

# **Clash of the Titans:**

# How sophisticated HR executives influence their Boards of Directors

HR Star San Francisco 2013

The Peninsula Ballroom

Holiday Inn San Francisco Airport

12pm to 1.15pm

## **Summary**

Panelists will share their experiences, career advice, and practical tips on preparing and presenting at Board meetings in the areas of compensation, succession planning, strategic workforce planning and M&A.



# **Sponsors**

## Valerie Frederickson (Panel Moderator)

Founder & CEO, Valerie Frederickson & Company LinkedIn

## Darren D. Brown (Master of Ceremonies)

Executive Vice President & Founding Principal, ABD Insurance & Financial Services LinkedIn

## **Panelists**

### **Rebecca Cantieri**

Vice President of Human Resources, SurveyMonkey <u>LinkedIn</u>

#### **Steven Rice**

Executive Vice President of Human Resources, Juniper Networks LinkedIn

#### Jo Stoner

Senior Vice President of Global Human Resources, Informatica LinkedIn



## **Topic Introduction**

## **Purpose:**

The board approves the overall company strategy specifically when it comes to M&A, divestiture, growth and exit plans and ensures fiscal responsibility.

In a **publicly held company**, directors are elected to represent and are legally obligated to represent the interests of the shareholders. In this capacity they establish policies and make decisions on issues such as whether there is a dividend and how much it is, stock options distributed to employees, the hiring/firing and compensation of upper management, and expenditures. The risk is much higher for a public board member due to the regulations like Sarbanes Oxley (SOX).

For **private companies**, the board has a similar role but there is a lot more participation from private investors so typically VCs or Private Equity firms to protect their investment. There is no dividend issue. In a start-up phase particularly, it is more about validating the product and markets, building the executive team, and working with the owners on management. Board members can also play a fundamental role in getting the company client relationships and being a platform for growth. Managing risk will be less of a priority than in a public company.

#### Size:

The average size of publicly traded company's board is 9.2 members, and most boards range from 3 to 31 members. Some analysts think the ideal size is seven.

#### **Types of members:**

- Inside director: A board member who is an employee and member of the company management.
- Outside director (or independent director): A board member who is not a management employee in the
  company. Corporate governance standards require public companies to have a certain number or
  percentage of outside directors on their boards as they are more likely to provide unbiased opinions.
- Chairman: generally are elected by the Board of Directors and preside at Board meetings and at shareholders' meetings. Chairmen frequently serve as officers of the company as well and in some cases are ex officio members of committees.

#### **Committees:**

While a board may have several committees, two—the compensation committee and audit committee—are critical and must be made up of at least three independent directors and no inside directors. Other common committees in boards are nominating and governance as well as finance.



# **Interesting Articles**

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What to Ask Before Joining a Board