

Effectiveness is a two-way street. You must be willing to have an open dialogue.



An Operator's Guide to Optimizing your Boardroom

Learnings from Pat Bradford, Private Equity Operator and Human Capital Executive with 30+ years in the profession.



Pat Bradford is an experienced Private Equity operator and Human Capital executive with more than 30 years in the profession. She has a track record within startup environments, middle market private equity-backed companies, and Fortune 500 organizations. She has worked closely with board members on strategies to achieve business initiatives and shared her insights on how to optimize board level engagement.

Having served as an operator for multiple businesses and through private equity transactions, how would you describe the key characteristics of a strong and effective board?

My experience has varied from smaller companies to larger companies, yet I find the key attributes of highly successful boards are consistent. What makes boards effective is when the members understand what they are there to do. They are there to govern, guide, and support the management team, not run the day-to-day business operations. Dedication to the mission of the organization, deep understanding of what the organization is trying to accomplish, and complete grasp on goals and outcomes further increase effectiveness. A diverse mindset is also critical. You do not want to get into a "group think" situation, so having experienced board members can help enable the organization to think more broadly.

How would you advise a CEO seeking to improve board interaction and communication?

First and foremost, you want to make sure the CEO and the Board of Directors are on the same page regarding roles and responsibilities. Clearly defining roles ensures Boards can achieve their objectives and support the executive team. Failure to do so can create blurred lines, which can get clumsy and result in an ineffective board.

Effectiveness is a two-way street. Lack of openness and communication between the executive team and the board leads to ineffective boards. You must be willing to have an open dialogue, disclose what is not going well, and have tough conversations. Management teams often want to demonstrate that they are delivering and thus it can feel uncomfortable to discuss areas of improvement. At the end of the day, the board is there to advise and guide through all situations.

Just like a new hire, a structured onboarding equips a new board member with knowledge around the reality and operations of an organization. This will enable board members to give advice that aligns best with the organization.

Board management and composition are both necessary to optimizing value. How would you advise a CEO to prioritize the two?

Both are important. Depending on the organization itself, I believe if you have the right individuals on the board, with the right mix of experience, you will be set up for success. Businesses are continuously evolving and board composition that aligns with business needs, at that stage and point in time, is critical. For example, if in the next 12 to 18 months your business is going to focus deeply on technology advancement, you want a board member with that expertise.

New investors can provide a business with the opportunity to refresh and re-build a board. If given the chance to change the composition of the board, make sure you have a cohesive group with complementary skill sets—as a board is more than just the sum of individuals. You should also base board composition on company strategy, external environmental factors, and specific focus areas for that point in time.

As for effective board management, ensuring board members are informed is important. There is a balance between day-to-day and quarterly reviews. Constructing committees with the right board members on each committee increases engagement. Building committees outside the traditional few that are specific to the business helps to drive key initiatives.

In terms of board composition, what's strategically important with regards to having sector and/or role-specific board members?

I think we need to think about board membership more strategically. You have the board there for governance and to help the business achieve specific strategies and goals. It is ideal to have a nice mix of functional and sector expertise. Having spent much of my career in healthcare, I'll use that example. Having deep healthcare understanding, even if in a different sector, can provide a distinguished understanding of reimbursement types, regulations, particular pitfalls to avoid, and opportunities to take advantage of. Particularly with owners on the board, you will often get significant industry knowledge. It is also valuable to have someone with less expertise in that industry as a thought provoker.

As for functional subject matter experts, they can add tremendous value. Having the functional expertise that matches the stage of the development of the company is important. For example, newly integrated organizations are very different from high-growth organizations. Functional experts can help companies align with specific environment changes and growth strategy.

You mention environmental changes as a contributor to board composition. How can boards help management teams navigate today's talent market?

Culture, values, succession planning, and talent management are top of mind for many boards and management teams today. The Great Resignation is a real thing, and organizations need to ensure they have the right talent. As a result of today's competitive environment, board members with significant HR expertise can provide a different depth of knowledge around human capital and provide guidance around talent management.

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Diversity has become increasingly top of mind in the past few years, what advice would you provide around board diversity?

I think that we can make more progress. When we talk about diverse membership on the board, it should not be just a means to an end, it should be very thoughtful and evolve. Likewise, when I say diversity I mean a combination of different industry backgrounds, varying board tenure, range of skill sets, gender, etc. All facets of diversity can be highly impactful. CEOs should also consider: *What is the market? Who are your customers? Who are your employees?* Oftentimes even a “diverse” board may not reflect the customers that are being served or the employees who are serving those customers. Having board membership that reflects your business and challenges you to “think” is essential.

To learn more about board member selection, visit our [CEO & Board Recruiting Page](#) on our website.

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Andrew Henry is a Partner at JM Search and leads the Firm's Healthcare & Life Sciences Practice. He brings over 20 years of executive search experience working across a diverse array of sectors within the healthcare and life sciences industries. Andrew has built his career supporting clients ranging from private equity and growth equity firms and their portfolio companies to Fortune 100 companies – collaborating to build differentiated leadership teams which drive value creation for shareholders.

About Pat Bradford:

Pat Bradford is an experienced Private Equity operator and Human Capital executive with more than 30 years in the profession. She has a track record within startup environments, middle market private equity-backed companies, and Fortune 500 organizations. As a member of C-level team worked closely with board members on strategies to achieve business initiatives. Elara Caring, naviHealth and Dex One are some of the organizations for which Pat held an HR leadership role.

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