

## Strengthening Your Board

When there are important skills and experiences lacking on your board, it's important to fill the gaps as quickly as possible. In some cases, the CEO needs to take an active role developing the plan to create the strongest board possible. You need to develop a plan to fill the gaps using whatever help and support is available.

In many companies, this task falls to the Nominating and Governance Committee. Effective N&G committees annually assess board performance, board dynamics and composition and take the lead in ensuring a strong board not only for good governance but also to support their CEO and management team.

### CEO's Need To Lead

However, in some companies, this committee is not as effective as it might be and in private companies, such a committee usually does not exist. Then the CEO needs to take the lead in the board assessment and staffing process.

Existing skill gaps need to be filled and this requires some planning and smart execution using a 4-step process.

1. Verify your assessment
2. Gain agreement to move forward
3. Identify candidates
4. Select and onboard

### 1. Verify Your Assessment

After you have identified the skill gaps on your board, you need help and support to fill them. Use the strongest board member who might be the board chair, lead director, a major investor or an influential director and review your analysis with them. Ask them to critique your thought process, strengthen your analysis and then help you to work this issue through the remaining board members.

Does this trusted advisor agree with your conclusions? Do they believe there are other important skills missing that you haven't considered. These are some of the questions that you and your advisor should be discussing during your dialogue.

### 2. Gain Agreement to Move Forward

Once you have a clear picture of the skills you want to add to your board, now the hard work begins. Other board members must understand what you are trying to accomplish and why. They must see the need or there may be no support for you to move forward. Some may even be

personally threatened by adding new board members. Carefully assess any resistance and assume nothing without taking the time to verify and re-verify your assumptions.

Many times, this process can take months getting everyone aligned but it is time well spent and demonstrates the type of CEO leadership your board is seeking from you. The process can be tedious and sometimes frustrating but well worth the effort.

### 3. Identify Candidates

There are multiple sources to identify potential board candidates. It's always best to cast a wide net initially based on a wide variety of input and recommendations. Four very useful sources are:

- Current board members
- Personal knowledge of good candidates
- Recommendations from other CEOs
- Major investors

You might also consider using a search firm or the National Association of Corporate Directors (NACD) in your board search. Many search firms have access to a diverse set of candidates that might never be known to you under normal circumstances. NACD has a director search capability based on matching the profiles of their members with your needs.

The initial screen for each of the potential candidates should be against the criteria that you identified earlier in the process. You can also discuss this initial candidate list with your board and get some immediate reaction about those individuals that your board members know.

### 4. Select Your Candidate

After you have assembled an initial list of candidates, carefully evaluate their fit against your defined selection criteria. This assessment will help you to quickly eliminate some potential candidates who don't meet your criteria. For example, if you need a financial expert, any candidate who is not a financial expert would be eliminated from the list.

Once you have sorted your initial list, try to meet informally with a short list of candidates. One very effective way to conduct this meeting without setting expectations too high is to position the meeting as "a get to know each other better". An easy way to do this is to set up the meeting because one of your trusted business colleagues has spoken highly of the candidate and suggested that you both meet to get to know each other better.

During this initial meeting, assess your comfort level with this individual. These initial meetings should enable you to narrow your list down to handful of candidates. Then conduct a more thorough interview process with these finalists. You and your current board members should spend quality time probing real life examples of the expertise and skills that you need on your board.

### Be Sure To Check References

When you have arrived at the one candidate that you believe best meets your needs, be sure to carefully check their references. Make sure that their behavior and performance on other boards in management positions is consistent with what they have told you. This step is often overlooked but is absolutely critical!

### Director Succession

As your company has changed, so are the requirements for directors. Many boards are beginning the process of succession planning for their directors. This process is not yet widely adopted but the concept of succession planning for directors is not very different from succession planning for key management positions. In start-up companies, there is more of a clear roadmap to adding initial independent directors beyond the original founder and investors.