

“How Independent Boards Energize and Strengthen Private Businesses”

On November 29th, 2006, Compass Executives, LLC held the first of what we intend to be annual forums for the Nashville community. Conducted at the newly inaugurated Schermerhorn Symphony Center, the purpose of the forum was to address issues that private businesses – large, medium-sized, or small – should contemplate when considering the pros and cons of creating an independent board of directors. Over 200 guests attended the hour-long session with Q & A and then joined the Compass Executives for a reception in the Founders Hall following the forum.

Entitled “How Independent Boards Energize and Strengthen Private Businesses,” the forum was facilitated by Compass’s own **Barbara Cannon**. The panel included **Ben Rechter**, Chairman, Rogers Investment Group; **Bob Patterson**, Member, Boulton Cummings Connors & Berry; **Ric Pennisi**, Managing Director, Marsh; and **Marc Fortune**, Chairman, Century II.

Comments by the panel included the following:

Marc Fortune

- *If you think small, you’re going to stay small.*
- *Over 15 years ago I established my first board, and we would not have prospered and gotten to mass if we had not had them along from the get-go.*

Bob Patterson

- *The people that I see who serve on independent boards don’t need the money. They are people who have been there and done that and want to help somebody.*
- *Someone who is independent can come in and provide expertise that you just don’t have resident in the business.*

Ric Pennisi

- *Individual boards will help management make the tough decisions.*
- *The outside board can bring focus to [strategic planning], and succession is the last thing most people think about in a private company.*

Ben Rechter

- *I know very few people that have been extremely successful in building complex organizations that did not have outside help either as an adviser or a group of advisers or later as Board Members.*

- *Ownership should always be separated from running a company...even if one person is doing it all. They are separate and very distinct responsibilities.*

Barbara Cannon Wall

- *The CEO role is a very solitary position and to have the voice of experience and grey hairs who can say, 'We have seen this or done that and you don't want to try that' is invaluable.*
- *[Without] the balance of expertise and true support, I never would have been able to slog through what we had to slog through without their collective wisdom.*

In post-forum follow-up, attendees offered the following observations:

About the Panel Members

- *Strength, reputation and expertise of the panel was notable*
- *Good cross-section of panel members*
- *Wide range of panelists' experiences*

About the Panel Discussion

- *Effective format*
- *Insightful prepared remarks*
- *Excellent interaction among panel members*
- *Substantive discussion with good questions from the floor*
- *Great audience response*

Take-Aways

- *Made me think differently about my business*
- *Very relevant information*
- *Liked the information about how boards have helped small businesses*
- *Helpful discussion about board committee structure*
- *Great audience and networking opportunity*
- *Made me think differently about my business.*

The members of Compass Executives are always available to discuss your independent board needs.