

Board matching program for privately owned family businesses

Adding highly qualified outside directors to serve on your family business board



A board that can help you grow

At a certain point in its evolution, a privately owned family business starts to see the benefits of maturing and professionalizing its board of directors and adding an outside perspective. This shift tends to occur when the business is anticipating a generational transition, experiencing significant growth, expanding into new business areas, facing competitive threats and disruption, or changing its strategy.

In each of these situations, outside experience and guidance can add considerable value to the business and help the company and its owners successfully navigate through change and set itself up for growth. However, it can be challenging for privately owned family business boards to find outside directors with the appropriate skill sets that are able to fill gaps and meet the needs and responsibilities of the board.

Director attributes to consider

The family should start by surveying key stakeholders both inside and outside of the company or family to identify skills and experience needed to support the company's strategic direction or expected transitions. You will also need to understand the collective skills and experience of the current board, so that you can identify gaps between existing directors and what you will likely need in future directors.

The next step in filling or adding a key spot on the board with a highly qualified professional is to develop the list of qualities that would define your ideal candidate, often called a director profile or job description. Some key questions to ask yourself about the ideal director candidate should include:

- What key roles will the new director serve?
- What gaps will the new board member help fill?
- Is there a challenge or issue the company is facing that can benefit from a specific set of experiences or perspectives?
- What are the expectations of the new board member?

Though your director profile will be unique, according to PwC's 2021 Annual Corporate Directors Survey there is a recognized need for faster action on board diversity. Below are some attributes to consider when looking for a new board member:



C-suite experience



Geographical location



Diversity



Industry and family business experience



Education and credentials



Previous board experience



Functional expertise or knowledge



Type and size of company

Example attributes for creating your director profile

C-suite experience – A person who holds or has held the title of a senior executive position (e.g. CEO, CFO, COO or CIO). Look further than traditional roles like CEO or CFO to fill board seats.

Diversity – A person who can provide unique perspectives and insights through their individual background and experiences.

Education and credentials – A person with an advanced degree such as an MBA or JD, or a person with a certification such as a CPA or other relevant credentials to your business.

Industry experience – A person with relevant industry experience who understands the latest trends for the market(s) your company is in.

Previous board experience – A person with current or past experience serving on a board as well as the specific roles served, including board committees.

Specific functional expertise or knowledge – A person with valuable work experience, such as Finance/Accounting, IT, Public Relations/Marketing, e-Commerce, or Human Resources to name a few, that may be lacking in the current mix of directors.

Type and size of company – A person with experience working in a company of the same type (e.g. private, family business) and similar size.

How PwC can help with your outside director search

1

Board provides PwC with candidate profile by describing desired director attributes

2

PwC searches for candidates in PwC's director database who may match the board's specifications

3

PwC provides a slate of candidates from its director database that may fulfill the board's specifications

4

Board interviews candidates and makes selection based on their determination of who is best suited for the role

PwC identifies directors from its database who may match your board's specifications, and then provides a slate of candidates that aligns to the board's updated candidate profile. Using an extensive internal director database built specifically for board matching, PwC conducts a database query of individuals culled from our vast network of executives and advisors who are interested in serving on boards.

Once a slate of candidates has been identified, PwC provides candidate biographies and contact information. Your board can then arrange interviews to focus on more intangible qualities such as personality, style and cultural fit with the board, company and family.

How we have helped others

Challenge

A family business wanted to expand into new markets. The board needed an independent perspective and specific experience and acumen to help them move into and navigate these new markets.

Approach

PwC conducted a database query to identify directors who matched the board's candidate specifications. PwC then provided the board with a slate of director candidates, including detailed biographies and contact information. Prior to sharing, PwC reached out to the slate of candidates to confirm interest and permission to share.

Result

The family business received a slate of highly qualified, skilled candidates from PwC's director database that aligned with the client's specifications. Because the database consists of select individuals vetted by PwC who are ready to serve on boards, the board selected three candidates who met their criteria and were able to add value right away.

Learn more at: [pwc.com/us/familyenterprises/governance](https://www.pwc.com/us/familyenterprises/governance)

For detailed resources on professionalizing your family business board, assessing your board composition and the role of independent directors, perpetuating the family business through good governance, transitioning your board for the next generation and more.

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