

BETSY ATKINS

BE BOARD READY

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THE SECRETS TO LANDING A BOARD SEAT
AND BEING A GREAT DIRECTOR

"I believe Betsy Atkins's deep and broad experience of international board engagements should be very valuable to any board member or CEO."

HÅKAN SAMUELSSON

CEO & President, VOLVO CARS

"Betsy has the rare experience of having served on numerous boards across various sectors and geographies. Her book brings together her learnings from these diverse environments, supported by a hands-on and intimate knowledge of situations that board members have to navigate."

JEAN-PASCAL TRICOIRE

Chairman & CEO, SCHNEIDER ELECTRIC

"Nasdaq has always valued best-in-class corporate governance and has partnered with Betsy for years as part of our Governance Clearinghouse, conferences, and in her role as a Nasdaq director. This book captures her insights not only on how to join a board but also on how to be a valued member."

ADENA FRIEDMAN

President and CEO, NASDAQ

"Betsy's book helps new, prospective board members find a seat. She brings her philosophy of engaged, cognitive diversity on how to contribute in the boardroom into actionable steps for directors and CEOs."

ROBERT SMITH

Founder, Chairman & CEO, VISTA EQUITY PARTNERS

CHAPTER 2

BUSINESS DEVELOPMENT

**IN ORDER TO GET ON THE RADAR OF A
POTENTIAL BOARD, YOU NEED TO BE
DISCIPLINED. YOUR PERSONAL NETWORK WILL
GET YOU YOUR NEXT BOARD INTERVIEW, SO
YOU NEED TO CARE FOR AND GROW YOUR
RELATIONSHIPS.**

EXPANDING AND MAKING THE MOST OF YOUR NETWORKS

Focus on attracting the attention of those who will be most influential and draw up a short list. To achieve this, you need to work at developing your own personal networks using some of the communications skills and platforms covered in chapter 1.

Your existing network is essential and needs constant attention to maximize the hidden potential it can provide. Consider all of the great executives and bosses that you worked with during your career that you admire. Look sideways within your own organization and develop networks with those younger smart colleagues you know who look like they may be the corporate superstars of tomorrow. Who are the current superstars where you work and on the senior executive leadership team? It would be well worth your while

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to reach out to these execs and cultivate the opportunity to sit with them for a quick espresso. A short reach out that talks about what you admired and have learned from them in the past year as you look forward in developing your own career is always well received. Most people within your organization, if you're explicit in your ask, will carve a little time out to meet with you. Alternatively, you can possibly cover such a conversation in your annual appraisal with your line boss if he/she is on your list of people you admire.

So, for example, let's say you really admire the chief revenue officer, who has expanded the company's business internationally, and you have an interest in international. As long as you are specific in your ask and are looking to get guidance on books and articles to read that have been meaningful as they have thought about growing their career, they would be generally receptive in carving out a very short slice of time. From this, you can build a relationship. This is just an example of how you build your network inside your corporation.

It is unusual to skip a level or go to a different functional organization. You need to be diplomatic and careful in how you make such an ask. It is normally well received, though, if you look at what they have achieved and what you admire about them. Do some research on them. Go on LinkedIn and follow them. You can also comment on their blogs and build a rapport using online networking. Make note of the things they are good at that they seem to be really passionate about.

You should also go back to former bosses in your career as well and tell them how you have been progressing. Let them know what they taught you and how it has been meaningful in accelerating your own career. Mirror back to them the attributes in their leadership and in their success that you have most admired and tried to emulate. This will allow you to establish a good relationship looking backward as people will always ask for references, check-

**YOU NEED TO DO YOUR HOME-
WORK BEFORE EVERY PERSONAL
CONTACT. MAKE IT MEANINGFUL
FOR BOTH OF YOU.**

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ing on you with former bosses, and you need to cultivate their enthusiastic support and approval. You can also ask them for guidance on your journey of who else they have admired and think you might learn from.

