



Women on Boards:
What to Do to Drive Gender Diversity
Directors & Boards Webinar Series

April 16, 2013

Jana Rich, Russell Reynolds Associates

Lorrie Norrington, Advisor and Operating Partner, Lead Edge Capital and Director, DIRECTV, Autodesk and TaskRabbit

Jim Kristie, *Directors & Boards*

Agenda

- Introduction by Jim Kristie, editor of Directors & Boards
- Time for questions (enter them from your computer) during and after the presentation
- 60 Minutes
- Presentation and supporting material will be emailed to all participants after the webinar

Today's Speakers



Jana Rich, Russell Reynolds Associates



Lorrie Norrington
Advisor and Operating Partner, Lead Edge Capital
Director, DIRECTV, Autodesk and TaskRabbit

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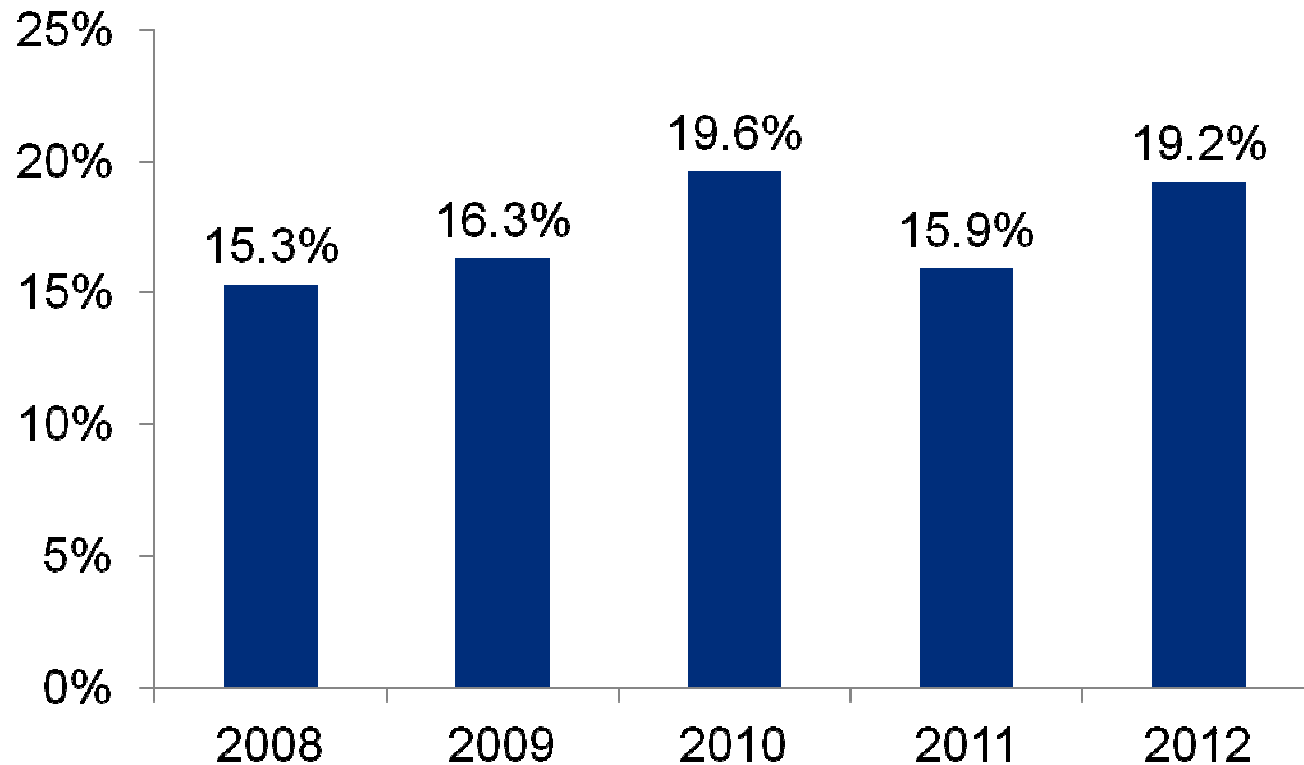
2) What do great boards look like?



