

## Ensuring a Great Start: Onboarding Best Practices

Atop every effective company sits a healthy board. But boards change, and that's where things get more complicated, as the process of onboarding new directors raises many issues. Boards must first vet several candidates to find one with the right experience and disposition. Then, once the candidate is chosen, the board must pass along the company's vision and board's culture while also ensuring the candidate digests a vast amount of institutional knowledge and logistical information. The learning curve can be steep, as new candidates are given a heavy load of charters, reports and financial statements to absorb, while also navigating the rocky terrain of culture and board dynamics. There's no one right way to onboard a new director, as getting it right requires a heady mix of judgment and instinct: Boards must look to maintain status quo while also refreshing their group with forward-thinking members who can assimilate into an established culture.

With this topic in mind, this year's *U.S. Technology Board Index* set out to examine the best ways for boards to incorporate new directors. We spoke with four senior executives who have lengthy board experience:

### Jamie Gorelick

Partner at Wilmer, Cutler, Pickering, Hale and Dorr, serves on the boards of Amazon and VeriSign.

### Katie Burke Mitic

Co-Founder and CEO of Sitch, serves on the boards of eBay, Restoration Hardware and Special Olympics.

### Paul Sagan

Serves on the boards of Akamai Technologies and VMware, and until recently, EMC. He is also a director of several private companies and the not-for-profit ProPublica. In addition, Sagan is chairman of Massachusetts Department of Elementary and Secondary Education.

### Bob Switz

President and CEO of Tortolita Partners, serves on the boards of Recombinetics, Micron Technology, Marvell Technology Group and Gigamon.



## SPEND TIME WITH THE NEW DIRECTOR

In an increasingly digital era, a crucial part of the onboarding process is charmingly old-school: spending time with the new director.

“Culture” is a nebulous term that can be hard to define, but becoming personally acquainted with the director is a way to communicate the board’s dynamic in a more direct way.

“Getting to know the person, what they are about, what they will be like as a teammate and an effective director is critical to understand — and at the same time, will help them understand how our board interacts and makes decisions,” Mitic said. “We spend time making sure there is alignment here, which is a critical part of onboarding and helps ensure the success of new directors.”

And just meeting once likely isn’t enough — it’s important to remember the dynamics of an interview, Sagan noted. “You’re meeting people under the best circumstances,” he said. So to ensure you’re getting a full picture of the candidate, it’s key to spend some quality time with the would-be director outside of the interview scenario. Sagan recalled taking a candidate to a baseball game, “and the guy threw back three mixed drinks sitting in the stands. And it was like, ‘Whoa!’ Not only was that strange, but really inappropriate words starting coming out of his mouth. And we were done. Thank goodness we figured it out then and not later.”

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**PAUL SAGAN**  
BOARD MEMBER,  
AKAMAI TECHNOLOGIES  
AND VMWARE

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## ENSURE NEW DIRECTORS GET — AND STAY — UP TO SPEED

Too often, new directors are welcomed aboard with little more than a massive pile of documents and a day’s worth of face-to-face meetings. There is only so much that can be communicated in a 10-K and proxy statement — none of it particularly enriching. “I’ve been on several boards, and most didn’t have extensive onboarding processes, meaning they offered little more than some pre-read and a daylong visit outside of a regular visit for a board meeting,” Sagan said.

To ameliorate this situation, boards would benefit by establishing a mentoring process (or “buddy system”), as well as ritualized follow-up meetings. “As a new director on eBay, it was helpful to have a mentor on the board,” Mitic said. “This allowed me to ask any question I had, and also get up to speed quickly. Too many directors wait until they feel 100 percent up-to-speed to contribute, but if a board opens up a few members for active mentoring, the new director will onboard much faster.”

