

SEPTEMBER 2020



VELL | BOARDS

A PRESENTATION FROM VELL EXECUTIVE SEARCH INC.

BUILDING A BOARD FOR YOUR STRATEGIC GOALS - A VELL PRESENTATION

Recruiting Independent Board Members:
The Truth, Misconception and Reality

Objective:

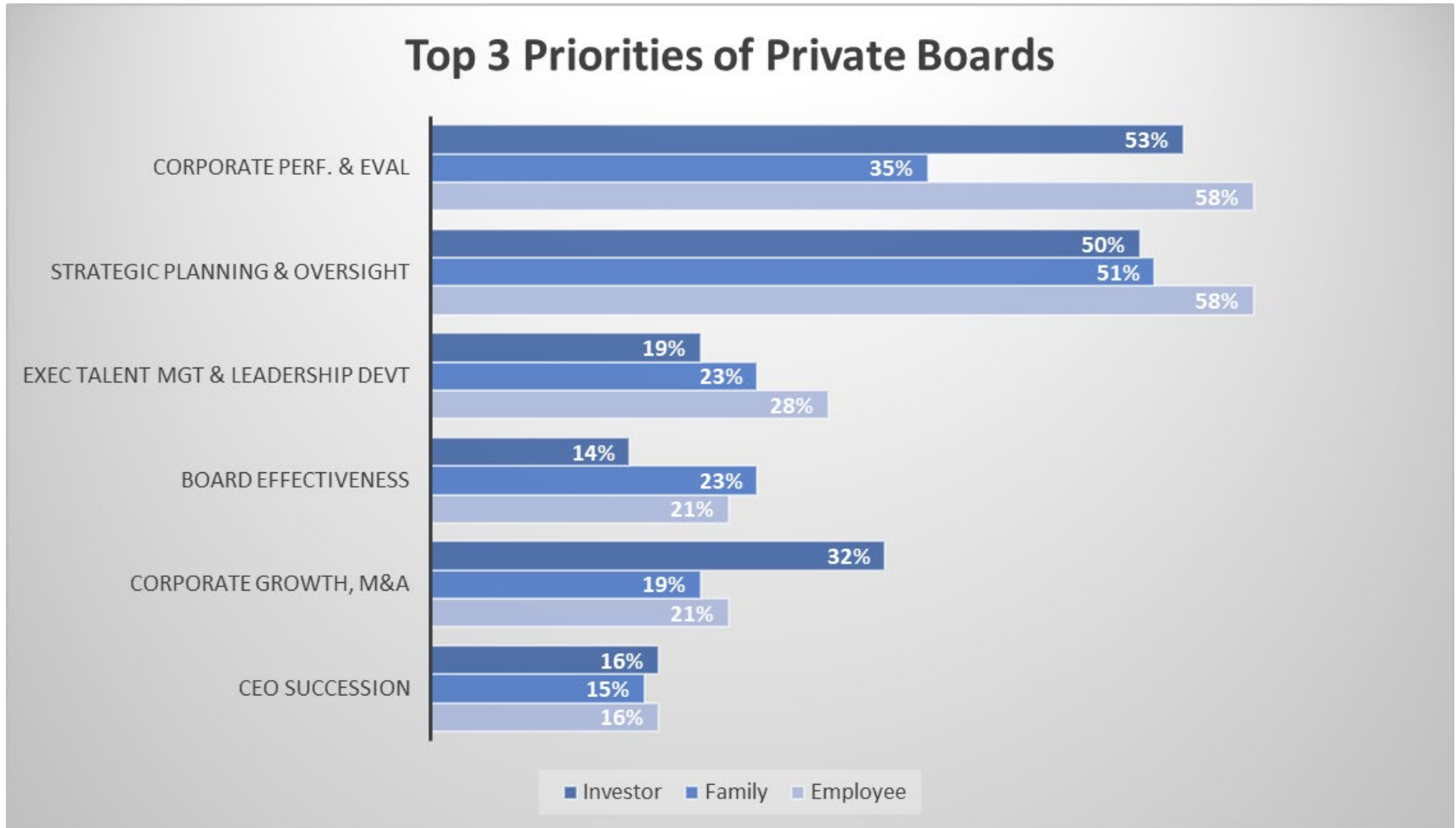
Building a Strategic Asset Board for Your Company

