



**EXECUTIVES UNLIMITED, INC.**  
*Connecting Companies with Leaders*

## **How Effective is Your Board of Directors?**

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Current business literature is filled with articles regarding corporate governance and Boards of Directors. Issues surrounding risk management, ethics, liability, executive compensation and independent oversight have all received a tremendous amount of attention. Board members must act in a fiduciary capacity, but should not confuse that responsibility with managing the day to day business. They must focus on creating strategy and setting targeted objectives for the management team.

Stockholder pressure and new regulations have forced many public companies to pursue significant changes in the role of their Boards. Private companies are also closely investigating their Board composition, activities, and potential shortcomings.

Beyond the regulatory, governance and accounting issues, a company can receive tremendous benefits from having an independent, objective Board of Directors. The Organization should look to them for strategy, new ideas, approaches to resolving issues as well as assisting with business and community relationships. During periods of economic and marketplace challenges, this input can be especially critical to the growth and success of the company.

In evaluating the composition and contributions of a Board, there are a number of issues to address including:

- Is your Board capable of addressing the strategic direction of the company that ultimately leads the company to the next level of success?
- Does your Board include a variety of skill sets and viewpoints which will provide a broad range of opinions and approaches to problems?
- Does your Board have the accounting, audit, risk management and financial expertise to address these issues in today's market?
- Is your Board addressing the diversity issues including ethnic, gender and even geographic, which may represent critical elements of your company's business environment?

When expanding a Board or replacing a retiring member, determining his/her time availability to serve is very important. Many experienced Board members are resigning because of the increased time requirement of serving on the Board(s) and their other professional obligations.

Every company must periodically make an assessment of its Board composition, the needs and future of the company and the types of skills and experiences which will enable the company to most effectively attain and surpass its success objectives. During a difficult economic time, the addition of a new Board member may represent one of the more productive and relatively low cost acquisitions a company can make.

Executives Unlimited is skilled in the creation, evaluation and transition of Boards including the replacement of and search for new Board members.