



## Board bios:

### Positioning yourself for the director seat you want

It's easy to understand why current CFOs might want to serve on an outside board of directors: the opportunity to get a first-hand perspective of how another company (and sometimes, industry) functions; to gauge the effectiveness of a different management style; and to wrestle with a broad range of organizational issues. What's harder to fathom, however, is what makes board candidates most appealing to those corporations looking to fill open seats.

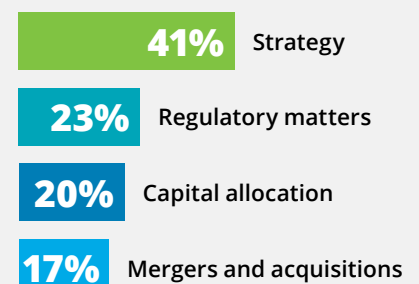
Having at least one skilled finance executive adept at translating financial statements into language that the board can easily understand fulfills a critical oversight obligation: The Sarbanes-Oxley Act of 2002 required public companies to disclose whether they have a qualified financial

expert on their audit committee.<sup>1</sup> But finance executives are capable of bringing plenty of other skills to the boardroom.

Such as? Consider strategic thinking and the ability to identify core constraints to an organization's growth plans (see "[Are you a strategic CFO? Seven essential questions](#)," *CFO Insights*, September 2013). Not surprisingly, in a [survey](#) conducted by Deloitte and the Society for Corporate Governance during the fourth quarter of 2018, 41% of respondents selected strategy as a topic that is discussed at every board meeting (see Figure 1).<sup>2</sup> Two other oft-discussed topics, capital allocation (20%) and mergers and acquisitions (17%), are also areas where CFOs could bring both experience and expertise.

**Figure 1. What boards are talking about—and when**

Common topics discussed at every board meeting



**Source:** *Board Practices Report: Common threads across boardrooms*, Deloitte LLP's Center for Board Effectiveness and the Society for Corporate Governance, 2019.

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In addition, 70% of respondents reported that their boards have increased their focus on digital transformation and technology—areas likely on many CFOs' agendas. In the same survey, however, only 16% of respondents cited experience in the area of finance and banking as a top recruitment priority for their boards during the next one or two years. For finance chiefs, that means the burden is generally on future board members to find ways to register on the radar of those scouting for members.

In the service of doing just that, it's crucial that CFOs pay close attention to a tool that, if kept sharp, can help them cut a path to securing a seat at the boardroom table: the board bio. And in this issue of *CFO Insights*, we'll explore steps CFOs can take to create an effective board bio, from prioritizing pertinent information, to framing a persuasive story, to defining the unique value proposition they possess.

### Looking better on paper

Before defining that value proposition, however, CFOs need to do some in-depth soul-searching about whether they can—and should—launch a board search. The logistical questions they need to ask themselves demand honest answers:

- Realistically, do I have the time?
- Can I make a long-term commitment?
- Am I prepared to take on another set of corporate responsibilities and obligations?
- Does my company leadership and board support my taking on an outside board position?

If the answers are all yes, a board bio can be a useful tool to target a seat. Vastly different from a traditional resume, which uses chronology as its organizing principle, a board bio is meant to showcase the distinct skills and qualifications you offer. Rather than conveying times and titles that have propelled your career, this carefully crafted credential espouses an argument about how what you've achieved—in and beyond the realm of work—indisputably positions you as an asset to any board seat. And it does so in just one page.

### Getting your bio into the right hands

Many senior finance executives may consider joining a corporate board of directors—only to feel stymied about where to begin. Here are some steps to help ease the path.