Contents:

- ❖ Characteristics of a Strategic Asset Board
 - ❖ Board Succession Framework
 - ❖ Board Member Recruiting Process
 - ❖ The Art of Stealing Stars
 - ❖ Common Pitfalls & Remedies
- List of Sources & Inspiration

Purpose of the Board

1. Ensure that the company is following the right strategy, ideally for long term value creation. Not strategy creation but poking and prodding to ascertain the strategy is doable.
2. Make sure the right people are in the right jobs. Hold management accountable.
3. Fiduciary duties: no one cooking the books, risks are being properly addressed (e.g. cyber, GDPR, FCPA)



Source: 2015-2016 NACD Private Company Governance Survey

What five trends do you foresee having the greatest effect on your company over the next 12 months?

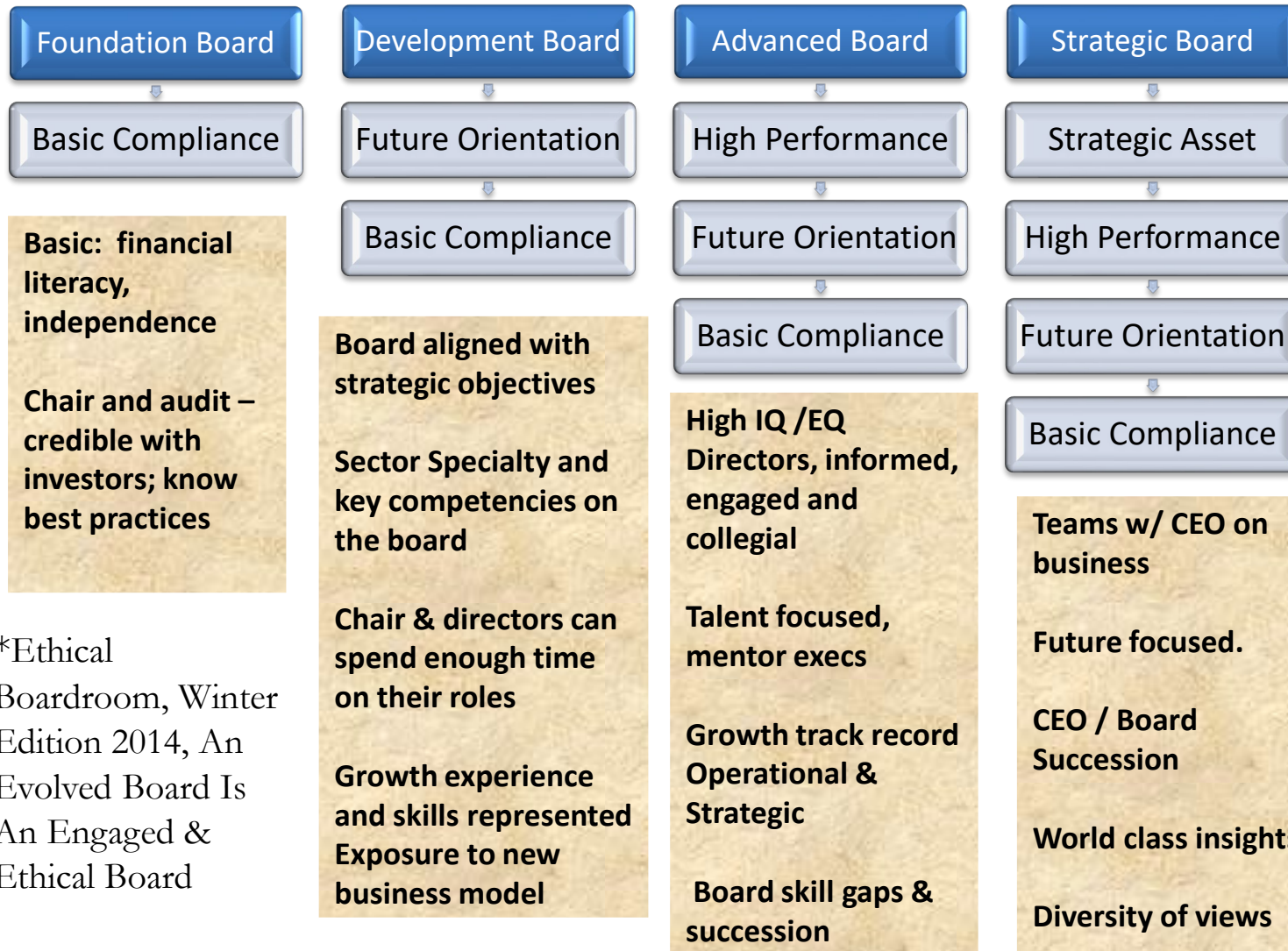


Source: NACD Private Company Governance Survey, 2018

| | |
|--|---|
| <p>The Right People</p> <ul style="list-style-type: none"> ❖ Wide range of talents, expertise, occupational and personal backgrounds ❖ Independent & Independent-Minded | <p>The Right Culture</p> <ul style="list-style-type: none"> ❖ Culture that promotes open communications and rigorous decision-making ❖ “Constructive interaction” between board and management |
| <p>The Right Issues</p> <ul style="list-style-type: none"> ❖ Constant reference to corporate strategy to conduct board evaluations | <p>The Right Information</p> <ul style="list-style-type: none"> ❖ Obtain, study, and understand the relevant information to spend time effectively and make the right decisions ❖ Prompt responses to requests for information |
| <p>The Right Process</p> <ul style="list-style-type: none"> ❖ Evaluations: full board, self-assessment and peer ❖ Duties, goals, objectives to evaluate against ❖ Monitor board composition & operations | <p>The Right Follow-Through</p> <ul style="list-style-type: none"> ❖ Evaluation follow through ❖ Plan/ steps to become strategic asset with full board agreement ❖ Follow basic performance management principles |

