

How to Create a Board of Directors that Boosts Your Organization

October 30, 2015

The webinar will start at 11:00 am CT



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About the Speaker



Marjorie Engle

Senior Vice President
Organizational Development
and Family Business Services

Extensive experience in board governance, executive coaching, organizational analysis, succession and strategic planning

Certificate in Family Business
Advising from FII

Today's Objectives

Learn the relationship between strategic planning and the board selection process.



Understand the right steps for identifying and engaging board candidates.



Discover the common mistakes organizations make when filling board positions.

The Board's Core Roles

- 
- To represent shareholders (or stakeholders)
 - Mission and purpose
 - CEO (Hire, support, evaluate)
 - To ensure effective planning
 - To monitor performance
 - To protect assets and provide financial oversight
 - To ensure legal and ethical integrity



Polling Question #1




Three D's of Governance

Duty of care

Duty of loyalty

Duty of obedience

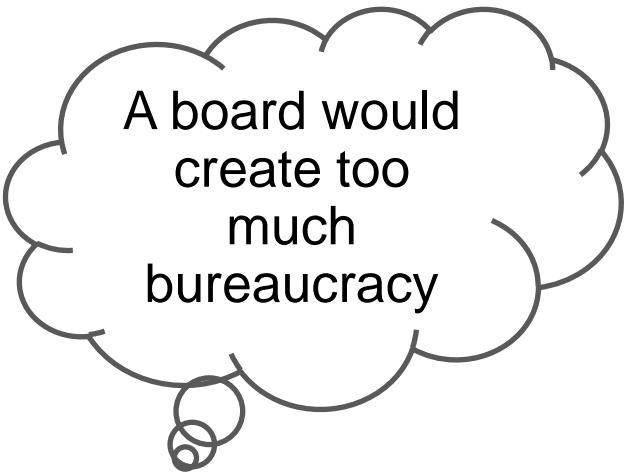
Myths About Boards



Every organization needs a board



We would lose control



A board would create too much bureaucracy



I couldn't get good directors



A board would be too expensive

Myths About Boards




It wastes too much time



Directors will sell for us

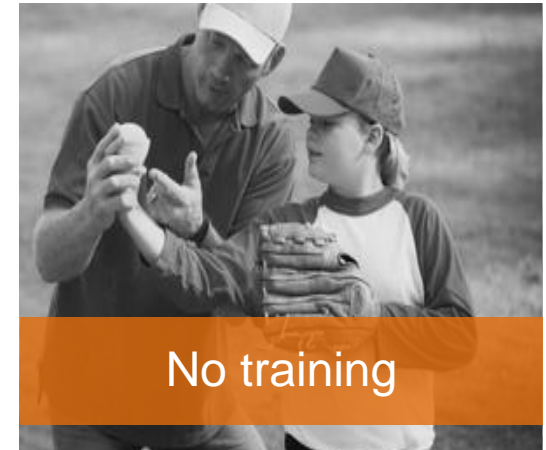


My advisors don't recommend it



We really have a board meeting every day

Why Most Boards Don't Work



Why Most Boards Don't Work (Cont.)





Polling Question #2



First Step: Deciding What Kind of Board

Statutory

Advisory

How Boards Become Exceptional

Every director is a strategy.



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Who Should Be on My Board?

Think again.

Friends

Advisors

**Other Board
Directors**

Company managers

Retired CEOs

Who Should Be on My Board?

