

Becoming a Board Director – a game plan!

There are so many questions about how to attain the elusive and often seemingly unattainable corporate board role. After years of individual conversations providing such advice and numerous public presentations on the topic, I herein offer you 7 suggestions. These come as a result of my 20 years recruiting board directors and infinite conversations with those who already sit on boards and other experts in the field. By no means are these 7 recommendations comprehensive. Rather they are elemental and at least an essential starting point.

#1 Manage Your Career

Sarbanes-Oxley, Dodd-Frank, Activist investors. All of this has made boards far more monitored and regulated than ever before. As a result, new board members need very specific skills and qualifications. What has not changed however is the fact that operating skills are still favored for corporate board members.

Nevertheless, other expertise is definitely required on boards and in demand. This includes but is not limited to industry experience (thank the Activists), financial expertise, risk management, international experience and technology skills.

What all of this implies is that in whatever you do, work exceptionally hard and be successful. Keep your head down in your job and make progress with positions of increasing responsibility. Become a known expert in your field and advance. You cannot become a board director without a noticeably successful career.

#2 Build Financial Skills & Knowledge

For those of you who are not CFOs, Treasurers and Auditors, make sure you have some basic financial fluency. Know how to read and understand financial statements and what questions to ask and when.

#3 Be Well Versed in Corporate Governance

Know how to answer the following questions:

What are the main responsibilities of the board of directors?

What are some of the characteristics of a good director?

What are the common board committees and what is their function?

What constitutes a “good board?”

Nothing screams stop faster than a potential board candidate not knowing why they want to be a board member or what exactly a well-functioning board looks like. It is much more than an entrée into what feels like a private club!

#4 Develop a Clear Articulation of your Brand/Value Proposition

Do some soul searching and some research and be prepared to have clear answers to these questions:

What is your unique personal brand and value proposition for a prospective board?

What are your key and specific areas of expertise?

What kind of board do you want to be on? Consider industry, size, stage of company, geography, public vs. private (there are definite plusses and minuses of both)

How much capacity do you have?

How far and frequently are you willing to travel?

#5 Build a Strong Network

Landing a board seat can be a matter of having the right contacts (once you have done everything previously mentioned.) Let your relevant and existing network know of your interest in a board seat. Pay particular attention to lawyers, accountants and bankers. These trusted advisors are often asked for board recommendations by their corporate clients.

It should go without saying that returning the calls of executive recruiters is greatly advised. Even if you are not interested in the search they are currently working on, develop a dialogue and a relationship. They just might have a board opportunity in the near future.

Private equity firms, venture capitalists and other institutional investors may be a source of board opportunities as well. Their investments and portfolio companies have boards and they do often use their own network when there is an opening.

#6 Start Small

A non-profit board may be a good entrée into board service and allow you to hone your director skills. The right non-profit board can teach valuable corporate governance lessons. Ideally, you will want to join the board of an organization whose mission you believe in. But in addition to this, look for a board that is professional and ideally populated with executives and other professionals you can learn from and want to develop relationships with.

Small companies and start-ups can offer another place to begin your board director career. Board work for small companies will be less systematic and straightforward than large, very prescribed public company board service and it is exactly this type of challenge that will acclimatize you to the world of directorship. Even an Advisory Board can serve as a learning ground and provide credibility.

In all of these places it is important to contribute. Let your fellow board members see how competent and knowledgeable you are.

#7 Start Young

There is no right time to start thinking about board service but all of the above can take time. The other thing to note is that there is a trend, primarily because of the need for technology and social media expertise, to appoint younger directors to boards. Thus, as they say, there is no time like the present!