*NACD Blue Ribbon Commission on Building the Strategic Asset Board, 2010 & 2016 Editions

HOW EVOLVED AND ENGAGED IS YOUR BOARD?



*Ethical Boardroom, Winter Edition 2014, An Evolved Board Is An Engaged & Ethical Board

Constant & Continuous alignment of the skills & competencies with the board's most challenging issues, toughest decisions and major risks.

| Challenge/ Key Driver | Aligned Board Skills | Current Status | Projected Tenure | Future Priority |
|--|---|-----------------------|-------------------------|------------------------|
| Creation of New Growth Platforms | CEO/ COO who has led a co. successful in process/ innovation w/ industry relevance | | | |
| Entering a new industry vertical | Key decision maker in the new industry to reflect customer perspective OR Executive from company that is successful in that industry vertical | | | |
| Growth to the next level – e.g. from \$xx to \$yy | CEO or executive in a related / relevant industry that has achieved that growth | | | |
| Laser sharp financial management and acquisitions / M&A | World class highly respected CFO with M&A skills (or fundraising etc.) | | | |
| Large IT projects transforming the business | A CIO / Chief Digital Officer with experience implementing similar projects | | | |
| Cybersecurity OR GDPR | CISO or a Chief Privacy Officer | | | |
| Big Data/ Data Science or Analytics Initiatives | Appropriate functional exec with successful outcomes in these areas | | | |
| Risk: Foreign Corrupt Practices Act | Lawyer/ Accountant with federal experience and deep FCPA background | | | |

*Adapted from Long Term Board Succession Planning Emerging as Best Practice, NACD Directorship, Sept/Oct 2015

