



Getting a Seat at the Table

How executives can position themselves to get on boards

Today many successful executives view serving on a corporate board of a private or public company as a desired step in their career progression. Not only does corporate board service provide executives an opportunity to contribute their professional skills to another company, the experience exposes executives to different leadership styles, corporate cultures, strategies and risks, and expands their perspectives by providing a boardroom lens into business issues. Connections gained through board service extend professional and personal networks, offering introductions to senior executives from other industries, some of whom may serve as mentors and sounding boards.

At the same time, boards are reshaping. A variety of forces — including the unprecedented pace of change and business disruption, the growing number and complexity of risks facing businesses today and a changing investor climate — are driving boards to seek director candidates with new types of talent and different perspectives. Gone are the days when CEO or prior board experience is a requirement to join a corporate board. Today, boards are increasingly appointing first-time directors and executives with division, subsidiary or other leadership experience. And as boardroom diversity has become an imperative, boards are appointing more women and minorities as directors.

On the surface, it might appear that there would be great demand for experienced executives and ample opportunities for board service. However, the reality is boardroom turnover is traditionally low, and there are few openings in any given year.

Another complication for executives seeking director seats is the fact that boards increasingly are looking for directors meeting very specific criteria. So while the available talent for the boardroom may be plentiful, the pool shrinks as boards narrow their search criteria to seek candidates with the specific skills and backgrounds best matched to the company's forward-looking strategies and risks.

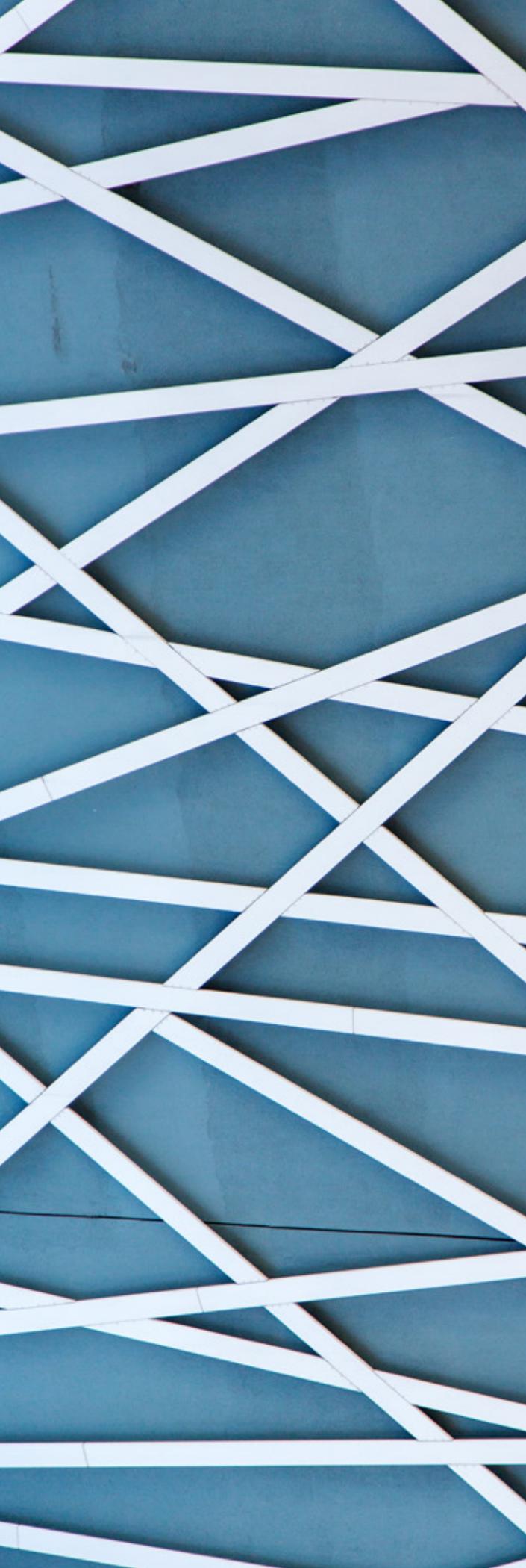
If you are an executive interested in board service, there are several things to consider.

UNDERSTANDING THE DIRECTOR SELECTION PROCESS

The initial step for executives seeking their first corporate board seat is to understand the succession process. Boardroom succession planning, which is generally led by the board's nominating/governance committee, is done quietly, behind closed doors. Boards don't announce when they are looking for directors, don't publicly seek nominations and don't disclose candidates under consideration. As a result, you could be a candidate without being aware you are under discussion.

