



XCEO Toner


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What Boards Want, But Can't Seem to Find – How XCEO Elevates Recruiting

By Michelle Ronco



Like our board leadership, governance and portal services, I believe that our success in recruiting has largely come from our unique approach to an otherwise standard practice. Board diversity, for example, highlights our forward-thinking methods, where we have success finding exceptional candidates that others claim are not available. I am confident that this can be attributed to our recognition that the conventional recruiting model does not fit boards today. Moreover, we have found clients who are not only comfortable with, but inspired, by finding remarkable candidates in non-traditional ways.

What do the Numbers Say?

SpencerStuart recently released information regarding the number of women on boards, saying that in 2015, "13 S&P 500 boards, 3%, have no female directors, a decline from 2010, when 50 boards (10%) had no female directors." Interestingly, in the NYSE's 2016 What Directors Think poll, 59% of the respondents declared diversity to be a tertiary candidate request behind strong industry and financial expertise. So while it is encouraging that boards are seeking diverse candidates and that the number of women on boards continues to increase, the actual number of women added to boards makes it seem as if demand is greater than supply.

One of the reasons commonly cited for lack of diversity on boards is a perceived limit of qualified women candidates. However, our recent search experiences have resulted in many top-tier female candidates. After contacting nearly 500 people in our tech searches, 40% of the candidates were women with a woman being selected in two of the five instances.

A recent Forbes article described women as "becoming increasingly invisible in the thriving technology and computing sector...". I agree that if you are looking for a woman CEO in technology, unfortunately there are few, and most of them are likely at capacity. However, the women candidates included in our technology search have been plentiful. Whether that is because of our clients' openness in regard to search criteria, or our desire to find exceptional candidates by thoroughly understanding talent, I have three observations on how to find excellent, diverse candidates.

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Recommendations for Finding Diverse Candidates

1. Companies looking for diverse candidates need to think beyond the CEO title. In many organizations a senior corporate leader can have tremendous responsibility, certainly a boardroom skill set, providing insight on global, large-scale platforms. Although it is desirable to match the CEO title to those sought after responsibilities, it will substantially limit your access to a pool of phenomenal candidates.
2. Diverse candidates may not have a traditional path into the boardroom. Thus, boards must look for individuals who have been in different industries, held unique titles, are entrepreneurial or did not have a singular career focus. A career history tied to unfamiliar companies, with varying responsibilities stemming from a start-up environment or unique business, can translate to a valuable service experience.
3. Recruit for the athlete. Most of the time, subject matter expertise is most present in the skills, experiences and attributes of the other directors. It is not necessary to have eight of nine directors who have all been in the same industry. Smart, experienced and available candidates, who have a proven track-record of success, when motivated, will apply relative experience in a way that can positively affect shareholder value.

I don't believe there is debate that diversity of gender, thought, age, culture and geography, among others, is critical to a comprehensive perspective in overseeing the long-term success of the company. However, the recognition of the value of diverse candidates is not aligning itself with the number of diverse candidates being added to boards.

At XCEO we know that there are many qualified, available and interested diverse candidates. While women CEOs, specifically in technology are few, there are smart and experienced candidates who have major responsibilities and who could add tremendous shareholder value. Boards should never compromise, but rather demand that their search partners understand the marketplace, and are capable of discovering diverse talent. Our commitment to employ progressive and innovative recruiting methods is a clear reason why we have been so successful at finding the right candidates for our clients.

About XCEO Inc. (<http://www.xceo.net>)

XCEO Inc. partners with corporate and public sector boards and directors to fulfill all of their governance needs, including individual director development, board recruiting and on-boarding services, automated performance assessments and a secure board portal for increased efficiency, communication and collaboration. XCEO also partners with senior executives on personal leadership, entrepreneurial initiatives, professional advancement strategies and board positioning. Founded in 2003, XCEO serves clients ranging from Silicon Valley start-ups to Fortune 500 companies.

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