

PDA Newsletter August 2016
Diversity of Expertise is a Winning Factor

Upcoming Events

The Difference Between Private and Public Company Boards

September 21, 2016
 Starts 5:30 PM
 Perkins Coie
 131 S. Dearborn Street
 Chicago, IL 60603

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- Director Dan McHugh
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- Vice President Bill Hass
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- Treasurer Bruce Goldstein
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Contributing Editors: *Cindy Burrell is CEO of Diversity in Boardrooms Inc. She is also a founder of the Private Directors Association; A Director on the Private Directors Association Board of Directors and a Member of the Executive Committee. Cindy can be reached at Cindy@DiversityinBoardrooms.com; www.DiversityinBoardrooms.com*



Portions of This article can be found on the Directors & Boards Web Site. [Click Here](#) to view article

The Private Directors Association is a successful and rapidly growing organization of mostly members from private company boards. Part of the success comes from the diversity of the members, because a private company board director might also be a bank executive; law firm partner; private equity consultant; corporate Chief Financial Officer, General Counsel, or Chief Marketing Officer; or simply a thriving entrepreneur. So the old adage “be careful about judging a book by its cover” holds true at our PDA meetings. For example, one of our banker members serves on four private company boards—and one company has grown to over \$100 million in sales.

Diversity is also crucially important in creating a successful board: diversity of expertise, thought, background, ethnicity, gender, and for national and global companies—geography matters in gaining perspective about different regions and cultures.

So where do women fit into the equation?

According to the U.S. Census Bureau, in December 2014, there were over 73 million working women in the U.S. While women were just under half of the general workforce (47 percent), they represented a majority of those in professional and technical occupations (51 percent).

Yet just a few weeks later, Fortune Magazine pointed out that “Globally, women gain corporate seats — not in the U.S.” Imagine playing a card game with 49 percent of the deck!

Where are the women in the corporate boardroom? It’s not that they are not educated enough. According to Yale Global in March, 2014, “in the United States women are almost 60 percent of the annual university graduates and more than 70 percent of 2012 high school valedictorians. Women account for 60 percent of master’s degrees and 52 percent of doctorates being awarded in the US.”

Education is not the issue.

Looking historically, especially prior to 2002 and SOX, CEOs had a dominant role in deciding on what type of background was needed in a new board director—and who that board director would be. There was a strong tendency to favor other CEOs, people who would have a similar perspective, understanding and leadership background as the CEO. And very few women were CEOs of major companies.

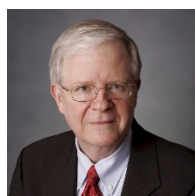
When thinking about building a board, however, putting together a team of people with different strengths to reach the best solutions is the preferred option—in strategy, during a crisis, succession planning, risk management, financial oversight, competitive benchmarking, international expansion. Who needs five CEOs on the team? Boards today need more than a CEO’s strengths of strategy and oversight perspective. In our rapidly changing technological world, boards dig deeper to give recommendations and approvals. Boards today need more diversity of expertise to steer the helm—recent backgrounds of a CFO, GC, CMO, CIO, or CHRO.

With diversity of expertise and successful backgrounds, women board candidates can rise to the top. It’s time America fully uses its talent pool and plays with a full deck—to win!

Just as the Private Directors Association has created a membership that is diverse in expertise, ethnicity and gender, the same factors of success apply to corporate Boards.

Cindy Burrell is the CEO of Diversity in Boardrooms Inc.

Recent Private Director Association Success Stories



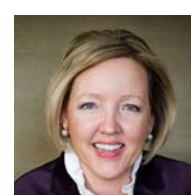
Shepherd G. Pryor IV
 Independent Director
ShePryor4@aol.com

One of our purposes in founding the Private Directors Association was to provide a nexus for independent directors and private companies that are seeking them. This capability is up and running. In July, Dennis Kessler passed a search inquiry from the Loyola Family Business Center through to members. I responded to that inquiry. In January, I joined the board of Nielsen-Massey Vanillas (private, headquartered in Waukegan, IL) as Chairman.



Venita Fields
 Partner
 Pelham S2K Managers
Venita.Fields@Pelhams2k.com

In late 2014, I met Rod Johnson, a Vistage Chair, at a monthly Private Directors Association meeting. Rod and I met for coffee where I shared my credentials and my desire for board service. In March 2015, I was recommended by Rod to interview for a board position with Field Fastener, Inc. (private: headquartered in Rockford, IL), a multi-generational family owned distribution business. I interviewed for the position in May and joined the board as an independent director in July 2015.



Lorraine Hair
 Strategic Account Director
 Matrex Exhibits
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In 2012, I met the Verde founder, then working out of 1871, Chicago’s entrepreneurial hub for start-ups. As our friendship evolved, I invited the founder to attend PDA chapter meetings as my guest. In 2016, I accepted an independent director role on Verde’s newly formed advisory board.