- **Start early.** If you want to occupy a board seat as part of your post-employment plan, start planning for it long before your retirement. Boards may value your long-term experience, but they must find you first.
- **Raise your profile.** If you want to be seen by board-recruitment professionals—or anybody else, for that matter—look for opportunities to speak at conferences or author articles in industry publications. In the initial phases of a board search, researchers may identify relevant subject-matter experts by finding thought leaders in that area. It's also worth adding your name to various databases of board candidates, such as [the Directors Registry](#)<sup>®</sup>, which is maintained by the National Association of Corporate Directors, and other organizations that foster networking for board roles, including executive search firms.
- **Expand your network.** A majority of board opportunities are passed around via networks. Look to add folks who either serve on boards or are board-adjacent, such as CEOs, venture capitalists, and other investors. Best to keep in contact with them regularly, reminding them of your specific skills; after all, they tend to play a role in referring candidates for board membership.
- **Join a nonprofit board.** It's not only useful in learning the mechanics of board service, but many CEOs serve on not-for-profit boards. No matter how you conduct the search, it's important to target the types of companies that will most realistically benefit from adding your voice to the board, and where you have a passion for the organization's mission. After all, you want to end up in a boardroom where you can have the greatest impact.

As challenging as it sounds, the bio's conciseness is a natural byproduct of having invested time in figuring out what makes the role so enticing and how your top two or three strengths would bring significant value to the boardroom. Rather than overpowering recipients with comprehensiveness, bios derive their powers of persuasion from distilling roles and accomplishments into clear and succinct articulation.

To establish the pillars that may help support their case, CFOs need to spend time thinking about answers to the following questions:

- **Why do you want to serve on a board?** A board role may be appealing on several levels. It may have to do with an interest in a specific company, stemming from a passion for its mission combined with an eagerness to help oversee its growth from a different perspective. Board membership also offers the side benefit of helping CFOs become better executives,

providing better pre-reads for their own board and learning how to better explain issues or topics to the board because they have been on the other side.

- **What areas of expertise will you bring to the board?** Boards are looking for members who have the ability to oversee and advise. They also tend to be searching for specific expertise (data analytics, for instance) and perspectives (the future of cyber risk) that will complement those that already exist on the board. Make it easier for recruiters to see how you fulfill those needs.
- **What strengths have you developed that will add to your effectiveness as a board member?** Perhaps you're a CFO—the CFO—who has mastered the post-acquisition integration process. Or maybe you've successfully established footholds in foreign markets. Part of what makes active CFOs appealing is that they are still very much in touch with the pulse

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of the marketplace. Retired CFOs are desirable for other reasons, including the fact that they often have no competing company priorities since they no longer serve as full-time employees. No matter what your work status, boards want to know that you're still engaged in acquiring new proficiencies.

- **How have you been formally recognized within your industry?** Cite awards, prestigious speaking gigs, mentions in publications, and any published work. Such impressive collateral may help sway fence-sitting board members.
- **In your current role as a CFO, what can you do today to be a successful board member in the future?** The answer is simple: Be an outstanding CFO every day. Build your team—both your peers around

you and your direct-reports below you. Be known for developing the best-in-class skills, processes, and deliverables inside and outside the finance function, and learn as much as you can from an operations and technology standpoint.

### Building your board bio

As with many a job hunt, it's important to remember just how tough the search can be. In fact, a [recent study](#) found that among S&P 500 companies, more than 40% did not make any changes in the composition of their board last year.<sup>3</sup> Moreover, in many cases, recruiters and board members will naturally feel on firmer ground by sticking with experienced directors. In 2018, only 33% of the new 428 directors in the S&P 500 had never served on boards.<sup>4</sup>

Of course, most CFOs routinely interact with board members as the liaison to the audit or finance committees. According to the Board Practices Report, 57% of respondents said that, aside from board meetings, updates from the CFO or other finance leaders keep them informed as to the company's industry, competitors, and marketplace. Those who are looking for board members ought to be reminded of that in your board bio.

We recommend the board bio typically follow this structure:

1. **Introduce yourself.** The opening paragraph is one of the most valuable pieces of real estate in the bio and should be thought of much like an elevator pitch. It introduces you and describes your most recent (or current)

## First person: What to expect when you're pursuing a board seat

*Editor's note: Retired Walmart CFO Charles Holley, who is now the CFO-in-residence for Deloitte's CFO Program and sits on the board of Amgen, shares his advice for CFOs interested in joining a board after retirement.*

For many CFOs, joining a corporate board is a desired next step after a career in management. It certainly was for me, and given my background, I frankly assumed it would be a relatively easy path. I quickly learned, however, that it can be a challenging journey.