You have to be respectful and specific in what you want to get out of a conversation and keep it really short. Building a network is something that

DEVELOPING RELATIONSHIPS IS LIKE INVESTING MONEY IN A BANK. INVEST YOUR TIME AND DO SOMETHING THAT PROVES YOU ARE VALUABLE: GO OUT OF YOUR WAY, DO WORK FOR THEM, FOLLOW UP, DO THEM A FAVOR, MAKE INTRODUCTIONS, SHARE SOMETHING USEFUL AND MEANINGFUL. YOU MUST ACTUALLY ENGAGE. THE PAYBACK WILL BE GOODWILL AND SUPPORT FOR YOU IN RETURN.

you do gradually over time. You invest in relationships. You have to remember you have to bring something of value to every meeting. You can't just go looking for people's time without earning credibility and respect that you are going to contribute to the conversation. You should have done some research about them and their areas of interest and be prepared to bring something that could be valuable and interesting to them. All relationships need to be symmetrical. You need to

overweight on the forward investing as you cultivate and build a network so that they will be receptive to helping you down the line.

Building a network is a continuous and long-term process. It's like building a campaign. Your goal may be a long-term project to get yourself on a board. It could be six months or more, even several years. Getting onto a board is rarely a one and done transaction. It's an investment in building relationships and you need to do the work to get there. This can involve doing favors and providing valuable information and useful insights. Your inputs can even help accelerate the career of the person you are targeting. So to come to a meeting "bearing gifts" in the form of intellectual capital you have spent time developing is always well received. This might also include an article, a comment, a conference to attend, a relevant book to read, or an introduction to a person who could be of benefit. All these things demonstrate your

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willingness to be helpful and thoughtful in developing a mutually beneficial business relationship.

By bringing something to the conversation, you are showing that you are not a taker, that you are a symmetrical relationship builder who will contribute back and be deeply appreciative of what they might have to offer you. I think that as you look at these things, you almost have to think of them as building respectful business friendships and relationships that can be essential in providing the openings and opportunities for board roles for you.

Forward investment is important so that those in your network feel proud to introduce you to others and those potential boardroom opportunities. In my experience the networks closest to you, with the people who believe in you, will be the ones that are the most likely key to help unlock that boardroom opportunity for you.

I advise attending a meeting with your network target with some prepared questions. People will enjoy meeting with you when they see that you are seeking their wisdom and their experience and that you are taking notes and paying attention, and that you follow up with an acknowledgment and a feedback loop to them.

Never underestimate the power and critical importance of closing the loop. People want to know they have been heard and have influence. People want the acknowledgment that you have absorbed the things they thought were valuable and that they shared with you. Taking notes is a way of saying to the person speaking that the content they are sharing is something that is deeply value and worthy of writing down. Review your notes, and then write a short follow-up that captures one or two insights that were unique and that are not just general thank-you language. Show you absorbed what they had to say and have taken note. It's always good to add a question

**BE SPECIFIC AND PLAN TO ELEVATE
YOUR NETWORK SO THAT THEY
MATCH YOUR OWN ASPIRATIONS.
LOOK TO THOSE WHO CAN EN-
HANCE YOUR BOARD APPOINT-
MENT GOALS.**

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or ask for a recommendation as the next step and have this be a way to build an ongoing relationship with them.

Creating a network in the place you work or have worked in, both vertically as well as horizontally, gives you a springboard for your own career development.

Apply this same technique to your other informal business circles. Ideally, you will have the opportunity to meet other networks that could be highly valuable to you. As you seek a board, one of the big influencers who interact with corporate boards is the investor community made up of both venture capital and private equity. You can also add the general council and outside law firms and accounting companies who advise the board, as well as management consulting organizations such as McKinsey, Boston Consulting Group, Bain, and Accenture. These are all valuable networks that you can cultivate. Try to build relationships in these different organizations where you feel you have a connection.

