



Recruiting Board Members

A Case Study

By Bruce Dingman

The client, a \$300 million publicly held company in a medium-sized city in the mid-west, needed to add two board members due to retirements and the requirements imposed by the Sarbanes-Oxley Act of 2002.

In the past the company directors used their own networks to add to their number, but this time such a strategy was insufficient. Keeping a board with the highest ethics and avoiding even an appearance of a conflict of interest was important. The client wanted new board members who fit the style and personalities of the existing board, who would be “engaged” directors with sterling careers, bringing strength in the area of capital markets.

To understand the needs of the role and the history and personality of the current board, The Dingman Company initially met with the nominating committee, then with the other members of the board.

An executive summary describing the company was prepared: its history and what was being sought in new directors. Using our network of contacts, industrial research and names offered by the client’s board members and the firm’s bankers, a dozen prospects were identified. Each was interviewed in person by our firm, thereby allowing us to understand individual experiences, education, values and personalities. The nominating committee, having a written synopsis from the search firm on each candidate, convened by conference call to discuss the candidates and reduce the list from 12 to five. Care was taken to honor each person considered and to speak sensitively with those who did not go further in the process.

For the five candidates, the search firm conducted background checks, verified degrees and interviewed references. All went through this scrutiny and were interviewed individually by the nominating committee. When the long day of interviews was over, the committee had gone through the agony of deciding between what they considered four excellent choices to finally selecting the ideal two.

One selected candidate, a current CEO living an hour and a half away, had degrees in business and law and had earlier been the treasurer of a multi-billion dollar company. The other, who grew up in the city where the client was located, had an economics degree from Wharton and a law degree from Stanford, was presently a company president and a former partner of KPMG.

Without doubt the market place is changing. And, while it’s harder to find just the right person to add to a board, it is possible. More boards are turning to professional search firms to find new members.

The postscript: The client described came back to us two years later and we assisted them in finding two more board members.

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