

**Quality Board Members: What to Look for in Your Board
Attribute of Independence Brings Fresh Thinking and New Ideas**

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As the owner of a private company, you formed a board of advisors or board of directors to bring value to the company. That value comes, in part, from the attributes that the outside directors bring to their board participation. Using and leveraging the unique talents of your board members multiplies the return to your company.

After years of participating on boards of private and public companies, it is clear to me that quality board members possess certain attributes that are important to achieving a productive and effective board of directors.

In this regular column, we will consider and describe some of those attributes. As you consider the composition of your board, these articles are meant to provide you with thoughtful insight for enhancing its performance.

Our first article will discuss the attribute of independence. Perhaps thinking of independence as a treasure chest not yet opened begins to reveal the potential of finding board members who can be and are independent. The ideas, the creativity and the experience that board members bring to the company are as valuable as that unopened treasure chest. The very fact that well chosen board members have their own set of experience and unique ability to deal with complex issues allows them to bring potential solutions to the company free of the legacy of thinking and experience existing within the company.

The value of independence among your outside board members comes by opening that treasure chest. Expecting and encouraging the outside directors to draw on their independence of experience and skills brings fresh thinking and new ideas to the company.

Board members who always fully agree, or who are regularly satisfied with little discussion or constructive challenge are not providing the company leadership with a return on the investment in time and opportunity. Independence is best demonstrated not necessarily by agreement or disagreement, but rather by bringing new or different perspectives to issues. Board members who can participate in and encourage the discussion using vocabulary that is positive, constructive and explorative are bringing the value of independence to the company.

Outside, independent board members who act as rubber stamps to the shareholders or senior managers are not delivering the value to the company that should be expected.

As you meet with your board, encourage and promote independence. Probe for new points of view and ask for perspective as a way of optimizing the value of outside board members.

Selecting board members with a strong sense of independence is the first step to opening that treasure chest of new ideas, thinking and perspective. The attribute of independence adds to the “intangible assets” that provide a competitive advantage in a business environment of global competition. Leveraging the attribute of independence is not about right or wrong answers, good or bad ideas. It is about exploring opportunities beyond the concept of “it’s the way we have always done business.”

Developing a strong sense of independence in your relationship with outside directors can become a model for a similar independence in your senior managers, your customers and suppliers. The more you encourage and promote the value of independence, the greater the return to your business.

It is time to toss out the old model of “rubber stamp” approval. It is time to open the treasure chest of independence. Reevaluate the quotient of independence among your board members. If your board is heavy on independence, leverage the advantage. If your board is light on independence, it is time for a change. It takes courage and trust to expect independence, but the return is a competitive advantage that only adds to the bottom line.

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