CREATE TAILORED TALKING POINTS

When you have the opportunity to pursue a live board position, create talking points tailored to the specific company. Is it an early stage company? A mid-stage company? A late-stage company? A public company? A growth company? A turn-around company? A value company? There are particular talking points that are relevant to the company's current status and future aspirations. Tailoring your experience and how it's relevant for the current status of the company is critical. It's not just a playback of your functional background or your industry background. You will need to demonstrate that you have the credentials and personality to help the board move the company from its current situation to where it wants to be.

Being able to weave in your values and your qualitative attributes, as well as your specific measurable industry and functional background, is essential

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especially when you get the chance—in baseball terminology, to “at bat” with key players in your quest for a board seat.

Typical at-bat opportunities are the chances to meet with a venture capitalist, a private equity person, a banker, a lawyer, a colleague, a prospective CEO, and/or a board member who could help you. These at-bat opportunities have to be carefully considered and prepared for. You may only have one chance to make a big impression. Come with your thoughts organized, prepared in an outline, and take full advantage of the opportunity.

Where possible, do your homework on the person you’re going to meet. Understand who they are, their background, their values, and what would interest them. It is also worth trying to find a shared interest or common point of reference and mention it early in the conversation. This could be a host of things: born in the same city, attended the same college, support the same football team, have worked for the same company in the past, have mutual friends or business colleagues. Remember the old adage of “two degrees of separation” and usually you will find some common ground.

Match up what you would hope to contribute and where you would add value to their personal and professional journey and their areas of interest.

For example, you might have heard about a private company that is going to be building its board. You might say, “Do you think that the best way for me to approach this would be to try to find an access point to one of the investors or board members? Or do you think it would be a more beneficial approach to try to work through a search firm?” Another idea would be, “Do you think it would be my best approach to try to network with one of the senior executives reporting to the CEO as my best path in, or do you think I would be better served trying to network via their outside law firm that advises the board?”

These are examples of how you can think about getting access to a board opportunity. It also demonstrates when you go back to the person in your network who you think can be helpful to you that you are not coming empty-handed, that you’re seeking advice and that you’re looking for their wis-

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dom on an actionable set of choices. This shows that you've taken initiative and done some thought. Nobody wants you to come and say, "Help me and do all the work for me, and I was too lazy to figure out some ideas on my own and I'm expecting you, my network/helpful person, to do the work for me." That's not a good way to approach things. People respond better when they see that you have actually done some work and you are seeking their advice on an actionable set of potential alternatives.

You want to be sure that you are not overwhelming somebody. A recitation of your life's resume and accomplishments will put people to sleep. Remember, in every conversation, as you're learning about the board, whether it's through search or bankers or lawyers or accountants or any of your business development resources, you want to be listening, and the discussion should be 70 percent them educating you on what's valuable and important.

You want to be careful to distill down to no more than three main specific points, three takeaway messages that focus on your capabilities. These capabilities can then be fed back to either the company or the people who might be introducing you to the company so that they can position you.

After the meeting, if they are prepared to recommend you, suggest that you provide the person, your promoter, with a brief summary of your attributes and rationale of why you are suited to the board position. He/she can then lift this "ghostwritten" information and may include it within his own submission to the company or headhunter in question. This not only makes the job easier for your promoter but it also ensures that nothing gets overlooked in his/her recommendation of you. It will also be appreciated by your promoter and be a demonstration of your professionalism for future opportunities.

In other words, you haven't asked them to do two favors for you, the first favor being the introduction. The second favor being, please do all the homework and write the letter! That's too big of an ask. Create a tailored version of your short-form bio and a ghostwritten note introducing you, and potentially leaving in the one or two, at maximum three, talking points or unique

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themes that are the sound-bites of the perspectives you're going to bring that are different from and complementary to the skills that are currently around the board table.

Talk to search firms and always take a recruiter's call, even if you love your current job. You may be able to help them fill the slot by recommending someone even if it does not suit you. Now you have paid in and been helpful in case you need help in the future.

