



Boardroom Basics: A Pocket Guide for Directors

by Roger H. Ford

Published by Bear Mountain Books, Harrisonburg, Virginia, 175 pages, \$27.50

REVIEWED BY PAUL D. LAPIDES

ROGER FORD's new book, *Boardroom Basics: A Pocket Guide For Directors*, addresses board issues that smaller, privately owned companies typically face. Well written and easy to read, this is an excellent first book for anyone looking for a quick introduction to the topic — the founder, CEO, or president of a private company or someone considering joining the board of a private company. It can also be useful as part of the orientation package for a new director.

The content generally is excellent, comprised of sections that address the role of the board in private companies, when private companies should form a board of directors, how to set objectives for the board, how to determine board composition, and tips for evaluating the CEO of a private company.

In the chapter, "A Question of Timing: When Do You Start Building Your Board?" Ford writes that "the best time to build a strong board and effective board is before you need it!" This is good advice, as Ford points out that in certain situations, such as unplanned succession or unexpected crisis, sometimes it may be too late to start building a board. This is an excellent, informative chapter that also addresses some of the typical reasons for developing boards: window dressing, stockholder/shakeholder involvement, networking, strategy and planning, independent assessment, specialized expertise, arbitration, management succession, and crisis management.

"How to be an Effective Director" is one of the best chapters in Ford's book, as his

superb advice is useful to both new and experienced directors of either small or large companies — public, private, or not-for-profit. Ford provides some basic fundamentals of being a director, addressing what to do before board meetings (read, seek additional information) and what to do at the meetings (listen, ask questions, and engage in serious debates), among others. The basics of being a director haven't changed; but, my experience in the boardroom as a director, adviser, and teacher continues to demonstrate that too many directors don't prepare properly for meetings and have difficulty addressing the tough issues in the boardroom. The basics of being an effective director need to be reviewed on a regular basis.

While the content is very good, the composition of the book is somewhat problematic. *Boardroom Basics* essentially is an updated collection of articles Ford and his colleagues have published in *Director's Monthly* (published by the National Association of Corporate Directors) from 1994 to 1997.

The use of previously published articles as the foundation of a book is not unique; in fact, that is how most business books are conceived. Authors typically develop their articles into chapters that address the subject matter in more detail. This is not the case in Ford's book. The material is so sim-

ilar to his previously published articles that several pieces are redundant with information that could have been developed more thoroughly. *Boardroom Basics* clearly could have benefited from additional editing for clarification and consistency.

For example, the three articles on board composition and director qualifications would read much more consistently if combined into one chapter. Additionally, Ford refers to his Inc. 500 firms survey work in several sections, but doesn't provide any foundation of what it is, when it was done, and what the 500 firms represent. Readers not familiar with Ford's work who are interested in the background of his Inc. 500 firms survey or would like more insight into many of the other topics in *Boardroom Basics* should read Ford's earlier book, *Board of Directors and the Privately Owned Firm: A Guide for Owners, Officers, and Directors* (Quorum Books, New York, 1992).

The only significant oversight in the book is when Ford writes that he doesn't know of any school, university, or graduate program that teaches about boards. Actually there are several — Harvard, Wharton, Stanford, Northwestern, and Kennesaw State University all offer director education programs, some of which address boards of private companies.

Ford is a professor of entrepreneurship at James Madison University and clearly an expert on private company boards. Despite my concerns about the composition of *Boardroom Basics*, if you have read and enjoyed Ford's well-written and informational column on private company boards in *Director's Monthly*, you will certainly enjoy this book.



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