

Don't pursue a board seat if . . .

Ten reasons why you may not be a suitable candidate for a corporate board.

BY PAMELA CRAIG AND EUGENIA ULASEWICZ

A lot has been written about how to know if you are the right fit for a board position. The good news is that if you are qualified for the job and focused on obtaining a board seat, opportunities will come across your radar. But they may not always be right for you. So how can you tell if a role is right? And, more importantly, how do you know when *not* to pursue board service at all?

To help answer these questions, we've identified our top 10 reasons why you should think twice about taking a board position. These insights come from our somewhat parallel journeys from the corporate world to the boardroom, and how our paths crossed via an organization called The Committee of 200

(C200). C200 is the only financially vetted, by-invitation group of corporate and entrepreneur female business leaders in the world. To be a member, you have to be a successful entrepreneur with over \$20 million in revenue or a corporate executive running a large (over \$250 million) line division in a major company. We had the latter opportunities at Accenture and Burberry, respectively.

We coincidentally each retired from corporate life in 2013. We were both interested in boards and compared notes frequently. There was a lot we didn't know, but we talked, researched, met people, read up . . . and ultimately joined corporate boards. Now, combined, we occupy seven seats on public company boards. From time to time our fellow C200 members (there are almost 500 of them) ask us about how to gain a first board role. As it was with us, it often seems like a logical step in a career trajectory. C200 members make up a strong pool of talent for boards, particularly because their roles as CEOs or division



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heads mean that they have “sat in the seat” of the CEO and have faced similar company challenges.

Take an honest look

While it is critical for anyone considering a board opportunity to decide if they have a passion for this kind of work, it is just as important to take an honest look at whether a corporate board — and each specific opportunity you may be presented with — is really right for you, before taking the plunge. With that in mind, don't pursue a company board if:

1. You want to be in charge. On a board you are not in charge. You provide oversight, advice, counsel. It is hard for some people to handle the difference between governance and management . . . especially those who relish being in charge.

2. You are an individual performer. You may be OK with not being in charge, but it still may not be a fit if you are more of an individual performer versus a team performer. Think of individual sports (skiing) versus team sports (basketball). On a team you play a role and sometimes it is not your turn with the ball. Your role is a specific one that contributes to making the team (board) strong as a whole.

3. You don't like to read very much. Because you will read . . . a lot. Reading is the number one activity on a board, followed by in-person or telephonic meetings. There are company documents to read — and read carefully. SEC filings do not flow like a novel. And though this kind of reading is periodic, there is other reading that is important to do every day about the company, the competitors, and the industry. Preparing for scheduled board meetings can easily require a full day of reading before attending.

4. You are too busy to make every meeting. A requirement of a board member is to be there. At every meeting. On every call. On time. All the time. Showing up is not negotiable. If your schedule is too busy — or the commitment too daunting — it probably will not work. This is why often the first question asked of a prospective board member is whether or not the schedule of meetings works within their calendar.

5. You don't like surprises, especially with your time. Although you will know, well in advance, the dates for scheduled board and committee meetings, serving on a board also requires

flexibility. Business is not static and issues arise. CEOs have problems. Your company may decide to suddenly acquire a large business, activist investors may emerge, or there could be a cybersecurity attack, just to give a few examples of what might occur outside the cycle of board meetings. You will be expected to jump on a phone call or even a plane (within a reasonable time frame). And these impromptu board calls are not necessarily scheduled Monday to Friday, 9 a.m. to 5 p.m., as you and your fellow board members are invariably in different time zones. Well functioning boards have a culture where board members make themselves available when unexpected business needs arise.

IT IS IMPORTANT TO SHARE THE VALUES OF THE COMPANY AND TO TRUST THE CEO.

6. You are joining a board as a resume builder. Board work is not for the faint of heart. There is real risk that must be considered in taking on a board role, including legal, financial and reputational. It is important to share the values of the company and to trust the CEO. During your due diligence, you will clearly see issues the company is facing. And new issues will arise during your tenure. There is D&O insurance (which also needs to be researched prior to joining a board) to mitigate financial risk if shareholders sue, but a major issue could affect your personal assets. Go into the process with eyes wide open and think about the role beyond how it will look on paper.

For further vetting

If you have sufficiently thought through these six points and have convinced yourself that board service is something you still wish to pursue, here are four additional things to consider when vetting a particular company:

7. You are not interested in what the company does or sells. It may seem obvious, but take some time to consider the business, its culture and its mission. You will be spending hundreds of hours per year reading, learning the jargon and acronyms, debating, thinking and traveling as a board member for company X — so it is important to enjoy it. Don't be afraid to pass on the opportunity if it does not resonate with you.

8. The company has an activist (or might get one) and that unnerves you. Some companies are prone to activists and the activist mission

**THIS IS A MAJOR TIME
COMMITMENT, SO DON'T
OVERLOOK THE LOGISTICS.**

involves aggression. Companies with sustained profitability, shareholder return and/or share price below peers; higher than average short interest; and/or a disproportionately high cash balance are likely targets. Think about this before joining a board that might be facing these issues and confirm with yourself you are up for it.

9. You don't like traveling to London (or Omaha or Lisbon . . .). Where will your board meetings be taking place? Don't laugh, and seriously think about it: If you serve on a board for a decade, and meet five times per year, that could mean a minimum of 50 trips to a location that you would not go to otherwise or that is very challenging to get to from where you are located. Getting there may also require lots of time on airplanes with ensuing jet lag. This is a major time commitment, so don't overlook the logistics.

10. You feel you don't fit in. You have read all the 10-Ks, analyst reports, company annual report, etc. You understand what your exact role on the board will be and why the nominations

committee wants you. It appears to be a great fit. But here is the subtlety: today's boards demand that there be great diversity in the boardroom. That means fellow board members may not think about issues the same way you do, and will have different viewpoints of their own. Knowing this, will you have the courage to speak up when there are not a lot of "buddies" in the room? (Incidentally, we were both given advice not to join a board with fewer than three women. We each chose to do it anyway, and can vouch that it can be less comfortable from time to time.) Do you feel that this board is the group you want in the lifeboat with you when really difficult decisions need to be made or the company is in crisis?

Go for it!

So, if you've considered all of these points and still feel passionately about board service and its requirements — not to mention the company and team you will be joining — go for it! Companies need educated, qualified, and dedicated board members. This is service that will only become more serious and critical over time as shareholders continue to be more demanding, the business climate changes, and new challenges arise. ■

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