GET OUT THERE AND PRACTICE.

A very important avenue for finding potential board roles are the specialty turnaround consultancies such as Alvarez and Marcel, Alix Partners, BDO Seidman, and Buxbaum Group. Activist hedge fund investors are potentially great board opportunities for people who haven't yet served on public boards. The big activist funds are companies like Elliot, Carl Icahn, Third Point, ValueAct, Jana, Pershing Square, Starboard, and Trian.

TAKE ADVANTAGE OF THE PUSH FOR DIVERSITY

It is the moment in time, if you are a woman and you want to join a board, to really actively pursue this in a thoughtful, organized, programmatic way. There is a lot of research that you can do to figure out which boards need women appointees in its current composition. There is work you can do to understand which industries are best served by having more women representatives—for example, if it is a retail industry, where women make 70 percent of the buying decisions; or a hospitality industry, where women are big decision-makers; etc. So there are certain specific industries that will be more predisposed, while certain companies are laggards in adding gender diversity to their boards. Within the USA there remains significant geographical variations on this issue. Many countries have legal mandates they have to meet for women board members. For example, by 2020, in the UK 33 percent of

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the board and leadership roles must be female. Ask regional recruiters to introduce you to their European counterparts.

Women today have an incredible competitive advantage in trying to gain a board seat. If you look at the data from the Heidrick & Struggles board search practice, they stated that 37 percent, so over one-third, of every board seat they are filling for Fortune 500 companies is for a woman as a prerequisite.

That was as of 2017, and things have accelerated in a geometric fashion. The new proposed legislation coming out of California and New Jersey, as well as the actions of the big index funds mandating a minimum of two women, and soon a minimum of three on every board, is going to be a terrific positive catalyst.

Given all of this, there are additionally some terrific organizations that are dedicated to accelerating women into the boardroom. There are organizations such as The Athena Alliance, Trewstar, the 30% Club, and theBoardlist, to name just a few.

If you do your research, you will find that there are organizations that specifically will help as a conduit to opportunities where your background would be especially welcome.

Of course, you want to go with all of the other business development channels I've written about, including traditional executive search firms, marketplace search firms such as ExecRanks, bankers, attorneys, accountants, other colleagues, and mentors who could help you.

The specific attributes that you bring that would be especially prized as a woman board member often are in the finance industry. All boards are always looking to augment their audit committee. Other functional industry backgrounds that are being sought for board service are chief marketing officers, chief revenue officers, and women with supply chain and manufacturing backgrounds and engineering backgrounds are especially sought after. As you look at plotting your own career, if you haven't yet had a business unit general management position, this would be something for you to look

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at so that you will have the profit-and-loss ownership for a business unit or division, as general management is a particularly valuable perspective that is also sought after on boards.

YOUR FIRST BOARD OPPORTUNITY

When considering your first board opportunity, I would advise selecting a company where you have genuine interest and curiosity. Pick the ones you have a connection to. Ask yourself, “Do I like the CEO?” “Do I care about the business?” “Can I add value?” and “Am I going to accelerate their mission?”

Being selective is important if you want to make progress in your board career. Getting the first board right is the hardest. You need to be reasonable in your expectations and the likelihood is that you will achieve a private company board position before you earn your spurs to have the opportunity to join a public company board.

A word of advice is that, in my experience, sitting on a nonprofit company or charity board is not a great benefit as a stepping-stone to getting on private or public corporate profit-driven boards. They operate quite differently; and conversely, in my experience, you tend to get many offers to join major nonprofit boards and big charity boards once your name gets out there as a successful corporate board member.

For-profit corporate boards are a very different animal, and they are the first chance to prove that you are an asset and a valuable contributor on a future public board. Venture capital-backed, family corporate boards, and private equity boards are all for-profit corporate boards that will contribute to your knowledge, your learning, and your ability to prove yourself a valuable asset.

