



Successfully and Strategically Building a Board

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A highly functioning board is as important as a world class CEO, technology, product or service. Too many companies, large and small, have inactive, underutilized, or inexperienced boards. The problems start early. Boards of early-stage companies tend to be made up of friends, family and early investors, and while these early supporters deserve both appreciation and equity, your board needs to grow and change with your company.

To build a truly successful board, you must first understand the value they provide. Typically, boards are responsible for:

- Fundraising
- Providing access to customers and strategic alliances
- Mentoring and coaching the CEO
- Providing strategic advice
- Supplying financial expertise
- Holding the CEO and the executive team accountable for performance

One of the CEO's most important activities is to find and manage the women and men who are willing and able to fill these board roles. Regardless of how brilliant, skilled and well networked you are, the five tips below will help you build a world class board.

1. **Choose for the Future.** Select board members based on where the company will be one year from now - not on your current needs. What kinds of skills, knowledge and networks will each board member need to provide if you meet your growth projections?
2. **Create a Mix.** Avoid cloning your board. You need people with a mix of experience, energy, industry backgrounds and celebrity status. Know upfront that the more celebrity status a board member has the less active they are likely to be. (Howard Schultz only has so much energy and attention to go around.)
3. **Roles and Rewards.** Like any good team, each board member should have a well-defined set of goals and responsibilities, agreed to upfront and in writing. Choose one board member to help define and communicate each member's role. This board chairman should also work with the CEO to hold board members accountable for meeting these goals. In return, board members should be rewarded with equity based on performance.
4. **Think about Fit.** Like best friends, marriages, or traveling partners, fit is everything. Remember, for better or worse, through good times and bad, these men and women are your traveling partners. Board members must have the same destination in mind for the company (not necessarily the same pathway) and must have the right mix of skills, styles and experiences to get there.

5. **Get Help.** You don't have to do this by yourself. The best recruiting firms in the Northwest have created a pool of qualified board candidates interested in working with emerging companies. As Tom Taft of Warren & Morris said, "CEOs have no reason to rely on their own network when building a board. Companies find a better match when they expand the reach of their search." Most importantly, the cutting edge recruiting firms provide these services for little or no cash.

Building and managing a board takes a lot of work. Once you've built it, you need to maintain and manage it. Companies change and grow - boards need to as well. Don't be afraid to change out board members as you identify new needs. The best board members will welcome the change and your board will thrive from the fresh perspective. In the end, investing your time and energy in building a board strategically will pay huge dividends.

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