BOARD MEMBER RECRUITING PROCESS

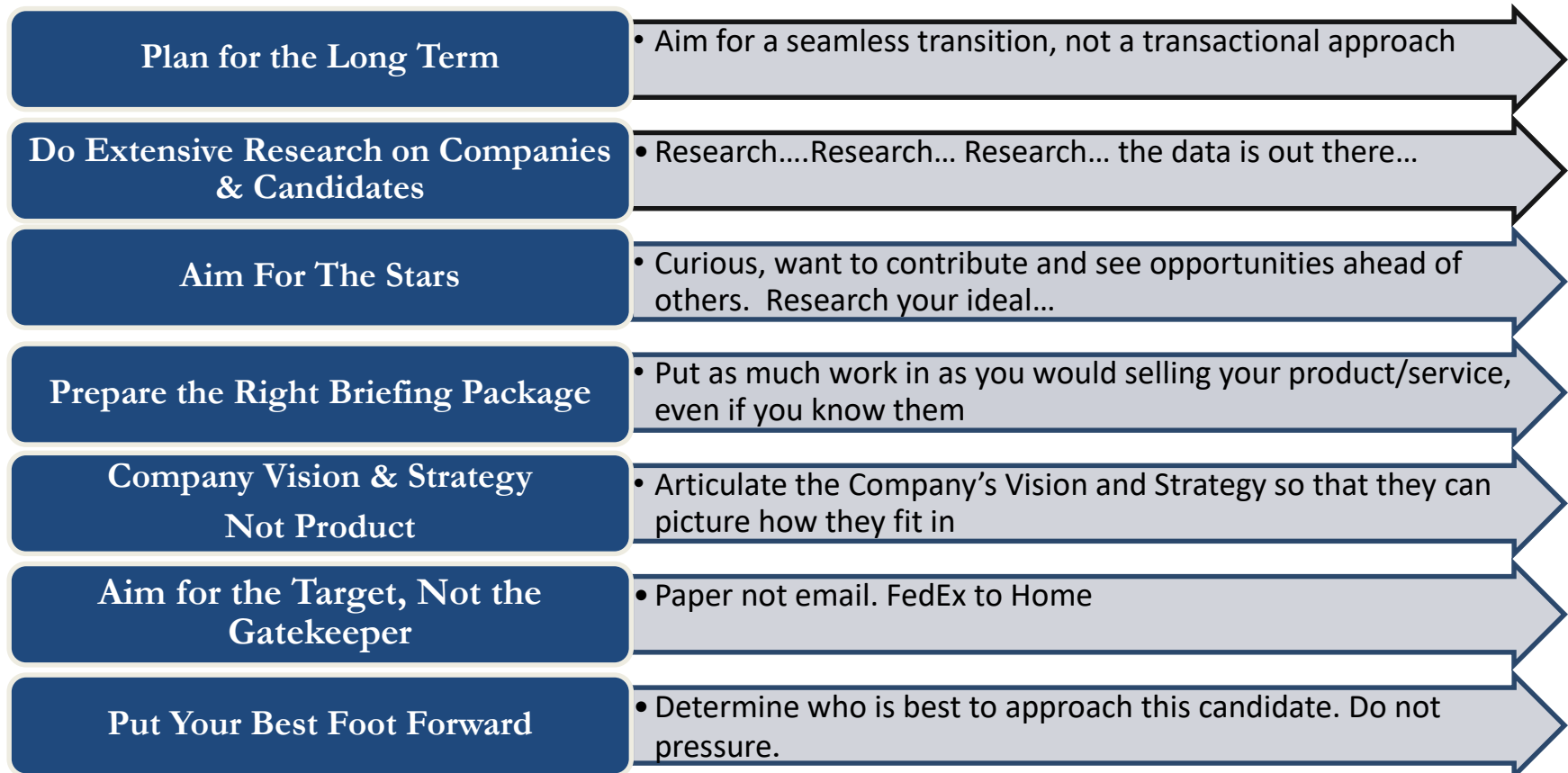
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On-going weekly meetings with Search Committee; Daily Status meetings at Vell

THE ART OF STEALING STARS

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COMMON PITFALLS AND THEIR REMEDIES

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Do Not Fail Before You Start

- Aim for the Stars. You may just reach them.

