The Drexel LeBow Center for Corporate Governance presents...

**DEVELOPING A BOARD BIO WEBINAR**
MODERATOR

Patricia Q. Connolly
Executive Director
Center for Corporate Governance
BOARD TURNOVER

• Per Spencer Stuart’s 2015 Board Index, which tracks S&P 500:
  – 376 new independent director positions were added in 2015
  – Average age of independent directors is 63
  – 73% of boards have a mandatory retirement age
  – 94% of these boards set it at 72 or older
    (10 years ago 57% did so)
  – 3% of boards have term limits
  – More than half have term limits between 15-20 years

91% of directors rely on other board members for recommendations when looking for new board candidates

Board Turnover

Directors who have served >10 years on their board

39% Males
18% Females

Board turnover is expected to significantly increase

Some countries have adopted initiatives that require companies to significantly raise the number of women serving on boards

Paula Asinof

Principa and Founder
Yellow Brick Path Career Management Coaching & Consulting
BOARD BIO IS MORE THAN A MINI RESUME

• Story-telling document

• Engages the reader

• Powerful presentation of you and your value

• Backed up by career history

• Builds pictures, avoids “business speak”

• Includes a headshot
Bios and Resumes Are Not the Same

- Resumes are “product brochures”

- The reader needs to be interested first

- Bios are short powerful introductions

- Most Board candidates need both
Reflect a Board Perspective in a Board Bio

- Shift from an executive management perspective to a Board perspective
- Skills and knowledge are only applicable in the context of the role
- Credentials matter
**Bio Structure**

- One page, 350 – 400 words
- Easy to read
- Headshot
- “Snapshot” information
- 4 paragraphs and a footer
SAMPLE LAYOUT

JANE SMITH
Chief Financial Officer
Top Dog Corporation

Startups, Turnarounds & Liquidity Events
PE – VC – IPO

BOARD EXPERIENCE
ABC Corporation
Audit Committee Chair
King University
Advisory Board, Entrepreneurship Center

<table>
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<tr>
<th>Paragraph I: Positioning</th>
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<td>Paragraph II: Current or most recent position</td>
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<td>Paragraph IV: Credentials</td>
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BOARD SEARCH PROCESS

John F. Salveson
Co-Founder and Principal
Salveson Stetson Group, Inc.
**Overview of Board Search Process**

- Work with client to clearly outline desired candidate qualifications, including:
  - Functional experience
  - Level
  - Company type
  - Industry sector
  - Prior board and professional experience.

- Build candidate pool through
  - Prior search assignments/ previously identified candidates
  - Research, including social media
  - Thought leadership
  - Professional and industry associations
OVERVIEW OF BOARD SEARCH PROCESS

• Assemble initial pool and submit potential candidates to client.
  – Candidates usually unaware of their candidacy
  – Brief bios used to describe candidates
  – Candidates are pre-screened for qualifications, potential conflicts, reputation and potential risk factors

• Client selects candidates of most interest in priority order

• Candidates contacted one at a time to gauge interest and fit with assignment.
OVERVIEW OF BOARD SEARCH PROCESS

• Interview with search firm, including in-depth review of:
  – Professional experience
  – Other board experience
  – Motivation
  – Interpersonal style.

• Full package on candidates submitted to client, including both resume and bio.

• Client interviews candidates and makes selection.
HOW DO WE FIND YOU?

• Basic research on target companies

• Networking with industry and professional associations

• Networking with consultants and thought leaders

• Review of similar company boards

• “Rising Star” or “Person of Distinction” awards

• Social media
  – LinkedIn
  – Twitter
HOW CAN YOU GET FOUND?

• Be active in your industry and profession
  – Attend conferences
  – Speak at conferences

• Be viewed as a thought leader
  – Blogging
  – Business press
  – Have a POV

• Serve on non-profit boards

• Keep an active network and let people know if you are seeking a board assignment
NOMINATING/GOVERNANCE COMMITTEE PROCESS

Patricia Oelrich, Ph.D.
Former VP of Global IT Risk Management
GlaxoSmithKline

Director
Pepco Holdings, Inc. and
Federal Home Loan Bank – Office of Finance
Determining When to Add to the Board

• **When**
  – Most boards consider director succession planning three years or less prior to recruitment
  – Around 19% of boards do not have any formal director succession planning process and start thinking about succession less than a year before recruitment

• **Why**
  – 76% opportunities backfill current directors due to retirements (age/term limits) and resignations
  – 13.9% adding new positions to address challenge facing the business such as shareholder activism, cybersecurity risk, business-specific problems, etc.
  – 10.9% replacement as result of evaluation of perceived effectiveness or fit of director


There are always boards somewhere looking for board members, it is a continuous process – Network and circulate your Bio!
**Determining Criteria for Selection**

- **Director Attributes**
  - Personal: Judgment, credibility, collegiality, professional achievement, constructiveness, integrity
  - Independence: as defined by NYSE or NASDAQ Rules

- **Skills Inventory**
  - What skills are needed for changing business needs
  - This is what they are looking for! Should be a match

- **Board Approval**
  - Discuss with full board when ready to initiate search process and agree skills, demographics needed

*Your Bio needs to clearly articulate how you match the skills they are looking for and can add value – modify for each situation as appropriate, highlight when you meet independence rules – help them match you!!*
**WHAT ARE BOARDS LOOKING FOR?**

- List of most important attributes for director recruitment in the last two years

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IDENTIFYING AND VETTING CANDIDATES

Source Bios
- Starts with Board network – share your bio with your networks
- 34% use search firms

Initial Review
- CEO/Chair of Nom/Gov review – select 5+ to show Committee
- 3 martini rule

Committee Evaluation
- Nom/Gov committee selects 1 or 2
- Bio needs to speak for you and the value you can bring to the board - it will get you the interview! Picture is important

Initial Interview
- CEO and or Chair of Nom/Gov do initial interview – this is first time you can speak for yourself
- May ask for resume

Board Interview
- Meet other board members as appropriate
- Financial experts – audit committee
- Comp committee

Board Approval
- Candidate bio presented to full board
- Candidate offered board seat
Wrap up & Questions

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Executive Director
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