I started focusing on joining a board about 18 months before retiring, and in retrospect, my first, casual step turned out to be an important one. I informally shared my aspirations with a couple of directors on the Walmart board. They became my mentors and gave me advice that helped me understand what it takes to be a strong board candidate.

For instance, when I told one mentor that I was planning to join a board in a related industry, like retail/hospitality or logistics, he advised me to do the opposite, to think of a board seat as an opportunity to stretch myself. For me, that was a "wow" moment. They also explained how difficult it can be to get on a board, especially that of a large, Fortune 100 public company. As a result, I began laying the groundwork more than a year before I actively started my search. That included educating myself on the top recruiting firms for board searches, and then reaching out to the appropriate principals to introduce myself.

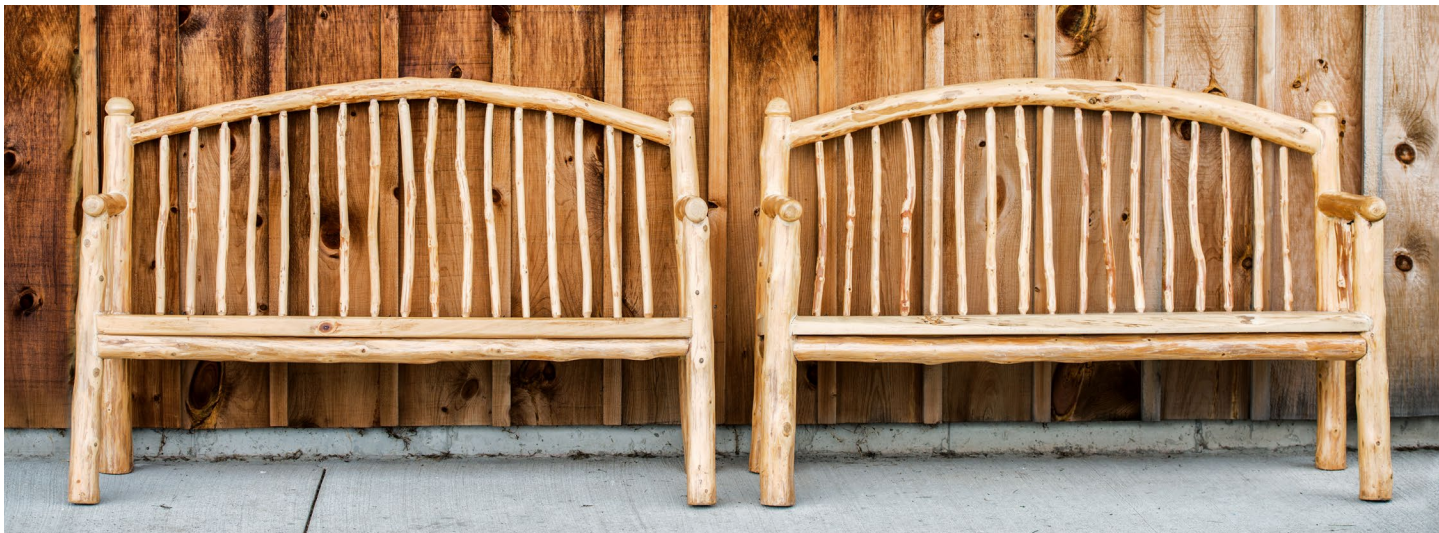
A few months after I retired, one of those principals told me he was working on a board member search that he felt would be a great match. It was a board seat at Amgen, one of the world's largest biotechnology companies. But even with that recommendation, the process took more than 10 months. And with that in mind, I offer the following considerations that may help other CFOs who aspire to board membership:

**Network, network, network.** I cannot overemphasize the importance of putting yourself out there so that people outside your existing network know who you are and what you can do.

**Find a board mentor.** If you don't have a trusted member in your network currently sitting on a board, find one. Leverage interactions with your company's board to observe and identify who would make a strong mentor.

**Look beyond public companies.** Private company and private equity boards offer greater opportunities to be involved in strategy and operations, in my opinion. That can be more fun than the governance-heavy board responsibilities of public companies.