Do Not Call People You Know

- CEOs call “someone they know”, without briefing them or considering the overall picture.

Do Not Put All Your Eggs in One Basket

- Have several options for “stars”...

Do Not Call Your Local Star

- Do your homework. Calling your local star sometimes ends up costing you too much.

SWOT – Not Roses

- Present challenges... Not a rosy picture

Do Not Make Them Run Before They Walk

- Get them intrigued and interested about the company

Do not forget references & background checks

- You would be surprised...

LIST OF SOURCES & INSPIRATION



- ❖ *Building the Strategic Asset Board* (2010/2016 editions), NACD Blue Ribbon Commission
- ❖ *Is Your Board Becoming A Strategic Asset?* NACD Directorship, March/April 2018
- ❖ *The Era of Strategic-Asset Directorship*, NACD Directorship, Jan/Feb 2017
- ❖ *An Evolved Board Is An Engaged & Ethical Board*, Ethical Boardroom, Winter Edition 2014,
- ❖ *Exposing the Latest Trends in Board Composition and Talent Oversight*, NACD Directorship, March/April 2017
- ❖ *Long Term Board Succession Planning Emerging as Best Practice*, NACD Directorship, Sept/Oct 2015
- ❖ *Best Practices in Board Composition*, CalSTRS, 2015 [CalSTRS Best Practices Link](#)
- ❖ *Corporate Governance Principles*, CalSTRS, 2017 [Corporate Governance Principles Link](#)

THANK YOU!

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Dora Vell is the CEO of Vell Executive Search, a boutique executive search firm in Boston focused on recruiting technology executives and board members. Vell has successfully completed numerous board member and C-level executive searches, including CEOs, COOs, CIOs, and Vice Presidents - at both public and private companies.

Prior to founding the firm in 2005, Vell was a Partner at Heidrick & Struggles' Technology practice for seven years. Before her career in executive search, she worked at IBM for 11 years, managing software engineering organizations of 100 people and software sales organizations with revenues of \$150 million. She has also served as an executive assistant to the CEO of IBM Canada for one year.

Vell holds seven worldwide software patents. She has published several Business of Leadership reports on governance and leadership and has been quoted in numerous articles including The Wall Street Journal, Forbes, Business Week, Fortune, Agenda Week, MSNBC, Mass High Tech, the OPUS for the World Economic Forum, Boston Business Journal, The Globe & Mail, CIO Magazine, and IEEE. She also has been a featured speaker on leadership at numerous conferences and at Columbia University's MBA program.

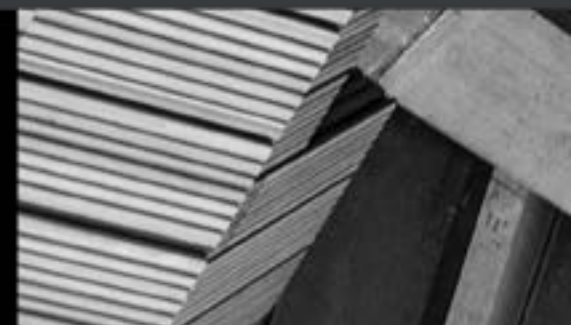
Vell is a member of the National Association of Corporate Directors (NACD), the Boston CEO Roundtable. She has served on the boards of Framingham State, Entrepreneur's Organization, Goodwill, and Mary Centre for developmentally handicapped adults, garage.ca, and RBC Capital Partners.

She has received an MBA from the University of Toronto, a Master in Computer Science from the University of Waterloo, and a Bachelor in Computer Science from Carleton. She has also completed the MIT Entrepreneurial Master's program.

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