

The dark side of board ‘characters’

There are directors who are out of synch with everyone else, to the point of disrupting the proceedings and causing damage to the board’s collaborative culture.

BY DENNIS CAGAN

It can be both amusing and descriptive to nickname your board director colleagues. Picking the right name, whether you keep it to yourself or it becomes popular with others, can provide some degree of satisfaction and understanding. However, as all seasoned board members know, there is usually some bad mixed in with the good in everyone. Unfortunately, in some cases the more unattractive or negative traits can be a person’s defining ones. Here is a short summary of five board personas that you may recognize.



Big Dog

I was sitting in the boardroom one morning. We were waiting for the arrival of our newest director who was representing the investors of the recently completed Series D financing, which was a dilutive (or down) round. When he entered, he moved fluidly all the way around the room, quickly shaking hands and exchanging

comments with the other directors. There was something odd about his posture and facial expression. One of the management guests noticed and asked me what was going on. I responded that he was simply (and figuratively) urinating in all four corners of the room to mark his territory as the new big dog of the board. This personality is entitled and does not recognize any reason to collaborate with others. It’s the old saying about the Golden Rule: “He who has the gold, rules.”

Brutus

Brutus is historically famous for assassinating Julius Caesar. From time to time as directors, we are all called on to do the hard jobs. Often it is only delivering unpopular advice, but once in a while it means terminating a CEO. It is never fun, and rarely easy, but I have seen directors who actually appeared to take pleasure in acting out the tough-guy role. For practice, they camouflage themselves as supportive advisors while they lay in wait looking for an opportunity to ambush some nervous-presenting executive.

General Custer

The General refers to that board member who seems to be oblivious to those business warning signs that raise the hairs on the back of their fel-

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low directors' necks. These folks may be identified as pointing out that the front right wheel is the wrong color when the back left one has fallen off. They may want to talk about what they know best, when everyone else is trying to dig into something critical that means the survival of the enterprise. They frequently seem to be out of synch with everyone else, to the point of disrupting the proceedings and causing damage to the board's collaborative culture.

Rip Van Winkle

What's worse — the wrong thing, or nothing? Rip seems to sleep through the meetings, even when his eyes are open. No questions, or questions that are so far off-topic that you cringe. It's worse than

an empty chair. This overly passive and disconnected style of governance behavior can eat away at the morale of motivated and diligent directors.

Napoleon

This arrogant little dictator truly believes that he or she is the most intelligent person on the board. They cannot understand why others question their opinion or logic. They are used to making every decision themselves, and have a big problem being subjected to voting and majority rule. They are short on respecting others; however, they presumptuously demand total attention and affirmation from their peers. ■

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Crisis-bred schizophrenics

The 2008 financial meltdown bred a whole new cast of characters in my and other CEOs' boardrooms.

By Peter J. Boni

My Safeguard Scientifics board was strong, able and well equipped to deal with whatever came their way. Or so I thought! We worked well together for a few years to reposition Safeguard from its failed first attempt to regroup from the bursting of the Internet bubble. We enabled a collective wisdom which emanated from the diverse set of skills and experiences that members brought to the table. We were succeeding. Then the world changed — the financial crisis!

My CEO circle agreed that the stress, fear, uncertainty and doubt stemming from an unprecedented global financial meltdown had negatively impacted each of our boardroom dynamics. We compared notes and found some common themes. To our chagrin, the financial crisis bred a whole new cast of characters who newly occupied those board seats. Schizophrenia reigned. Some of these characters took on multiple personalities. Who were these people?

- **Aristotle:** Brought deep philosophy about esoteric topics that had no bearing on the situation.
- **Chicken Little:** Warned that the sky was always falling.
- **Mr. Know It All:** Knew how to do it and

would do it with or without you. Step aside!

- **Nervous Nell:** Shook and shivered at anything, whether it moved or not.
- **Pope Pontificator:** Made decrees with incomplete pieces of information.
- **The Old Ranger:** Lamented for the old days and only talked about how much fun they were.
- **Walter Mitty:** Distracted management and the board to vet multiple hair-brained schemes.
- **Steady Eddie:** Kept his (or her) head and didn't succumb to schizophrenia.
- **The Waffler:** Posed as Steady Eddie but would acquiesce to curry favor from a loud voice.

Napoleon defined a military genius as "a man who can do the average when all around him are going crazy." That summed up what was happening in many a boardroom, certainly in my own. Fortunately, in my case, there were a few *Steady Eddies*. We kept our heads, streamlined the activity schedule, defined our critical success factors and focused on overcoming the obstacles that the financial crisis put before us. It took a year to come out the other end of this chaos, and we came out in a much stronger position.

As the financial crisis slowly abated, dynamics inside our varying boardrooms had slowly returned to their old normal. The cast of schizophrenic characters disappeared as suddenly as they had appeared. Familiar, rational personalities once again occupied the board seats.

But something was missing . . . the former respect for *all* board members due to the varying, outlandish shifts in behavioral personalities. The bottleneck principle was in full force. Where's the bottleneck? At the top of the bottle, of course! But turnover at the top didn't stop at the C-level executive suite. The financial crisis was also a catalyst for turnover in the boardroom.

We added *Shakespeare* to the criteria for top talent, including boardroom talent. "When the sea was calm, all boats alike show'd mastership at floating" (Act IV, *Coriolanus*). I want tested ships in my boardroom, *Steady Eddies* with a diverse set of skills to create a collective wisdom.

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