

***Call for Interviews:***  
***New Governance Research:***  
***Board Composition and Director Recruitment***

This is an opportunity for your board to become involved in an important piece of North American governance research focused on the current “state of play” of director recruitment in the United States and Canada – what’s working well, what’s frustrating people, what are some new ideas and solid best practices in this area.

The Canadian Society of Corporate Secretaries is partnering on this research project with Beverly Behan, author of **Great Companies Deserve Great Boards** (*Palgrave MacMillan* 2011), which was named **Governance Book of the Year in the U.S.** and ranked #1 for 4 weeks on the *Globe & Mail Business Best-Sellers* list. This study and results will be shared at our National Conference in August, 2015 in Montreal (August 16<sup>th</sup> – 19<sup>th</sup>). We are unaware of any other research of this nature currently underway in either United States or Canada and believe it will become an invaluable and timely addition to North American governance landscape.

The approach will involve a series of individual interviews with Nominating/Governance Committee Chairs and/or Board Chairs who are particularly thoughtful on this important topic and have an interest in advancing governance thought leadership in North America. Interviews will be based on the 13 questions attached (2 pages) and should require no more than 30-45 minutes of time. Among other things, this work expands upon a very limited (4-question) *Director Dialogue* on this topic initiated by the *National Association of Corporate Directors* in December, 2014.

All interviews will be treated in strictest confidence. While a list of interviewees may be included in the final report, there will be no attribution whatsoever of any comments made in the course of the interviews, as candor is essential to this research.

Findings, key themes and best practices which emerge from this study will be presented at the CSCS conference in Montreal in August, 2015. All interviewees will receive a far more detailed version of the research report than the version provided to conference participants as a way of saying “thank you”. This enables them to benefit from the insights of their peers in a more meaningful way. Interviewees will also have the option of discussing the results once the project has concluded.

If you believe that your Nominating/Governance Committee Chair or Board Chair would have an interest in sharing their views and expanding thought leadership on this important topic, or if you have any questions to determine if this would be of interest or not, please contact Bev directly via email: [Beverly.behan@boardadvisor.net](mailto:Beverly.behan@boardadvisor.net).

Board Advisor plans to interview approximately 30 Nominating/Governance Chairs in the United States and Canada from April 15- June 15, 2015. We have already had 8 American Nom/Gov Chairs express interest in participating in this study in the past week. Interviews will be limited to a max of 15 per

country and, if possible, spread over a number of industries, geographies and companies of different sizes.

If you have an interest in participating, please get in touch right away with Beverly Behan by email at: [beverly.behan@boardadvisor.net](mailto:beverly.behan@boardadvisor.net)>. We'd love to talk to you!

# *Interview Protocol*

## ***Priority Skills/Backgrounds for Director Recruitment***

**1) The last time that your board recruited a new director, what were your priorities for the search?**

**2) If you were going to recruit a new board member in the future, what do you see as your key priorities going forward?**

- Is there a particular background/skill set that you feel would be valuable to add to your board? (eg/ SOX financial expert, understanding of M&A, IT, CEO/COO etc.)
- Will diversity be important in your search and if so, would your priority be gender, ethnic, age, geographic, active vs retired executive, or some other form of diversity?
- Is prior board experience important? Or are you open to a first-timer?
- What are other priorities you will have in terms of “fit” with your board’s culture/dynamics, etc.?

**3) How do you typically establish director recruitment priorities?** (eg/ Governance Committee discussion, skills matrix, interviews with board members/company executives, other???)

## ***Sourcing Board Candidates***

**4) The last time that you conducted a director search, how did you go about sourcing candidates?**

- ***Rolodex Method/Director Network:*** Primarily used the network of current board members and/or company executives
- ***Search firm:*** Retained a search consultant to identify prospective board candidates
- ***Database:*** Used a director database such as those operated by the NACD/ICD, Catalyst/Women Corporate Directors, Board Prospects, etc.
- ***Other????***

**Please describe your experience with the methodology you used. What worked well? What, if anything, frustrated you/did not work well? What would you do differently next time, if anything?**

**5) What was your experience in terms of the number and quality of candidates you found?** (eg/ “There were so many great candidates it was tough to decide” vs “We hardly found anyone who interested us.”)