The benefits of this approach are twofold: the board improves because it gains a confident director who can add value by speaking knowledgeably. It also helps the new director, who is likely to feel more comfortable at meetings and be able to make more valuable contributions. “I don’t think most boards do a good job with the follow-up,” Sagan said. “We should say, ‘I know you’re drinking from the fire hose, so you’re not going to remember it all or even know all of the right questions.’ And that affects a director’s performance: when they get into the board meetings, and it’s kind of hard for them to stop and say, ‘Wait, wait, wait, I don’t even understand what you’re talking about.’ I think it would be helpful if there were a check-in process at 90 days or six months for new members, where you’d ask, ‘What new questions do you have?’ and ‘What went too fast?’”

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**BOB SWITZ**  
PRESIDENT AND CEO OF  
TORTOLITA PARTNERS

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### **MAKE SURE THEY HAVE A GOOD UNDERSTANDING OF YOUR BUSINESS**

It may seem obvious that a new board member should have a solid grasp of your organization’s business. But sometimes, the interview and onboarding processes get too far into the weeds of a candidate’s background. Switz recalls sitting on a technology board and learning that some directors were bewildered by the company’s mission: “Some of the people, perhaps because of the industries they were in, did not have the right level of risk tolerance to be on a technology company board, where companies have to make significant bets on the unknown,” he says. “Call that culture, call that what you want, but you can’t have people who don’t understand the nature of how the business operates, the dynamics of its industry. They were like, ‘You’re going to bet that much money on something that may not be possible based on the laws of physics?’ And that was the nature of what we did.”

### **TRUST THE PROCESS, BUT REMEMBER: NOTHING IS FOOLPROOF**

There’s a famous saying: “The harder I work, the luckier I get.” That applies to onboarding, as well — a board can do a meticulous review of potential candidates, conduct interviews and speak with references. But after all of that work, sometimes boards just have to make the best decision and hope the onboarding process works. “It’s a little bit of a wing and a prayer,” Switz said. “In the end, you just have to do the work and make your best guess, quite frankly. I would say it’s largely worked out pretty well at the boards I’ve been involved with.”

# How New Directors Can Hit the Ground Running

Onboarding a new director is a complicated process for boards, but potential new directors also need to do their part to assimilate into their new surroundings. The directors we spoke with had a few tips for new board members to help them harmonize with the group:

## **DO YOU REALLY WANT THE APPOINTMENT?**

Being an effective board member starts with being on the right board. A particular board may initially seem like a good position, but it might not be a good fit on your end: Consider whether the opportunity makes sense based on your experience, your expectations for the board experience, the board's culture and readiness to change, and other factors. "I always said that I wanted to meet members of management — I have to meet the CFO and the general counsel, not just the CEO, and maybe others," said Paul Sagan, board member at Akamai Technologies and VMware. "Because I want to understand the culture of reporting and the tone at the top, and if I don't get a warm and fuzzy feeling here about you, I'm not signing up for this."

## **DO YOUR HOMEWORK**

Once you've taken the appointment, make the effort to get to know the organization, and others in the same space, before you start. "Read as much as you can about the company's industry, the competitors," recommended Bob Switz, board member at Recombinetics, Micron Technology, Marvell Technology Group and Gigamon. "Be a consumer of current information about the sector, follow the analyst reports that come out — not only about your new company, but also their competitors. That will put you in a good position to be a solid ongoing contributor and not stick your foot in your mouth or make a fool of yourself simply by being ignorant of what's going on."

## **HAVE AN AREA OF EXPERTISE AND BE READY TO SHARE IT**

You weren't brought onto the board to be a warm body. "Nowadays, it's important to come onto a board with an ability to add value in a specific way, whether that be vertical knowledge, marketing, strategy, global expertise or another skill," said Jamie Gorelick, board member at Amazon and VeriSign. "The board is looking to hear from you and learn your perspective based on your career experience in that domain."

## **BE QUIET — BUT NOT TOO QUIET**

"Start out by being humble, and be a good listener," Switz advised. "Try to spend a couple board meetings being a good listener before providing all your brilliance. That doesn't mean say nothing, but make sure you thoroughly understand the environment before you jump in with strong points of view."

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