTURY CORPORATE BOARD*, and a speaker on corporate board issues.

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