



PDA Newsletter July 2015

Boards for New Venture Business Owners

Mussman Passes Resolution for Gender Diversity on Corporate Boards

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Upcoming Events



Informal Golf Outing

August 6, 2015

12:00 PM to 5:30 PM

The Glen Club

2901 W Lake Ave
Glenview, IL 60026



Register Now

Board of Directors:

- Ken Hoganson - Chairman
- Dan Bayston - Treasurer
- Jerry Kaplan - Secretary
- Cindy Burrell - VP
- Joe Ginsburg - VP
- Dennis Kessler - VP

PDA Chicago Board:

- Ken Hoganson - Chairman
- Bruce Goldstein - Treasurer
- Morris Saunders - Secretary

M. Jay Heilbrunn - Editor

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Boards for New Venture Business Owners

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Managing a small business may start out fairly simply and adding the complication of a board can seem like overkill. However, starting with a great board can help you to guide your business through many of the potential barriers and road blocks to success. You might think of it as having a group of people who will celebrate your successes, watch out for dangers ahead, point out existing flaws and help you find solutions and ultimately people who will care about your success as much as you in an objective way.

You can begin with as few as three people to review your quarterly results and discuss your issues. A 1-2 hour meeting can provide very productive support and information. A good board meeting will have a short agenda but be long in discussion. Your board members should be able to both listen and contribute in ways that help you consider your options. Many times they will not tell you answers but offer options and discussions of options that help you make choices.

However, selecting a bad board member is one hazard and if you simply choose your friends, you may find that this is not as productive as looking for people with certain backgrounds and interviewing them for membership. While some friends can be helpful, they may also want to remain your friend and be unwilling to tell you what you need to hear. A good board member will be diplomatic but direct and honest with you about the issues you are facing.

Finding board members can take time and effort. There are several ways to do this:

1. Find a consultant to help you identify qualifications, locate members, interview them and select them.
2. Network and use this network to locate potential members, invite them to speak with you about this opportunity.
3. Join an organization that provides this opportunity.

Building the Board: Seek diversity and not necessarily people who you would choose as friends. You should seek a person who is not afraid to challenge the status quo, is honest and direct and who has an expertise in an area you may feel weak in. For example, you may be great at finance but lack experience or understanding of operations or supply chain issues. While these areas can seem simple, small mistakes magnify to large losses. An expert in these areas can help you avoid large monetary losses due to inefficiencies. Or you may not be experienced in HR. A good HR board member can identify potential legal issues that are not always obvious. In other words, seek out board members who can fill in the blanks you may have and help you be better through their advice.

Managing the Board: Set your dates for the year. Send out monthly reports along with reminders about the meeting dates, times and location. Set an agenda with board input about 1-2 weeks prior to your meeting. Be efficient in your meeting. Prepare your remarks and have back up information that you can share. Send out reading prior to the meeting but have copies at the meeting. Follow your agenda and be efficient with the use of their time. Bring items that you need advice on. Do not use the board meeting for show and tell about successes exclusively. Your board expects to help but cannot if you only give them the good news.

Board membership: Set a time for tenure and renewals. A bad board member who dominates the conversation, comes completely unprepared, does not focus on the agenda, has a personality clash with another member or just misses meetings, can create many difficulties. Have a process whereby you can ask a member to step off. Set up board member review systems and use them. A tenure of about 3 years that is renewable with board approval is reasonable.

Mussman Passes Resolution for Gender Diversity on Corporate Boards

From the Office of State Representative Michelle Mussman
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SCHAUMBURG, Ill. – On May 31, 2015, state Rep. Michelle Mussman, D-Schaumburg, passed a resolution to encourage equitable and diverse gender representation on corporate boards of directors.

“As our work force becomes more representative of our society, it is very important that corporate leadership follows the same trend,” Mussman said. “The resolution passed the Illinois House with cheers in the gallery because this is an issue whose importance goes beyond working women and touches everybody.”

House Resolution 439, sponsored by Mussman, sends a clear and strong message that Illinois companies should work towards establishing more diverse boards. The resolution urges publicly held corporations in Illinois to have three women directors on boards of nine or more within the next three years. Currently, approximately only 16.8 percent of corporate board members in Illinois are women. Illinois is the second state in the U.S. to pass such a resolution, after the state of California.

“This is great progress for Illinois and demonstrates the Legislature's commitment to change in this area,” Judi Spaletto, PhD., 2020 Women on Boards – Chicago Committee Chair, Founding Member of the Private Directors Association, said. “I appreciate the efforts of Rep. Mussman and look forward to working with her in the future to encourage greater equity in the work force.”

2020 Women on Boards is a national advocacy group launched in 2010 with the goal of increasing the percentage of women on corporate boards to 20 percent or greater by the year 2020. For more information about 2020 Women on Boards, visit www.2020wob.com