Possible value-added directors



Screening and Red Flags

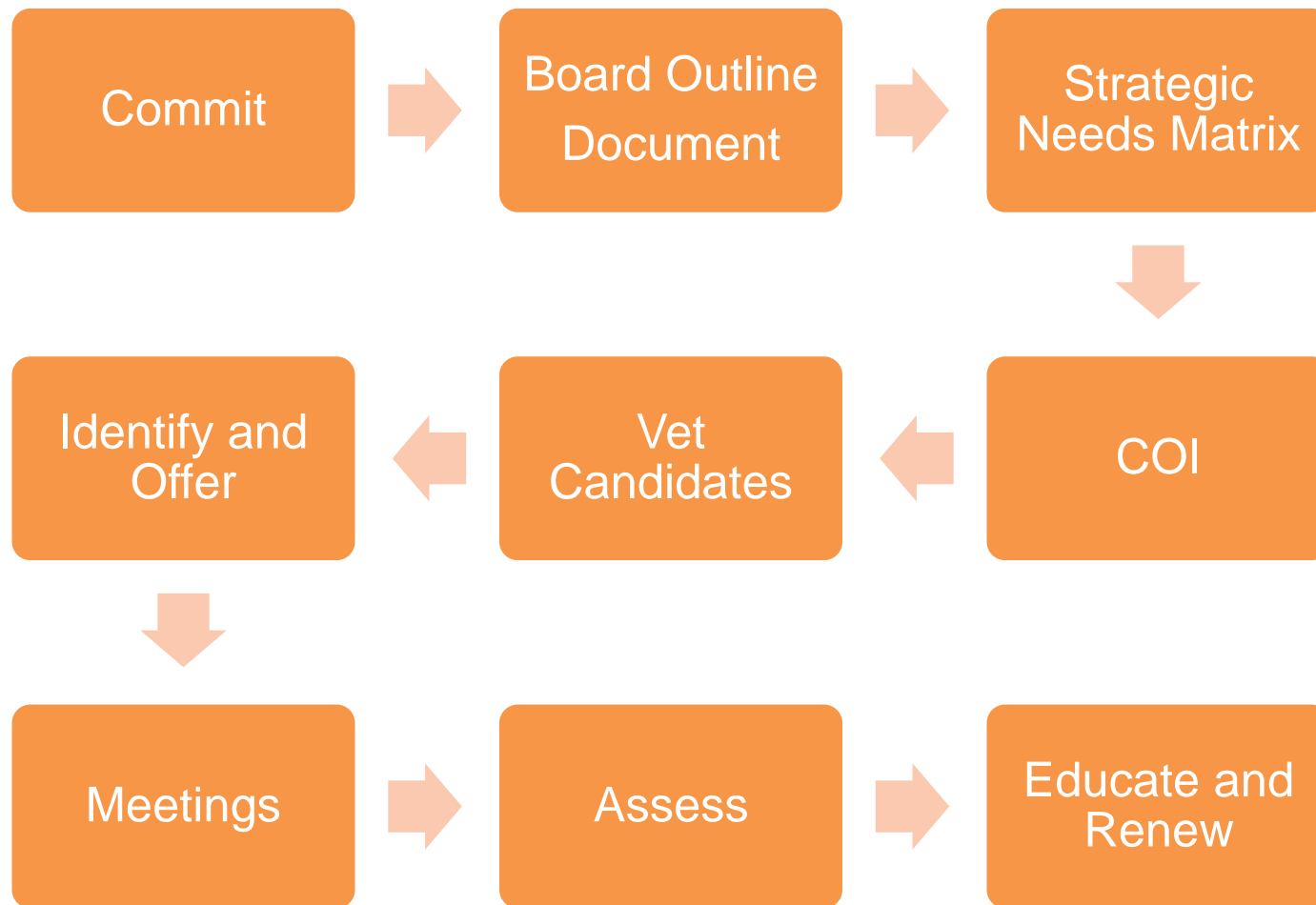
Ask

- Do you have a board? How has it benefited you?
- What is your opinion of our company?
- How many boards do you currently serve on?
- What has been your experiences with boards you have served on?

Consider

- Does the potential board member ask good questions?
- Has the person noticed details and implications of the board outline document?

Finding Good Directors





Polling Question #3

What is the Best Structure?





Polling Question #4

NFP vs For-Profit

	For Profit	Not for Profit
Focus	Shareholders	NFP's mission
Results	Financial earnings	Mission performance
Metrics of Performance	Stock price, earnings, cash flow, etc.	Meeting budget and cash flow projections
Funds Source	Capital markets	Grants & philanthropy
Size & Compensation	Small board, paid directors	Large board, volunteer directors
Committees	Fewer committees	More committees
Executive Chair	Executive Chair and Lead Director	Non-executive Chair
CEO Involvement	Usually on the board	Not usually on the board

Wrap-up



KEY
TAKEAWAYS?



CRITICAL NEXT
STEPS?

Thank you!



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