

# Preparing CMOs for Board roles

Investing in YOU:  
Are you ready for the Independent Non Executive Director challenge?

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You are a successful CMO, wondering about how joining a Board would benefit your career, but not sure where to begin.

Public boards and their stock exchange governing bodies are increasingly focused on the subject of Board composition.

- help better understand customers and competitors?
- be more diverse to include gender, ethnicity, international experience, generation and less traditional professional skills in order to bring fresh perspectives, engage in constructive debate and avoid Groupthink?
- equipped to debate and direct strategy related to cybersecurity, AI, blockchain and other new technologies and regulatory changes? Brand and reputation, digital business transformation, innovation - many opportunities for Marketing to have a voice, integration of Marketing and Tech
- Not necessary to be seated CEO, lawyer or finance expert

What qualifies me to speak on this topic?

I have held CMO roles with some of the largest B2C, B2B and Professional Services in Asia Pacific  
I have served Board of an ASX-listed company and was Chair the Remuneration & Nomination Committee during strategic challenge and change

I'd like to share some experience and reflections about how you can secure a Board role.



### What we will cover

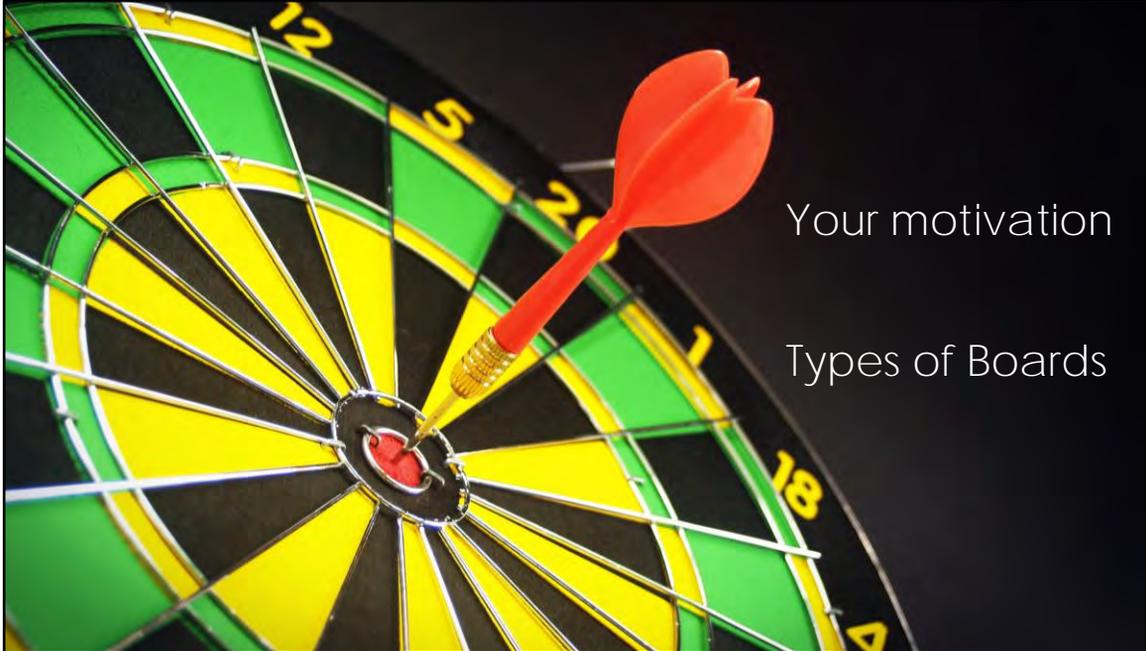
Motivation: Why and which type of Board you want to join?

What is the role of an independent Nonexecutive director on the Board?

You will be dealing with complex issues – what are the things that are keeping Boards up at night, today?

So you are convinced that you want to do this – what practical steps are there to prepare?

Then the work begins, will share some insights into a day in the life of a director



Will you SIT on a Board or to SERVE on a Board – passive vs active

It's a lot of work, long term relationships, 7 or 8 years

What can you contribute? Superpower?

Public Board – Career visibility? Brand association? Power?

PE/VC-backed Board or Startup – lower profile but ability to influence a fast mover, contribute more operational wisdom

