

The Practical Approach To Landing Board Seats

By Michael K. Lorelli

Many senior executives would like to be placed on Corporate Boards, and a good percentage of them will be successful. This article is designed to help newer candidates apply your energy where it is likely to achieve the best result.

To begin, public company Boards, while certainly attractive, may not be your best early target for newer candidates. Some stats: As reported in The Wall Street Journal on November 17th, there were only 3,671 public companies in the U.S. today, after all the M&A activity over recent decades. That number is down from 7,332 in 1996. Certainly they have larger Boards, with an average of seven outside directors. That yields a target universe of 25,000 seats. And an average annual turnover of perhaps 3,000 seats. As a practical yardstick, there are 17,000 active members in NACD today. Don't count on 90% of them not being interested in Boards, leaving the Board work to you! In contrast, according to [Private Equity Info](#), there are 16,800 private equity portfolio companies, almost all of them with a Board of Directors. Surely, the Boards are smaller, with typically only 2 or 3 Independent Directors. That yields a universe of about 40,000 Board seats, 67% more than on Public companies. The

raw math is an eye opener for many execs.

Then there is the practical, probability reality. When PepsiCo (my Alma Mater, for whom I gained the best training and experience) needs an Outside director, they will likely engage the likes of Spencer Stuart or Korn Ferry, and the hunt may funnel down to sitting CEO/ Chairs of other Fortune 50's. . . bring us the CEO of American Express, or J&J, or Wal-Mart. I'm certainly not suggesting it can't happen . . . but this is a game of odds and probabilities, and this article is about making the best use of your time.

In contrast, private equity Boards are less concerned about the optics, and just go out and find two or three terrific people. Without the drive for a Marquee name like Alan Mulally, retired Ford turnaround genius. You might be pleasantly surprised that only 22% of Outside Directors are 'sitting CEO's.' Lots of non-CEO's in those seats.

Where To Start

Getting your marketing 'materials' ready is a must before embarking on any exposure.

- Your Bio
- Resume
- Value Proposition
- Potential email introduction letter



- And the all-important LinkedIn profile.

The Board Bio is less than a page, written at 30,000 feet, includes a good head shot and 'reeks of power.' Your **Board Resume**, in contrast to your usual document, relies less on the acquisition you made, eliminating a plant, 1,000 workers and 3 points of SG&A, and carefully threads in your softer qualities . . . high-potentials you hired who went on to become captains of industry, people you were asked to mentor, or you voluntarily chose to put under your wing, your genuine interest in coaching, etc. Your **Value Proposition** is your 7 second elevator speech on why a company should want you on their Board (a death statement is to say that YOU want to be on a Board). The **LinkedIn Profile** has to be 'board sticky.' Your Outside Director ambitions need to be explicit. And showing NACD membership always helps. If you chose to do an **outbound email campaign**, keep it short . . . ½ page. Readership is inversely proportionate to the email's length.

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The Hard Part

The outbound marketing campaign takes work, and there is no easy way out. Begin with making your Board interest known to, say, 50 people you know well, who might each have only a 10% chance of hearing about a Board need, and be in a position to nominate you. Before you say you don't know 50 such people, think about these types of individuals:

- Everyone you know on a Board
- Every CEO you know
- All law firms you have engaged (personally, or your companies)
- Past and present audit firms and accountants
- All recruiters, even those not known for Board placements (ask them to put you in the firm's Director Database)
- All colleagues, including former subordinates, in high places
- Industry colleagues
- Peers in all of your peer groups

Next, network to as many private equity firms as you can. Every new deal, means a Board needs to be created, and that spells a need for two or three new Independent Directors. Riverside Company bought 24 companies in 2011. . . an immediate need for 48+ Outside Directors.

If there are two messages here, they are, first, that you need to carefully put together your

'messaging' before going out to the marketplace. And, second, put some serious time against targeting the private equity sector. Personally, I will say that after two tours-of-duty as a PepsiCo division president, I have found the private equity world to be extremely engaging, stimulating, challenging, and financially rewarding. Both as a portfolio company CEO, an Operating Partner, and as a Board member. ###



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