As mentioned earlier, getting your first board is the toughest, so you should work hard and accept the opportunities that you are able to develop. You need to get experience to prove yourself. Just because you join a board doesn't mean you have to stay for a life sentence. You can always rotate off as

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you get boards that are more interesting, more prestigious, more global, or boards that are public. You should not hold out forever waiting for the ideal opportunity; you need to prove yourself and get experience.

The same is true for a public board. Let's say that you are already serving on private corporate boards and now you are seeking your first public board opportunity. It would be very important to get a first public board in order to get a second or future public board. Many public boards have as a criteria for consideration that you have already served on another public board. This is a big first step and a critical one. Therefore, when you look at public boards that are available to you as a first-timer, it may not be a Fortune 500 company. It may be, for example, via an activist route. Or it may be an international board. Or it may be a turnaround board of a company that has stalled. It may not be that Google, Apple, Microsoft, and American Express are knocking on your door. You may have to prove yourself by having done work on other public corporate boards that had more challenging circumstances.

Activist hedge funds and turnaround consultancies are helping companies that are somewhat in distress or whose business has underperformed. This has caused a potential crisis in the boardroom where they have been pressured to refresh their board, either by an activist or by going through a difficult circumstance, such as an insolvency or a major turnaround. While these boards may not be your ideal board, they are great first boards. Having served on a public board is a distinct badge of recognition and honor. It is your ticket to ride to get to another public board. So, don't be too picky and standoffish in refusing to take a public board because it's not Exxon Mobile, American Express, or Proctor & Gamble. Go to a public board and pay your dues, and then from there use your colleagues on that public board as your new power network to cultivate.

Generally, most people who are serving on a board have served on one or more other boards either currently or in their past. Working with them and getting to know them is yet another network that you can cultivate. Your board members will always be something that future boards check with as

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part of their referencing on you. So, relationships with your board colleagues, the outside law firm, and the outside accounting firm are additional resources and networks for you to cultivate as you build your personal and professional future board network.

One of my first major public boards was a company I co-founded named Ascend. It went from \$0 to \$5.4 billion in revenue in about eight and a half years and was in the internet infrastructure equipment business. Ascend competed with Cisco and, subsequently, was acquired by Lucent Corporation. Lucent was a big, stand-alone telecommunications equipment company, and, unrelated to the fact that Lucent acquired Ascend, the board separately reached out to me and I had the opportunity to join the Lucent board, in crisis and learning. The company revenue went from \$30 billion down to \$8 billion in one year when the telecommunications industry imploded. Lucent had to go through a major layoff because you cannot support 145,000 employees that you have on the payroll when you are a \$30 billion company a year later when you are an \$8 billion company. There was major restructuring that was required and the company divested major business units, such as Avaya, the call-center business unit.

For me, having been a serial entrepreneur who came from high-growth/hyper-growth tech companies that were highly innovative, joining a large telecommunications voice switch manufacturer was a shock. The product innovation cycle was seven years versus nine to twelve months. The company was very slow in its responsiveness. I found that it was not the ideal culture for me; I loved high-growth companies, so I used the Lucent experience as a springboard to move to another company named UTStarcom, which was a hyper-growth wireless base station telecom infrastructure manufacturer that was approximately a \$6 billion company growing at 30 percent as opposed to a \$30 billion company contracting 73 percent down to \$8 billion. This was a better match for my skills at the time and I found that, while I learned an enormous amount about restructuring at Lucent, it was not something that was a core strength or area of passionate interest for me.

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The point being, you take the first high-profile opportunity that comes your way. You glean and learn. You use it as a stepping-stone to move to something that is a better fit for your passions and your experience and the areas where you feel you can make a more meaningful contribution.

KEY TAKE-AWAY

- Invest time in building your personal network.
- Make the most of at-bat meetings with influencers.
- Take advantage of search firms, turnaround consultants, and activists.
- Be opportunistic in seeking your first board appointment.