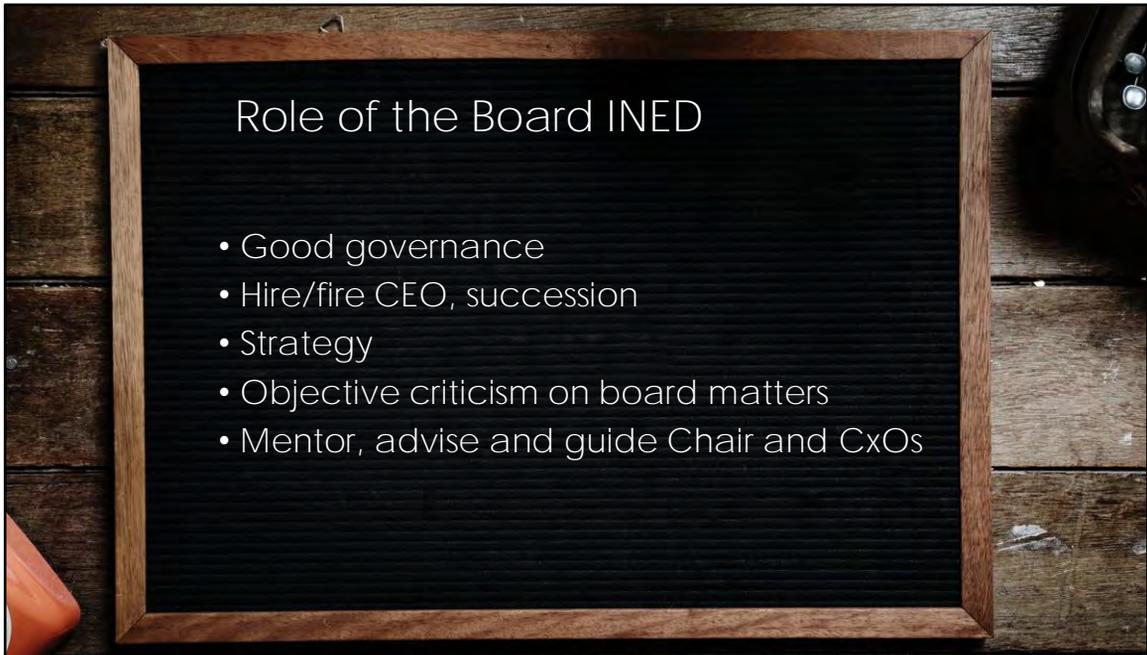
Start-ups more about growth and connections – may require buying in (often less about independence/governance)

Family – most companies are still family-dominated: can be good opportunity especially if they are transitioning to more professional management. professionalism? Have a close look at other “independent” directors

Government Boards, esp Australia

Not-for Profit – can be a good primer for governance, must be run rigorously to translate; believe in the cause, want to give back

**Financial motivation?**



Focus on public INED : strictest governance requirements

Composition

- Chair (often independent; should not be current or CEO)
- Independent Non Executive Directors (50%+) of which, a Lead INED (if Chair is not Independent)
- Executives (CEO/CFO) – some sessions without them – only INEDs

**Fiduciary duties** Duty of care and understanding; Risk management;

**Independent assessment of CEO's performance and succession pipeline**

**Strategy**

NOT RUBBER STAMPING

focus on the long term

a diverse Board can detect emerging threats or opportunities more quickly and ensure that the firm responds accordingly.

**Not responsible for daily management or operations**

Apply high quality Inquiry with executives; Inquiry and Advocacy with INEDs and Chair

Pressure: customers, employees, regulators, communities where your company is located — they're all scrutinizing your decisions and actions.

Activist investors/ Campbell Soup example

## Key concerns of Boards today

- Cyber threats
- Technological disruption
- Strategy
- Regulatory
- Culture
- Diversity, independence
- Trust



### Key Board Concerns

**CYBERSECURITY:** 6 out of 10 directors say their top concern is cybersecurity. – SpencerStuart

**TECHNOLOGY:** Disruptive technology and new technologies outpace their organisation's ability to keep up and remain competitive; Ill-equipped to deal with strategy in the modern environment – board homogeneity

**STRATEGY:** becoming more complex and important: Technology and business model disruptors; Cybersecurity, data privacy, harassment; Trump-era sanctions risk

Growing shareholder activism: short terms financial engineering and longer term strategic

**REGULATORY** change and heightened regulatory scrutiny e.g., Banking, GDPR

Corporate **CULTURE** may not encourage timely escalation of risk issues.

**DIVERSITY:** Are your CEO and other executives diverse? Do you have a wide pool of diverse talent to promote and groom for leadership positions?

Codes of Corporate Governance in SG, AU, HK, UK

- Greater focus on INED independence, Tenure, Over-boarding
- Women on boards, gender pay gap, ethnicity pipeline, climate change, etc.
- Guidelines vs Hard quotas - If not, why not/comply or explain

**TRUST** - Trust and the licence to operate- Edelman Trust Monitor trust at lowest point

– example: Facebook/Cambridge Analytica & personal data

- example: AU banking sector post-GFC complacent and reactive

- WHAT DOES THIS MEAN FOR YOU?