3) How to drive gender diversity on boards

Current State of Women on Boards

New board members of F500 companies, % of female directors:

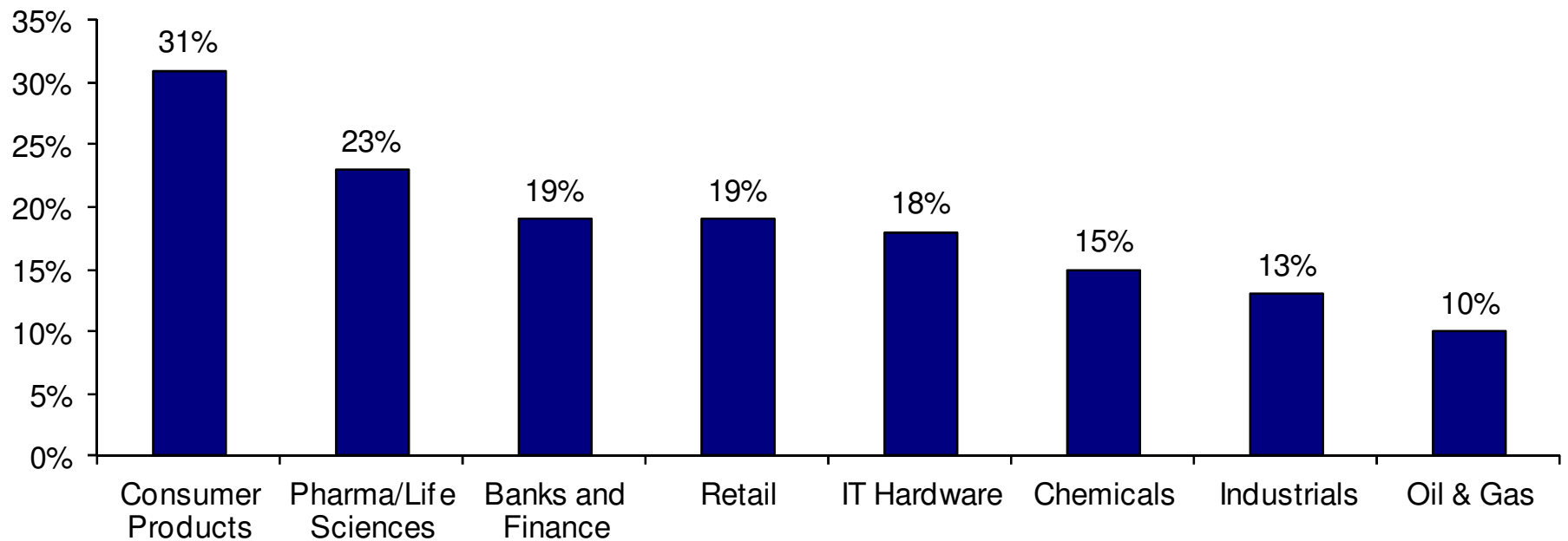


Source: BoardEx

Current State of Women on Boards in the F500

- **% of Female Directors:** 17%
- **# of F500 Companies with at least one female director:** 447
- **# of Women Directors:** 742
- **# of Board Positions Filled By Women:** 929
- **Average # of Current Public Boards per Female:**
 - Female = 1.8, Male = 1.8
- **Average Age of a Director Joining:**
 - Female = 58.6, Male = 58.4
- **Average Age of a Director Departing:**
 - Female = 60.3, Male = 67.3

Percentage of Female Directors Across U.S. Industries



Percentage of Fortune 500 board seats held by women, by selected industries, 2013. Source: BoardEx

1) The current state of women on boards



2) What do great boards look like?

