

Using a Board Seat as a Stepping Stone

By JOANN S. LUBLIN

Victoria M. Holt, a senior vice president of PPG Industries Inc., quit late this summer to take command of Spartech Corp., where she previously was an outside director.

"I hate to do this to you," she recalls telling PPG Chief Executive Charles E. Bunch during a meeting in his office.

No wonder. Ms Holt left just three months after colleague William A. Wulfsohn resigned to run Carpenter Technology Corp., where he also had served on the board. Mr. Bunch wishes both "success in their new positions," a PPG spokesman says.

For many executives, a corporate directorship offers a route to move ahead at their current company or elsewhere because the stint enhances their leadership skills and visibility. But landing and leveraging a board seat demand a different and longer campaign than a conventional job search.

"Finding the right public-company board is a little like solving a Rubik's cube. All the pieces have to line up," says Bonnie W. Gwin, head of the North American board practice for executive recruiters Heidrick & Struggles International Inc.

Once you're a director, you shouldn't broadcast your management aspirations because "that creates huge conflicts of interest," Ms. Holt warns. But if an attractive opening occurs, "you need to be upfront about your interest early in the selection process," advises Julie Hembrock Daum, leader of the North American board practice at Spencer Stuart, another search firm.

More boards now seek active executives below the CEO level, especially those savvy about hot areas such as compensation, global marketing, risk management and digital media. Non-CEOs account for 26% of new independent members on the boards of Standard & Poor's 500 concerns, concludes a Spencer Stuart analysis of their latest proxy statements. That's up from 18% in 2000. (Both figures include some retirees).



Associated Press
Denise Morrison, right, will succeed Campbell Soup Co. CEO Douglas Conant, left, when he leaves the company next year.

Pursuing a business directorship involves "matching skill sets and cultural fits," observes Denise Morrison, the new chief operating officer of Campbell Soup Co. She spent years prepping for her first public-company board assignment – by getting nonprofit experience first.

While a U.S. vice president for Nestle SA in 1994, Ms. Morrison joined the board of Leadership California, a group that helped young women advance. She won a directorship at Ballard Power Systems Inc. eight years later and at Goodyear Tire & Rubber Co. in 2005.

Ms. Morrison submitted a one-page summary to both concerns that stressed her nonprofit work and related external activities. Your customized biography for corporate boards should note whether you ever served on a nonprofit's powerful audit committee, suggests Susan Stautberg, co-founder of OnBoard Bootcamp, a \$1,195 seminar.

The one-day program teaches director wannabes "to downplay their usual aggressiveness during board interviews because a director must be a good listener," Ms. Stautberg explains. Boards value teamwork, diplomacy and collaboration as well.

Your employer can speed your search for the ideal boardroom – as happened recently at Tyco International Ltd. During a leadership review in summer 2009, officials decided an outside directorship would benefit Nelda Connors, president of its metals processing and distribution division, according to a Tyco spokesman.

Tyco was mulling a possible spinoff of the unit into a separate company, a plan that's expected to be completed by next spring, the spokesman says. Ms. Connors likely will lead the spun-off business, a Tyco regulatory filing stated.

"We worked with (Ms. Connors) to find a board role for her," recalls Laurie Siegel, Tyco's senior vice president of human resources and a CenturyLink Inc. director. Ms. Siegel says she approached several recruiters about her colleague, telling them "why she would be a great board member."

Three boards pursued Ms. Connors, the spokesman says. Last December, the 44-year-old executive took a seat at Boston Scientific Corp. – with encouragement from Ms. Siegel. "It offered her exposure to a new industry," Ms. Siegel adds. Ms. Connors says she "appreciated Laurie's counsel."

Heavy involvement in your directorship may produce dividends for your full-time job. Consider Edward Tse. He was a partner and managing director of greater China for management consultants Booz & Co. in 2006, when he joined the board of Baoshan Iron & Steel Corp.

Mr. Tse says he soon learned how executives of the big steel producer make decisions "very much based on data" and extensive discussions with board members.

Mr. Tse finds this inside perspective "makes me a better consultant" when he advises clients doing business in China. His board work "was viewed positively" when Booz promoted him to senior partner and chairman of greater China in 2008, a Booz spokesman recollects.

For Ms. Morrison, corporate directorships "helped me be more effective with the Campbell board by engaging them as strategic partners."

And serving Goodyear, which gets 56% of its sales from outside North America, enriched her appreciation of international expansion, Ms. Morrison continues. She ran its North American soup, sauces and beverages operation until this fall. She advances to CEO next summer.

If a full-time opportunity arises at the concern where you're an outside director, you should avoid burning bridges. Spartech initially sounded out Ms. Holt about becoming chief executive in 2007. But "the timing was not good for me," she remembers. Busy running a supply-chain overhaul for her PPG unit, "I wanted to see that process through."

By this summer, Ms. Holt felt ready to jump ship. She realized she never would win PPG's No. 1 job, and "my business was in really good shape," she says.

PPG agrees. She left "under positive, amicable circumstances," the spokesman adds.

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