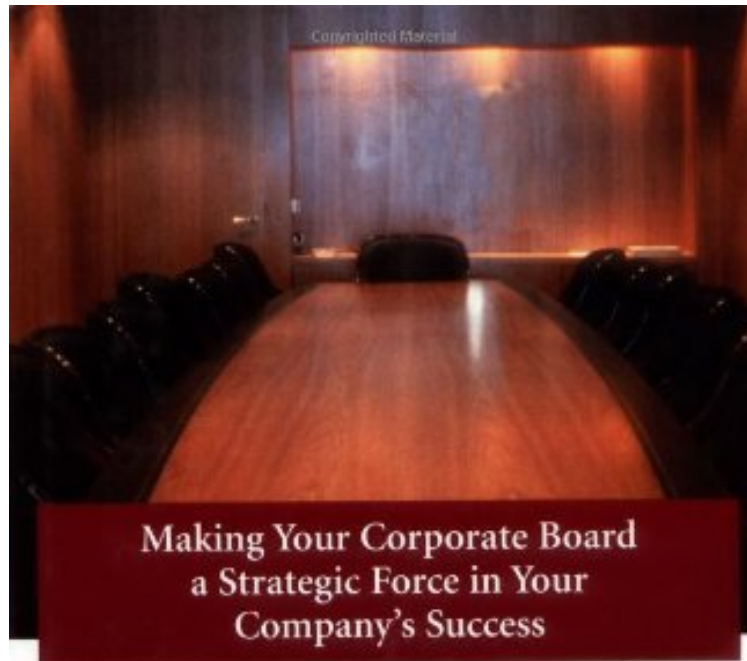


(Read free) The Board Book: Making Your Corporate Board a Strategic Force in Your Company's Success

The Board Book: Making Your Corporate Board a Strategic Force in Your Company's Success

Susan F. Shultz

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THE BOARD BOOK

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Susan F. Shultz : The Board Book: Making Your Corporate Board a Strategic Force in Your Company's Success before purchasing it in order to gage whether or not it would be worth my time, and all praised The Board Book: Making Your Corporate Board a Strategic Force in Your Company's Success:

4 of 4 people found the following review helpful. Great How-To Book On Joining A Corporate BoardBy Miles SwarthoutSusan Schultz has written a great How To Do It book for current corporate directors as well as a manual for

wannabes on what they'll need to know if they're ever lucky enough to be asked to join a Board of Directors of an American corporation. Utilizing both horror and success stories about corporate boards saving companies in trouble, successfully growing businesses, or taking them down the tubes by bad decisions, she gives business people a good overview of how boards ought to ethically and fiscally conduct themselves, how a good board member ought to behave, and what questions of management they should be asking at directors' meetings. The most interesting chapter is "The Money," concerning what directors can expect to be paid, how stock grants and options work, and the current scandal with repricing options. Ms. Schultz has interviewed many former and current members of boards of corporations both large and small and includes their opinions and advice for prospective boardmen and women. Unfortunately one of these interviewees was Gary Driggs, one of the notorious Arizona savings and loan scammers whose advice on working with boards is specious at best, but that caveat aside, this is a very informative, up-to-date, super book on this most important segment of American business. Highly recommended!

3 of 3 people found the following review helpful. Why and How for the board

By Joe McMullen

Shultz's work has been a great help to me as a new board chair. The many examples with analysis are an effective method for helping me understand the whats and the whys of board selection and roles. She does not seem to be afraid to refer to actual examples of poor practices. This book is not for you if you are not open to the notion of a truly independent board. The checklists and appendices are also very useful for reviewing board performance and/or setting-up a board. I highly recommend this work if you are a board member, contemplating being a board member, or are creating a board. My interests are primarily in the privately held company boards. The majority of examples are for publicly traded companies, however the principles seem to transcend the "type of organization" issue.

Joe McMullen

8 of 8 people found the following review helpful. Actually... A Useful Business Book

By Tom Ringer

As one who serves on several Boards of Directors and also one who reads a fair amount of corporate governance material, I found Susan Shultz's THE BOARD BOOK strongly on point. Sitting and "considering" directors as well as new and experienced CEO's will all benefit from reading the book. Besides being based on lots of her own personal experience and research, Shultz's approach to making the book highly anecdotal lends a real-world tone to what is sometimes a legalistic approach to writing about the duties and practices of both CEO's and Boards. I suggest that time would be well spent reading this book.