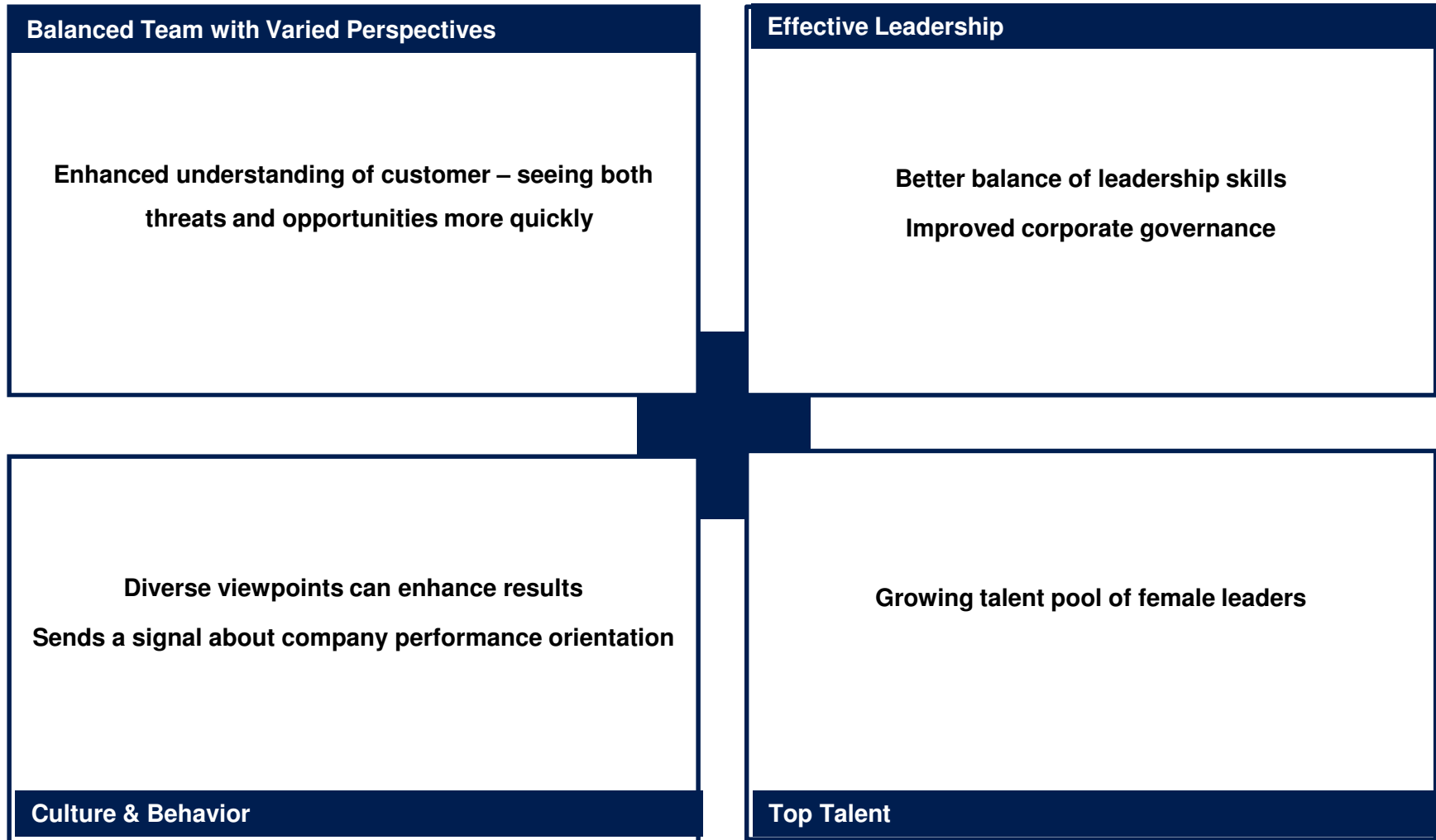


3) How to drive gender diversity on boards

Characteristics of High-Performing Boards



Benefits of Diversity on the Board



Diverse Boards Perform Better

A 2012 study by Credit Suisse analyzed the performance of close to 2,400 companies with and without female board members from 2005 onward.