**OPPORTUNITY TO BRING WHAT IS MISSING.**

## Preparing to be an INED

- Your day job
- Get credentialled
- Smart networking
- Personal brand
- Board CV

### **Preparing to be an INED**

Leverage **DAY JOB**: be an individual; driving initiatives & gain visibility

P&L, finance, accounting, funding, M&A; country

leadership, coaching, mentoring, D&I, change management

EMPLOYER: do they allow? compensation? Synergies with job; Agree : hours, travel, Conflicts

### **GET CREDENTIALLED**

use exec title to join Singapore Institute of Directors, AICD to learn and network

attend formal training (FT, SID, AICD, Meraki WDP)

**NETWORK**: Old Boys/Girls: let people know of your interest:

Research companies of interest and their boards; watch for upcoming retirements, strategy changes

Mine your own contacts and be proactive

**BOARDS MINIMISE RISK – A KNOWN PERSON IS BETTER THAN AN UNKNOWN**

Exec Recruiters w Board practice

**PERSONAL BRAND**: CVP, LinkedIn, Thought Leadership

Exec CV(dragons slayed, execution, results) vs **BOARD CV** (soften, coaching, mentoring, hi-po people developed/promoted, 39,000 ft operating level)



### Securing your first Board role – taking the plunge

Board Value Proposition: 3 things to this particular company board  
(mine: Asia, Voice of the customer, Diversity)

Meet Chair, INEDs, Execs BEFORE SAYING YES.

ASAP, understand & be aligned with strategy before joining board – you might be working with them for 5-10 years; Cultural fit is key

Compensation – annual fees, rarely per meeting, sometimes equity to align motivations with shareholders; if conflicted with your job, may need to give some/all to charity; start-ups may require you to buy shares; not for profit may be non-fee paying

Understand personal risks and liabilities, potential conflicts, be ready for media spotlight

CRISES HAPPEN – did the directors know? What was communicated? Could they have prevented?  
e.g., the blindsided Tesla Board awaking to Elon Musk’s August tweet about taking the company private

e.g., the Volkswagen Board when the emissions coverup was revealed.

e.g., Major reputational issues such as sexual improprieties

Request comprehensive on-boarding program as part of negotiation



### **A Day in the Life/so what is it like**

Be clear why you have been brought on board – Heidrick & Struggles post: new directors surprised at how quickly they are asked to speak up – no honeymoon, eg AI/Cyber

Board Meetings, preparation, reading, meetings

- McKinsey 2016 report best perf Boards 41 days/yr; less effective 28-32 days/year

Be collegial but not so cozy to impede ability to challenge and confidently own view

DO NOT DO THE PROFESSIONAL EXECS JOB - Often very difficult for first-time INEDS

COACH: have you considered...tell us about your progress on ....

try not to reprioritise work of exec team or distract them from key issues

Relationship with the Chair; find other ways to help; be TRUSTED ADVISOR (but not a YES-person or GroupThinker)

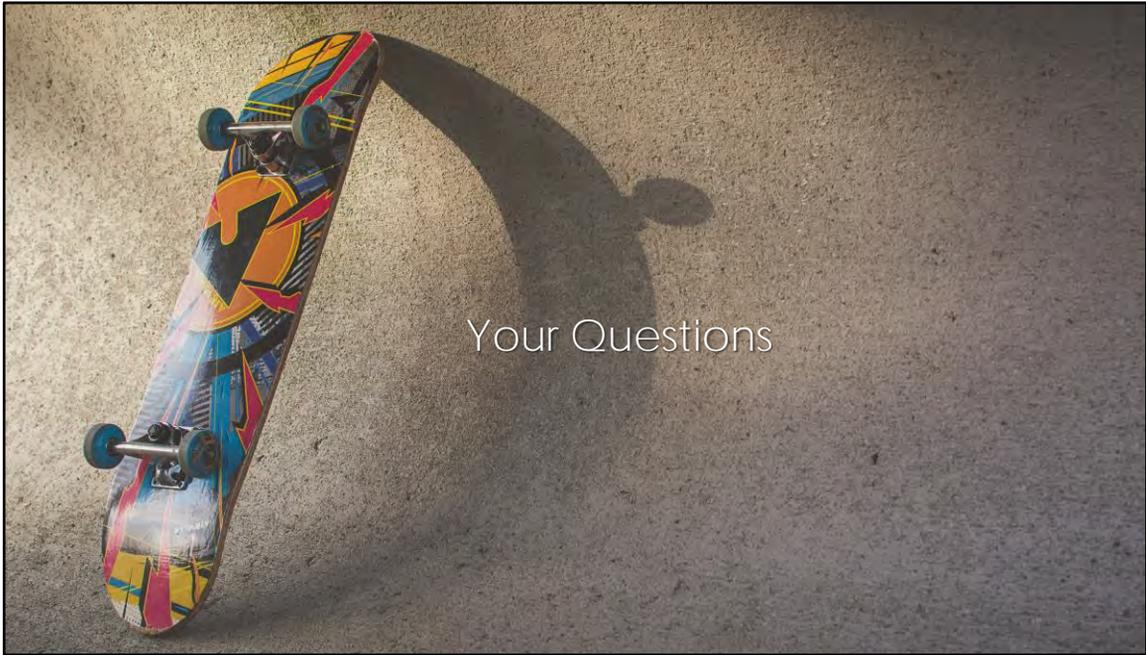
Relationship with other INEDs, with CEO – build quickly

Once on Board, get involved in Committees: Audit, Remuneration, Nomination, etc.

## Get started

1. Align with employer
2. Formal training
3. What type of board and why
4. Value Prop and Board CV
5. Network-network-network

...and best of luck



# Thanks.

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