**6) If you used a search firm, what were the criteria you used to choose the recruiter?**

- How important was the fee/fee structure (retainer vs performance-based)?
- How important were prior relationships with the board/one or more board members?
- Other factors?

**If you did not use a search firm, why did you make that decision?**

**7) In general, do you feel that the “talent pool” of high quality board candidates for your board is plentiful (eg/ you will always be able to find lots of great people for your board) or quite limited? What are the reasons for your view?**

**8) How important is a credential such as completion of a director training course (Harvard, Stanford, NACD, ICD, Director’s College etc.) to you in sourcing/selecting board candidates?**

**9) How far in advance of an anticipated director retirement do you typically begin sourcing potential director candidates? Are you a fan of “planned overlap” - temporarily increasing board size to facilitate board succession planning - or do you prefer timing the addition of a new director to coincide almost exactly with someone transitioning off the board?**

### ***Interviews/Director Selection***

**10) What was the interview process that you used last time with prospective board candidates?**

- Who interviewed the candidate first, second, etc.?
- Did the candidate meet the entire board before a decision was made on his/her appointment?
- Did the candidate meet the Chief Executive Officer? Other members of the executive team?

**Would you use the same process next time or make changes?**

**11) In your view, what are 1 or 2 of most important questions to ask a prospective director candidate? Why are these questions particularly important? What insights do they give you?**

**12) What process, if any, did you use in checking references of prospective board candidates? Did you find this useful? Did you call references before or after interviewing the candidate?**

### ***General/Conclusions***

**13) What advice would you give other Nominating/Governance Committee Chairs about director recruitment/board composition issues?**

- What do you see as important “best practices” in this area?
- Are there any other frustrations that you experienced, that you’d caution others to avoid?
- Any other comments on this topic that we have not yet discussed that are on your mind?

## ***If You Don't Know Board Advisor, LLC.....***

**We believe that Great Companies Deserve Great Boards.** That's the name of our founder's last book, named *Governance Book of the Year* by *Directors & Boards* magazine. Our goal is to help create and sustain truly outstanding Boards of Directors – boards that are a genuine asset to the companies they govern - and to those who own/invest in those companies.

To that end, we have worked with over 130 Boards of Directors over the past eighteen years, ranging from Fortune 500s to recent IPOs – from the United States and Canada to Asia, Central America and the Middle East – helping good boards to become great and helping great boards stay that way. Our work includes impactful board effectiveness assessments, meaningful individual director peer reviews, leading-edge CEO succession planning and advising CEOs and other C-suite executives on how to be more effective working with their boards – and how to get more value from their boards.

Over the past 5 years, many of our board clients have increasingly expressed concern about director recruitment: Some find that the search firm lists are “all the same people” or simply don't go far enough to find director candidates they could get excited about. Many wonder if there are new and different approaches to finding high quality boardroom talent that go beyond the rolodex, but stop short of \$100,000 retainer. Others want to revisit the entire issue of how to interview and determine if a prospective board candidate is really the right fit. And most quietly dismiss the idea someone being “board qualified” simply by taking a director training program.

So, we decided it was time to explore this issue and do some research – with people on the very front lines, namely Nominating and Governance Committee Chairs. We plan to interview more than two dozen Nom/Governance Chairs and/or Board Chairs who have candid and thoughtful opinions on this important topic. We'll keep the interviews entirely confidential – because it's important that people are entirely forthright in expressing their views. Those who participate will receive a copy of the findings and key themes when we're done – something we think they'll find interesting and useful. A summary of the findings will also be presented at an upcoming governance conference in August, 2015.