- Companies with at least one woman on the board outperformed stocks with no women on the board by 26 percent over the course of the last 6 years
- Stocks with greater gender diversity on their boards generally look defensive: they tend to perform best when markets are falling. Balance on the board brings with it a bit less volatility and a bit more balance through the cycle

Source: "Gender Diversity and Corporate Performance," Credit Suisse Research Institute, August 2012

1) The current state of women on boards

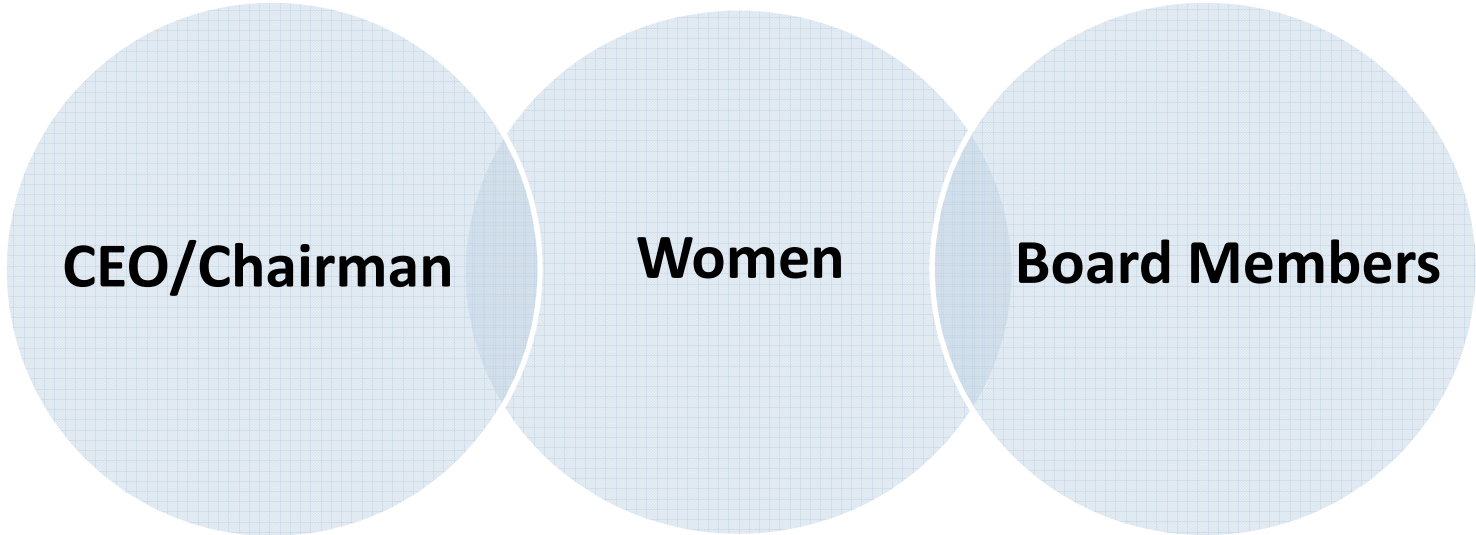


2) What do great boards look like?



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Combination of Factors Will Increase Gender Diversity on Boards

