

CAGANCO INCORPORATED

BOARD OF DIRECTORS PRACTICE



The dynamics of forming a board of directors for a family owned or private company are complex, and owners often lack the background to understand or appreciate the uses, risks and benefits of a fiduciary board of directors, or an advisory board. Getting started can impact company and family strategy, long-term objectives, succession and governance goals, exit strategy (if any), and of course recruiting the right people and balancing their skills.

Many of today's most dynamic and larger family businesses, and a wide variety of other progressive privately-owned companies, have installed fiduciary boards of directors, with independent members, or are seriously considering doing so. There has never been more interest in the discipline, strategic value and governance benefits of a balanced corporate board comprised of highly qualified independent directors along with owners or family members.

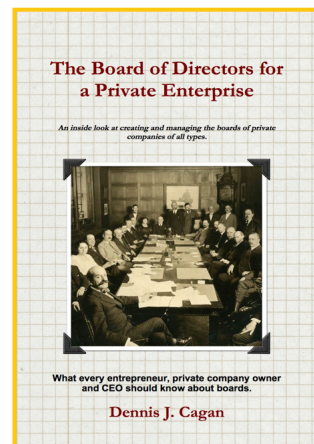


MR. CAGAN HAS FIVE DECADES OF EXPERIENCE IN HELPING PRIVATE COMPANIES UNDERSTAND THEIR UNIQUE REQUIREMENTS FOR A BOARD, AND ASSISTING THEM IN IDENTIFYING AND RECRUITING WORLD-CLASS INDEPENDENT DIRECTORS.

DENNIS J. CAGAN, PRINCIPAL, CAGANCO INCORPORATED

Forming a board involves numerous considerations, including the risks and benefits, how to form it, and how to run it and best take advantage of it after it's formed. The boards' primary job is to give management good advice and a broadened strategic perspective, surfacing all the pertinent issues and risks for leaderships' consideration and open discussion; and providing the added benefit of their collective broader, and perhaps deeper, experience and connections. The second job is to lend their name and credibility to the company, usually for purposes of building additional trust in the marketplace with customers, vendors, employees, and financial resources. Stakeholders and business partners feel a greater sense of confidence knowing that a company's ownership and leadership solicits and values the advice of outside professionals.

For over forty years Dennis Cagan has worked with hundreds of company owners and CEO's (from back-of-the-napkin start-ups to \$2 billion in annual revenue), guiding them and working with them hand-in-hand to expand their skills and performance in areas where they lack direct experience. In over 90 percent of these engagements he has also led his client's efforts to form or upgrade fiduciary and advisory boards. In well over one hundred engagements he has exhibited a profound knowledge of governance, and the highest standards of ethics, morals and behavior. The objective is always to serve the client in a way that supports and accelerates the success, growth and profitability of their enterprises.



Caganco Incorporated has been providing C-level and board consulting since 1983. Its services focus primarily on helping privately held companies, usually technology-based; develop a high-level of corporate governance policies and processes. This usually involves identifying and recruiting directors that fit specific strategic and operational needs. Individually these directors are exceptionally accomplished and generally well known in their fields.

OVERVIEW: CAGANCO AND DENNIS J. CAGAN

Founded or co-found eighteen companies - most were high technology related.

- In 2017 he published his book “The Board of Directors of a Private Enterprise” (photo above).
- Founded his fifth company (1976), built to \$50MM, took it public in five years, and sold it. It was #32 on first *Inc.* 100 (1979).
- Founded his seventh company (1985); in the first year in business it generated \$22MM in gross revenue, and a substantial profit.
- Mentored an Internet consumer information company founder for two years. Revenues went to \$60MM from \$22MM/yr. and profits grew substantially. Created a BOD, added experienced executives, and 24 months later it sold to a public company for \$63MM cash.
- Joined the board of a start-up Internet infrastructure company (1995). Recruited 3 other high-profile independent directors, helped complete a key acquisition, established sales and marketing infrastructure in the USA and Europe, and much more. Within four years the company was public with a market capitalization of \$6.5B.
- Engaged as Chairman and interim CEO of insolvent public e/distance learning company with no working capital and on the brink of bankruptcy. In 25 months: raised \$13.5MM in debt and equity capital, re-built morale and customer confidence, reorganized operations, reduced expenses, renegotiated major agreements (with 800+ irate vendors) reduced headcount by 42%, developed strategic alliances, expanded sales in middle east, added key new board members, added strategic initiatives and revenue, and completed the company's first acquisition in 12 years.
- Engaged as interim President/CEO and board director of public Internet marketing company. In 4 months: renamed company, raised \$10MM in equity, relocated company to different state, integrated two acquisitions, initiated two new acquisitions, closed industry's largest contract to date, hired a new President/CEO, and moved market cap from \$100MM to \$1B.
- In most recent public company engagement — Chairman/CEO/President – the firm was Sarbanes-Oxley compliant.
- Has served as CEO/President/COO of 12 companies, and SVP Business Development/Sales/Marketing of 5 companies.
- Served on Board of Directors of seven public companies and 46 private companies - often as Chairman.
- As an executive or board member has helped raise millions of dollars for almost three-dozen companies and participated in about a dozen M&A transactions.
- In 2011 he was elected to the IT Hall of Fame – Channel Wing, administered by CompTIA.



- In 2013 he was honored by the Dallas Business Journal as one of 12 Outstanding Directors in North Texas.
- In May 2013 he was the Keynote speaker at the Private Company Governance Summit, in Washington, DC, produced by *Directors&Boards Magazine* and *Family Business Magazine*. He was one of the select speakers who spoke again in 2014 and 2015.
- He has published numerous articles on boards in magazines such as: *NACD Directorship*, *Directors&Boards*, *Family Business*, and *Private Company Director*.



You Are Known By The Company You Keep

Mr. Cagan has served on boards with directors who also serve on, or previously served on, the boards of many respected companies including: General Motors, Raytheon, Ford, Eli Lilly & Co., Hughes Electronics, New York Times Co., Hewlett Packard/Agilent, R.R. Donnelly, Groupon, Novell, Tenet Healthcare Corporation, Live Nation, Windstream, TiVo, Zynga, Reliant Energy, Bergen Brunswig (now AmerisourceBergen), 3Com Corporation, The Hartford Financial Services Group, Inc., Texas Instruments, Inc., Life Time, Juniper Networks, Citrix Systems, Dr. Pepper Snapple Group, Inc., Pandora Media, Paymentech, Molson Coors Brewing Company, The Red Door, National Venture Capital Association, Stamps.com, Silicon Valley Bancshares, Ascend Communications (acquired by Lucent Technologies), Match.com, Dallas Semiconductor (acquired by Maxim Integrated Products), Yammer, Healtheon/WedMD, Cypress Semiconductor, California Pizza Kitchen, Inc., Immunex (acquired by Amgen), Sonos, Inc., General Physics/GP Strategies Corp., InfoGear (acquired by Cisco Systems), Hoechst AG, NetZero, Celanese Corp., Vitesse Semiconductor Corp., Sizzler International, Inc., Magnatek, VeriSign, Vantiv Inc., IdeaLab, Ticketmaster Online-CitySearch, California Institute of Technology Board of Trustees, The Board of Overseers of Harvard College, Intuitive Surgical, Inc. (Computer Motion), Advent Software, The Learning Company, Teradata Corporation, WineDirect, Dollar Rent-A-Car, Redback Networks, Convex Computer Corp., Force10 Networks, Zhong Technologies, Macromedia, Federation of American Hospitals, MSC Software, Peter Norton Computing, Miravant Medical Technologies, and more.

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