

ATTRIBUTES OF QUALITY BOARD MEMBERS

WHAT TO LOOK FOR IN YOUR BOARD

Article # 3

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

Years of participating on the boards of private and public companies have made it clear that certain attributes of outside board members are important to achieving the purpose of a productive and effective board of directors.

This series of articles 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 the performance of the board.

The third article in this series will discuss the attribute of AVAILABILITY OFF LINE.

Availability off line begins with a clear understanding leading up to the engagement of a board member. In an ideal situation board members are provided with a job description and are paid in a combination of both a retainer and a meeting fee. The retainer portion is positioned in part with an understanding that the board member will be available off line for informal communications and meetings of an abbreviated nature. For example: phone discussions of financial statements in between board meetings; a breakfast or lunch to discuss a critical contract; or a mentoring breakfast with a key manager.

Board member availability off line provides a mechanism for informal communications and meetings as key issues arise. Respectful use of between meeting communication and interactions provides both the company and the board member a convenient way to stay abreast of current or critical issues. This process further facilitates the productivity of regularly scheduled meetings because both the company and the board member remain current on important issues.

Following are some productive and useful ways to consider utilizing board members between regularly scheduled meetings:

- Board members with market or key customer access can provide introductions at top to top levels creating an atmosphere of cooperation and mutual benefit with customers
- Board members with unique technical knowledge can be useful in both access to and interaction with key suppliers
- Using board members to act mentors for key managers or succession candidates provides another point of view in evaluating their progress and performance when considering succession or reorganization.
- Discussing strategic questions or opportunities with board members between formal board meetings helps to clarify and prioritize those issues prior to formally discussing, accepting or rejecting them at a board meeting.
- Board members can often be utilized productively in enhancing the company's reputation and visibility through established political and community relationships.
- Interviewing potential candidates for key management positions is another valuable off line use of board members.

Effectively utilizing board members off line is most successful when the expectation is agreed to during the recruitment process for outside board members. Developing clear, simple, written job descriptions is a useful tool in both the recruitment phase and the evaluation phase of outside directors. Clarifying the expectations makes implementation and ultimately satisfaction for both the board member and the company more of a certainty.

Experience indicates that well- engaged board members are more valuable and productive for the company. It also suggests that such board members look forward to off line involvement as a way of being part of the process of moving the company toward its goals. As long as off line time is used in a way respectful of a board members time it works to everyone's benefit.

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