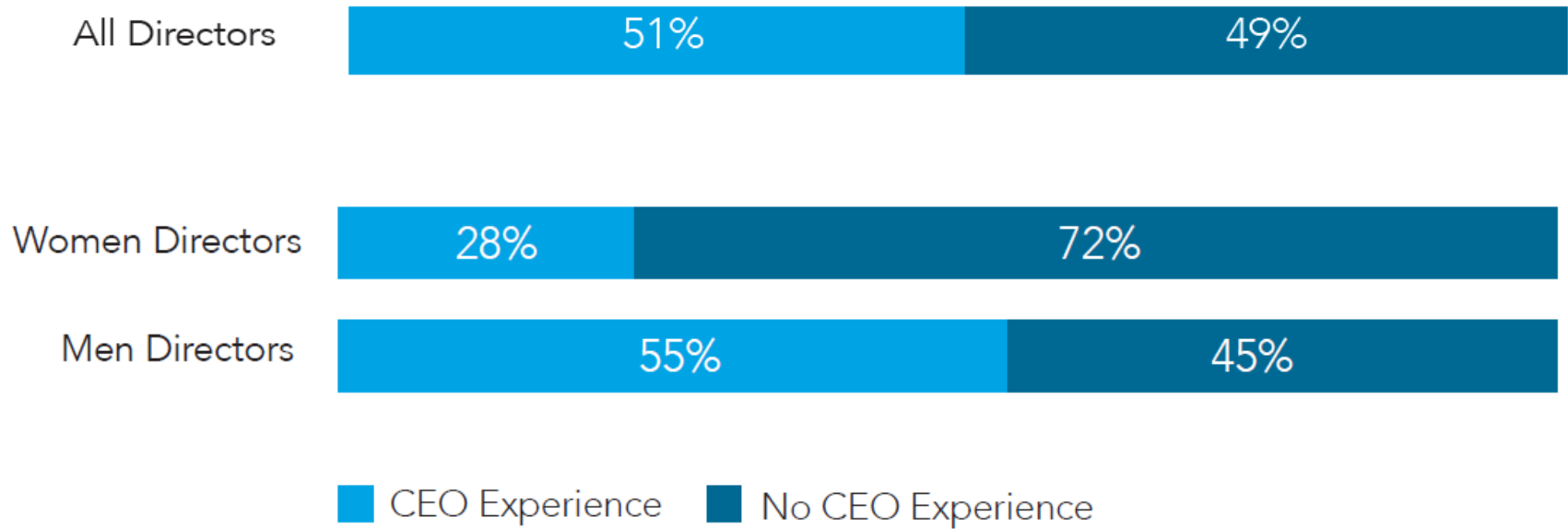


Making Diversity Happen: The Role of the CEO and Chairman

- **Lead from the Top:** personal commitment gives topic visibility & sponsorship
- **Drive Cultural Transformation:** ensure diversity has the advocates needed in boardroom and throughout organization to embrace change
- **Ensure Opportunities are Available:** actively develop female talent and include in succession pipeline while supporting female executives' board ambitions
- **Keep on Eye on the Competition:** Evaluate the boards of your competitors to help drive diversity in your own company

What Can Boards Do? Broaden Selection Criteria

Look Beyond CEO & Board Experience



Source: Catalyst “The ‘Think Director, Think CEO’ Myth: Fortune 500 Companies”

What Can Boards Do? Cast a Wider Net

- **Use a Competency-Based Approach:** move past the “sitting CEO/director” defaults and get specific about what competencies and experiences are needed .
- **Look Beyond the Usual Suspects:** broaden talent pools beyond sitting CEO’s and directors to include business unit leaders, functional experts, and different industries.
- **Consider Non-Corporate Leaders:** many distinguished leaders from non-corporate paths, such as academia, public service, or professional services firms.
- **Consider International Talent:** globalization has increased the demand for international expertise and increased the value in looking for leaders in other countries.
- **Succession Planning:** require CEO to have a robust succession plan that creates a strong pipeline of women leaders.