**Broaden your skill sets beyond finance.** The capabilities and attributes that best position you for a board seat will vary according to the company and its specific board membership needs. However, it's safe to say that accounting expertise alone isn't enough. CFOs with operational experience are especially attractive board candidates; it demonstrates an understanding of the CEO's world. And, after all, being able to work closely with the CEO is always job No. 1 for directors.



experience, emphasizing areas of expertise and strengths. Specifically, the introductory paragraph should provide an overall summary of the executive's value proposition: who you are as an executive today; the unique skills and experiences you will bring to a board; the sectors you can serve; and other notable highlights regarding your leadership and/or board experience.

- 2. Share selected past roles and accomplishments.** The next two or three paragraphs provide a glimpse into relevant experiences and any prior corporate board participation. Rather than describing them in abundant detail, filter them through their relevance to the brand or value proposition that you've chosen to embody. You may, for instance, want to focus on your global orientation.
- 3. Add personal achievements.** Anything from civic participation to philanthropic achievements can help build the case that you'd be an engaging person with whom to spend two to four full days a year around a conference table. If you were a college D-1 athlete or an Eagle Scout, that signals to board members—some of whom may also have attained those levels—that you fulfill the commitments you make and that you're able to apply yourself.

- 4. List education and certification accomplishments.** Information on education and certification attainments matters and is usually noted in the last/ final paragraph of a board bio.

- 5. Include a picture.** Board members tell us that they want to see their future candidate's photo, and a photo can establish an initial connection much more efficiently than any combination of words. A well-executed photo also reinforces a candidate's professional stature and establishes a more personable approach. Your photo should be in color and the chosen pose should suggest someone who would be enjoyable to spend time with, rather than an aggressive photo where you might, for instance, be pointing your finger at the audience.

- 6. Use the third person throughout.** First person is absolutely fine—for social media. But in a professional context, clarity matters most. After all, your bio may be passed around quite a bit, so use the name that you would want to be called within the boardroom. Titles no longer matter once you cross the threshold of the boardroom and you are robustly discussing an issue.

#### Keeping your day job

Board service comes with many benefits—ranging from a certain level of prestige to financial remuneration, with the median pay for independent directors at the 200 largest US companies topping more than \$280,000

annually.<sup>5</sup> But it is also a lot of work, chewing through a minimum of 300 hours a year,<sup>6</sup> much of it outside of formal meetings.

That is one reason why after having prepared a board bio, there's still one potential hurdle that only you can manage: your own CEO. It's important that you make sure that your boss—who may very well sit on several boards—is agreeable to sharing you with another company. That means allowing you the time and space to focus on another company's issues.

There's good reason for a CEO to be skeptical. A 2017 study by Equilar concluded that large-cap companies whose CFOs serve on outside boards "saw lower performance when it came to total shareholder return (TSR), revenue, and net income, which was amplified for companies where CFOs served on two or more outside boards."<sup>7</sup>

To avoid spreading themselves too thin, we find that sitting finance chiefs typically serve on just one board. That one appointment, however, brings a host of benefits back to your own company—and your CEO: a new perspective on how other businesses grow and succeed, insight into thinking like an investor, and preparation in communicating with the investor community. As much effort as it can take for a CFO to get the opportunity to serve on a board—and that includes polishing and re-polishing your bio—it's hardly a mystery as to why so many finance leaders are eager to do it.

## Endnotes

1. *SEC Adopts Final Rules Regarding Audit Committee Financial Experts Under Section 407 of the Sarbanes-Oxley Act of 2002*.
2. *Board Practices Report: Common threads across boardrooms*, Deloitte LLP's Center for Board Effectiveness and the Society for Corporate Governance, 2019.
3. *Corporate Board Practices in the Russell 3000 and S&P 500: 2019 Edition*, The Conference Board, May 2019.
4. *2018 United States Spencer Stuart Board Index*, Spencer Stuart, October 2018.
5. National Association of Corporate Directors, 2017–2018 Director Compensation Report, NACD, Arlington, VA, 2018.
6. *Crafting your board bio*, special webcast, Center for Board Effectiveness, Deloitte LLP, April 2019.
7. *CFOs on Boards: Higher Pay, Lower Performance*, Equilar, August 2017.

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