"For nepotism, lethargy, and plain old misguidance, few corporate entities can top the board of directors. And that's a shame, because engaged, knowledgeable boards can make a world of difference, setting an organization's strategic direction, infusing it with valuable expertise, and rendering the company attractive to investors. The Board Book is the most succinct, reader-friendly guide available to recruiting and managing on-track, top-notch corporate boards--the kind that serve as pivotal success factors for companies of every size. Packed with both real-life success and horror stories, this fast-paced book explains the 11 guiding principles for transforming a board, exploring issues such as: * Using insiders, consultants, and friends on a board * Interlocking directorships * Conflicts of interest * Diversity * Information flow * Complacency * Board overload * Groupthink * Turnover, and more."

The Board Book by Susan F. Shultz is a valuable tool for any business or nonprofit organization. -- BookPage, November 2000

With stock prices for Internet companies at record lows, venture money kaput for many online business models, layoffs rampant and profits still an illusion, it's hard not to ask: What's up with these companies' boards of directors? Why didn't they act sooner to avert a crisis? Were they hamstrung by strong-willed CEOs or too distracted watching their stock options evaporate? Obviously they weren't following the advice imparted in The Board Book, Susan Shultz's new manual on corporate boards and how they can make or break a business. According to Shultz, a longtime executive recruiter, the perfect board consists of a manageable number of independent-minded directors who aren't insiders, major investors or company advisers. Nor are they the CEO's favorite golf buddies. Good directors do their homework before quarterly meetings, talk to managers and employees between meetings and have a financial stake in the business so they truly represent shareholders' interests. And Shultz takes the other point of view; that the ideal CEO methodically chooses a board that's right for where the company is at a given time, including consideration of gender, racial and global diversity. The conscientious CEO reviews the directors annually and maps out cash and stock compensation proportionate to their duties. How many companies follow this formula? Not enough, according to information Shultz gathered in research and from interviews with current and former CEOs and directors at dozens of mostly large public companies. Cronyism is rampant. Directors skip meetings and fail to hold the CEO accountable while voting him or her fantastic raises. But as more class-action lawsuits are filed against companies for financial and other executive abuses, CEOs are discovering the advantages of what Shultz calls a strategic board. Such boards are systematically assembled to benefit all of a company's constituents and help the company limit its liability. Dot-coms don't always fit this mold. Directors of small companies, including most dot-coms, are more apt to play the role of mentor. They tend to earn less: \$10,000 annual retainers not including stock or options, compared with \$38,000 for large corporations. They're also more likely to be venture capitalists; 19 percent of directors of technology companies with less than \$500 million in revenue are VCs, compared with 7 percent for larger corporations. While these directors have access to capital, they might not be the best bet for a company's

long-term growth, as fiduciary duties to their own investors could diverge from what's best for the business, Shultz argues. Being small doesn't mean Net companies can't be as good or better than the big boys. One study Shultz cites indicates money managers were willing to pay an 11 percent premium for shares in companies of all sizes with good boards. Investors believed those businesses would perform better over time, were less likely to get into trouble and were more likely to turn around quickly if something went wrong. Net companies may even have a leg up because they're better equipped to educate non-tech-savvy directors about adopting Internet technologies, now a critical factor in every part of the economy. Although *The Board Book* is not exactly a page turner, it is well organized and includes useful checklists, guidelines and forms. Boards can no longer afford to rule through benevolent neglect: Over the next 10 years, Shultz reports, boards will be responsible for filling 5,500 new CEO jobs a year. The sooner Net companies develop smart boards that bring more than just money to the table, the sooner they may see their fortunes reversed. Michelle V. Rafter is a contributing writer in Los Angeles. -- From *The Industry Standard*

About the Author
Susan F. Shultz (Phoenix, AZ) is the founder of SSA Executive Search International, which includes a division devoted to corporate boards.