Source: Catalyst “Supply Problem’ Myth: Fortune 500 Companies

Female Director Expertise

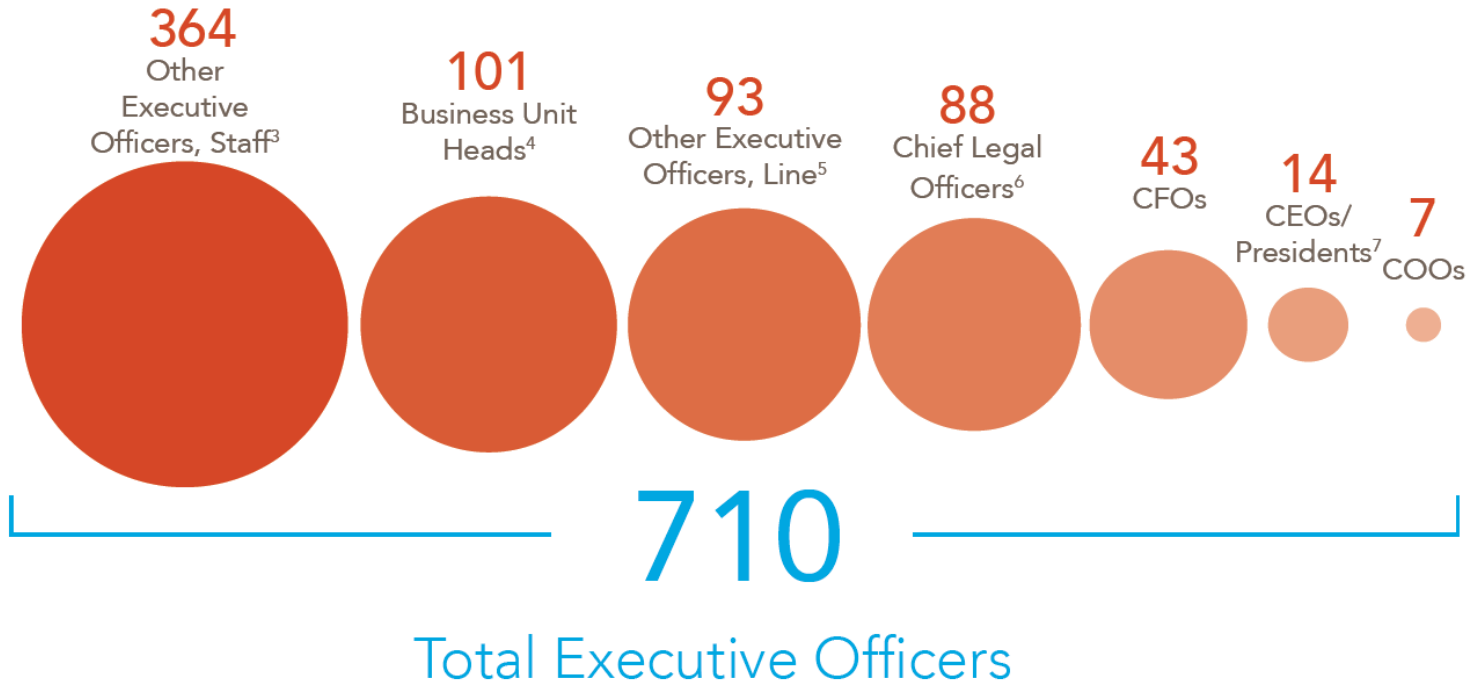
Female board directors were added to companies with the following qualifications:

	Number of Times Cited By Companies
Executive Leadership	105
Industry Expertise	99
Financial/Accounting	97
Experience Serving on Other Public Company Boards	64
Operational	61
Global Perspective/ International Experience	56
Strategic Planning	56
Marketing	45
Information Technology	44
Corporate Governance	40

Source: "Getting On Board" Ernst & Young , 2012

What Can Boards Do? Cast a Wider Net

POOL OF POTENTIAL DIRECTORS:
2011 FORTUNE 500 WOMEN EXECUTIVE OFFICERS



Source: Catalyst "Supply Problem" Myth: Fortune 500 Companies

What Can Women Do? Find Opportunities

- **Get the Right Experience:** seek the right experiences that provide both depth and breadth of perspective and responsibilities.
- **Be Proactive about Sponsorship & Networking:** female executives need to develop relationships with people that give them valuable guidance and visibility. Participate in both formal and informal women's networks – oftentimes women will introduce other women to board opportunities.
- **Look Beyond the Fortune 1000:** Join a non-profit board, a business school/university advisory council or fundraising committee. Seek a board seat for a private company. Don't assume that Fortune 1000 companies are the only ones with board seats to pursue.
- **Raise Your Profile:** speak at conferences, play an active role in industry associations, be present on professional online networks.

What Can Women Do? Selecting the Right Board

- **Fiduciary:** meet with the CFO and General Counsel, go through the financial statements and understand any restatements, reporting issues and lawsuits.
- **Integrity and Culture:** meet with the CEO, other board members, the board chair and the management team to make sure you feel a fit with the culture and values of the team.
- **Passion:** make sure you have a genuine passion for the company and industry, and feel an affinity for the challenges they face.

Questions?