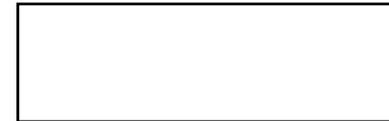




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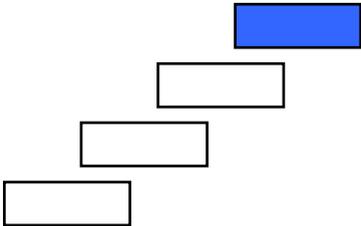


Key Board Trends

Korn/Ferry International’s Global Board Services Practice helps clients enhance their leadership capital at the board level. The practice, focused exclusively on assignments involving boards of directors, is staffed by a group of seasoned partners who work at the very highest levels to help you assemble an effective, knowledgeable, and cohesive board.

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The Challenges	Trends
<p>Director Recruitment As more outside directors are selected for boards, the company must focus on molding an effective team. Each team member should bring a level of expertise in a core competency or specialized skill that allows the director to add value to the board.</p>	<p>Trends show that because of time constraints, on average, outside directors are limiting their board seats to three.</p> <p>Highly qualified, non-CEO officers bring unique insight and expertise to the board, which help create a more diverse base.</p>
<p>Compensation With the growth in the number of outside directors on corporate boards, many companies are increasing the percentage of compensation paid in stock.</p>	<p>Director compensation can be linked directly to company performance.</p> <p>With stock compensation, board members gain a vested interest in the success of the company.</p>



Key Board Trends

The Challenges	Trends
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CEO Evaluation and Succession As companies adopt CEO pay-for-performance programs, and as more shareholders increase their focus on the performance of the board, a formal evaluation process for the CEO is being adopted by many boards. At the same time, the need to have a clear CEO succession plan in place has become an increasingly important boardroom responsibility.

A well planned CEO evaluation process, including defining the CEO's objectives and evaluating performance at mid- and end-of-year, can help avoid performance-related issues.

Succession planning is considered to be the most important role of a director. Smooth succession of leadership is critical to a company's continued success.

Information Technology The information technology age forces companies to rethink how they do business. As more information is made available to more people, senior management and board members must be able to identify what information is important and with whom it should be shared.

Directors must be able to work through the technology changes without allowing those changes to negatively impact the bottom line.

The ability to manage people through periods of change becomes ever more critical as conventional hierarchical structures give way to flatter organizational alignments with faster, more direct communication within the workforce.

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