Today, the best boards have a thoughtful and strategic process for boardroom succession planning. They are looking ahead, determining boardroom needs by evaluating the company's strategies and risks over the next several years, assessing the skills and qualifications of sitting directors and performing a gap analysis to identify talent shortfalls. As part of this analysis, boards are proactively considering upcoming director retirements and also assessing whether the skills of any current directors are outdated or less valuable. Done well, a gap analysis helps a board define its specifications for director candidates and narrow the universe of potential candidates.

Some boards enlist the services of an executive search firm to assist with succession planning. Others manage the process on their own and have directors tap their own networks to identify candidates. The timeline for identifying and appointing a new director can last several months, so patience is important for executives interested in an appointment to a corporate board.



Skill sets

Having the right directors around the board table is a strategic imperative. Corporate boardrooms are changing, reflecting the rapidly changing business environment and the need for directors with new types of skills. New talent is in demand, partly because active CEOs and experienced directors are serving on fewer boards.

Boards continue to have a preference for senior-level operating executives and rarely set out looking for heads of staff functions, lawyers or consultants. Diversity is also an important objective for many boards, not as an end in itself, but because different perspectives are invaluable to the decision-making process. Female or minority executives with operational experience are in high demand.

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Identifying director candidates

After boards determine their needs, they then discreetly cast a wide net using a search firm or their own networks to identify people with those skills. They will begin an interview process that includes the chair of the nominating/governance committee, the CEO and the board chair, if separate. They will generally interview only two or three people for each opening. On some boards, the entire nominating/governance committee interviews candidates and, in some cases, the entire board gets involved in meeting the final candidate.

DETERMINING INTEREST LEVEL AND FIT

If you are interested in being considered for a board seat, make sure you have a firm grasp of both what you anticipate getting out of board service and what the work entails. Expectations of directors are high, and today board work is far more demanding than it was in the past. Test your readiness for board service by asking yourself the following questions:

Why are you interested in sitting on a corporate board?

Some executives see board service as a valuable complement to their executive work. Others consider board service an excellent transition into a post-retirement career, providing an outlet to continue using their business experience. Regardless, if you are interested in serving on a board, being clear about your interests, motivations and value proposition will help you refine your search for best-fit boards and will also better prepare you for interviews with nominating/governance committees: They will be keen to hear your reasons for wanting to join their board, particularly the specific business challenges or governance issues that interest you and where you can provide valuable perspective.

How do you envision your role on the board? The role of a director is very different from that of an operating executive. Much of your time will be spent overseeing and assessing strategy, risk, capital allocation, financial reporting and management performance. You should be comfortable with this high-level, “noses in, fingers out” involvement and not aspire to run the company. If you aren’t comfortable with an oversight role, then board service is not a strong fit for you.

What types of boards interest you? Approach this question from both sides, considering not only what types of boards you find attractive, but also why those boards would be interested in you. For example, think about industries relevant to your own career, but not competitive. Narrowing the scope of your search to companies for which your experiences would be useful will increase your chances of being considered.

Do you have capacity to fully commit to serving on a board? Board service extends well beyond board meetings. As a corporate director you will be expected to, among other things, serve on at least one committee, spend the necessary time preparing for board and committee meetings, stay abreast of industry and governance trends and hot issues, and be available when unexpected issues arise. You should factor in travel time for board meetings and assess whether you can easily travel to board meeting locations. Do you have an extra 250 hours — an estimate of the current annual time commitment for board service — to dedicate to serving as an outside director? Be realistic with yourself. If developing your career within your own company takes precedence over other elements of your professional life, it might not be the right time to pursue a board seat.

Does my current employer support my service on an outside corporate board? Before pursuing a board seat, you should confirm that your current employer is supportive. Some companies see board service as a way to further enhance the skills of their executives. Others expect executives to commit all of their time to the company and, as a result, discourage or prohibit service on outside boards. Nominating/governance committees will want to know that you have clearance to proceed.

Does this fit into my plans for the longer term?

Recognize that board service is a long-term commitment. You should think of board service as a commitment of at least 10 years.

INCREASING YOUR CHANCES

What can you do to increase your chances of being considered for a board? The following guidelines will give you a head start:

Do your homework. Serving as a director is a time-consuming activity, so you want to be sure the investment is worthwhile. Think carefully about the industry sectors or business issues that are of greatest interest to you, and eliminate ones where there could be potential conflicts of interest. Do you prefer private or public companies? Go through the Fortune 1000, Russell 2000 and/or other lists and identify the companies that are the best fit for you. Organize the list into categories, prioritize it and, for your top picks, identify the board members of each. You may be surprised to find that you already know some directors or have contacts who do. Consider and acknowledge any restrictions that would prohibit service with certain boards, such as geography or competitive situations.

