

## Title: Bringing an Outside Perspective and New Expertise to the Board

**Description:** An overly agreeable board of directors may sound nice, but it is exactly the opposite of what a forward-thinking company wants in their boardroom. To help explain what the board of directors should be striving toward instead, on this episode of The Forward Thinking Podcast FCCS VP of Marketing and Communications Stephanie Barton is joined by Jay Lux, VP of Organizational Development at FCCS. Together they examine the differences between management and the board of directors, review the process of finding the right fit for an outside director and highlight the many benefits that can come from being challenged in new and meaningful ways by inviting an outside director into the boardroom.

“Directors need to look to be challenged in the boardroom. If there’s too much agreement it could be that we’re failing to ask ourselves the tough questions.”  
— Jay Lux

Today’s Insights Include:

### **Distinguishing between management and the board of directors**

- + Management’s main role is to run and operate the business.
- + Key responsibilities include hiring staff, running daily operations, keeping products in stock, goal setting and maintaining a profitable margin.
- + The board of directors is responsible for overseeing and supervising the CEO or general manager.
- + The board of directors holds the management accountable for running the business.
- + The board sets long-term goals for the company and holds three primary fiduciary duties.
- + The cooperative structure sets co-ops apart from corporations.

### **The value of an outside director**

- + Outside directors bring in a new perspective to create constructive tension.
- + This unique role is valuable when asking the right questions and challenging board thinking.
- + Outside directors offer increased diversity of thought and experiences.



- + Pros of an outside director include complex decision-making and challenging the board's perspective.
- + Cons include adjustments from the board and the bylaws, handling the learning curve, and a slight minimizing of industry experience.

### **The process of bringing in an outside director**

- + Boards need to be aware of state regulations that may impact their efforts.
- + A guest speaker may be helpful in educating the board regarding these considerations.
- + The board needs to articulate the reasons they would like to see an outside director and adjust bylaws as needed.
- + Boards need to cast a wide net when looking for the best fit outside director.
- + Consider the value of a good fit director versus a fresh perspective.
- + The board needs to be aligned on and supportive of these decisions and ready to adopt the insights that an outside director will bring in.

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### **Get in touch**

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