Be realistic. Although you might find the Apple board interesting, you need to be realistic about what is an appropriate board for you, based on the experience boards are looking for and what you have to offer. People can't help you if you aren't practical. Once you set appropriate expectations, you can hone in on places where you can get useful experience and put your knowledge to work.

Activate your network. Surveys find that a significant majority of directors were introduced to their boards by the CEO, another member of the executive management team or another director. As a result, activating your network is key. Since you can't apply for the job of director, you need people in the boardroom who will speak on your behalf.

Be sure to express your interest in serving on a board to contacts who already serve. These individuals are frequently approached about board opportunities, and they will often refer names of interested candidates to the search firm or nominating committee that contacts them.

Reach out to others who may be influential in director selection. And connect with others you know in the board ecosystem, including lawyers advising corporations, investment bankers involved in deals, accountants and private equity firms.

A word of caution: Expressing interest in a board seat is different than asking for a nomination. The former can often open doors, while the latter will almost certainly close them.

Raise your profile. Expand beyond your network by enhancing your profile through professional organizations, industry events and speaking opportunities.

Get some board experience. Serving on the board of a smaller company may be a logical first step toward joining the board of a major public company. Boards of smaller or private companies are more willing to recruit knowledgeable executives who are new to board service, and the experience gained through these assignments can improve your odds of being asked to serve on the board of a more prestigious company down the line. It also may be both pragmatic and fulfilling to pursue a directorship with a nonprofit, such as an educational, healthcare or social services organization, as you build your board resume.

While such assignments do not provide public governance experience, serving on a nonprofit board can provide access to a network that might ultimately lead to the right corporate board opportunity. If you are an excellent director in these settings, adding value and working collaboratively with others, you are more likely to be top-of-mind when one of your co-directors hears of an opening on a public board.

Educate yourself. Director education events for existing directors offer the opportunity to become more familiar with the governance issues shaping the boardroom today and to meet well-connected individuals. However, it's important to note that board training classes are not seen as qualifying you for board service.

CRAFTING AN EFFECTIVE BOARD RESUME

A well-written resume highlighting accomplishments, experiences and specialized skills is essential for all professionals. However, while a well-crafted resume can generally be versatile and used in multiple professional contexts, it may be beneficial to tailor an existing resume for the boardroom. By applying the lens of a director, board-interested executives can focus their resumes on their skills and experiences of greatest value in the boardroom and, ultimately, increase their chances of being considered.

Components of a board resume

One size does not fit all when it comes to resumes, and a board-focused resume is no different. While executives should format their resumes as they see fit to best represent their skills and qualifications, they should consider including the following elements to a board-focused resume:

- » Board value proposition
- » Board experience (if applicable)
- » Career history/summary
- » Education and other credentials
- » Personal information (optional)



Board value proposition

One way to highlight board-ready skills is include a headlining section that briefly spells out your board value proposition — those experiences and unique skills that boards will find relevant, such as involvement in governance activities, leadership experience (including the size and type of businesses you have run), and any global track record you might have. This section, which can be presented in bullet point or written format, should spotlight what you would bring to the table as a director.

Executives without boardroom experience should use this section to highlight specialized skills of value in the boardroom and any relevant experience working with boards. And this is the space for disclosing if you are interested in certain types of boards (size, industry, private, public) or corporate situations (bankruptcy, IPO, etc.).

Focus on operational successes, such as how you turned a company around, grew a business or overcame any notable challenges during the course of your career. Spotlight any credentials that can add value to a particular company. For example, every board has an audit committee, so if you have financial expertise, highlight this. And note any specialized expertise of value in the boardroom. For example, many companies are wrestling with the impact of digital and social media and are looking to bring that knowledge into the boardroom. Others are seeking candidates with on-the-ground experience in overseas markets.

Board experience

If applicable, include a section in your resume highlighting your board experience, starting with the most recent and disclosing dates served. Provide a brief description of each organization (including whether public, private, not-for profit), market capitalization, committees served (audit, HR, governance), board leadership roles (committee chair, independent chair, lead director). And don't forget to include any work you are doing or have done for your own board of directors.

THE BOTTOM LINE

Board service can be professionally and personally rewarding, and boards need executives who will add value based on the company's strategies and risks. As the pool of traditional board candidates shrinks, opportunities exist for talented individuals to position themselves for board service. Understanding your value proposition, activating your networks, and matching your skills and experience to those that boards are seeking may increase your chances of gaining a seat at the board table.

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