

GROWTH STRATEGIES

Finding the Perfect Board of Directors for Y



DECEMBER 11, 2013

Apply now to be an Entrepreneur360™ company and let us tell the world your success story.

Q: What is the best way to find the right people for your board of directors?

- Rhonda Davis

A: A balanced, qualified and engaged board of directors is one of a startup's strongest board a very important one. Board members provide strategic advice and lend credibility regarded in the startup's area of business. They also expand your access to sources of

All these perks don't come free for entrepreneurs. Board members have considerable n fiduciary duty to the company and voting rights. These duties give them influence ove these reasons, it's important to choose board members carefully.

So before you ask someone to join your board, here are some tips to help you make the

Understand how a board of directors works. A board of directors is elected by the sto duty is to oversee the management of the company. In most cases the day-to-day fun executive officers that are recruited and retained by the board. Almost all material dec (ordinary course of business) are decided at the board level. Members also are generally

Keep in mind, the kind of board you need will depends on the type of startup, the stag a practical matter, the board of a publicly-traded company requires very different exp funded business.

Related: [10 Tips for Forming a Board of Directors](#)

Use your network to find board members. Consider former academic and professional entrepreneurs who have expertise in your industry, or a business discipline, such as marketing, your startup. If you have investors, leverage their networks too.

Choose members that offset your weaknesses. Many founders are tempted to choose people like their own. Don't do that. The best boards are those that bring strengths that are important to the founders.

Ensure the board is a good fit with the startup's culture. Boards can vary in character. Some are a person with outsized opinions, while others are consensus driven. The best approach is to match the personality and skill set of the founders and early contributors.

Related: [How to Create and Leverage a Stellar Board of Advisors](#)

Be prepared to make changes to accommodate the board. If you are putting together a board, you are required to be diligent and to stay informed, which means they will want regularly updated financial statements. Also be prepared for boards to make decisions you may not agree with.

While having a board of directors can help an entrepreneur overcome many challenges, it's not for every startup. If you decide you don't need the level of involvement that comes with a board, consider an advisory board. Advisory boards can provide much of the same strategic advice as directors but without company or voting rights, so the arrangement is much more informal and ensures you get the advice you need.

Apply Now for the Entrepreneur360™

We're celebrating the best privately-held companies in America and the entrepreneurs behind it all.

Around The Web



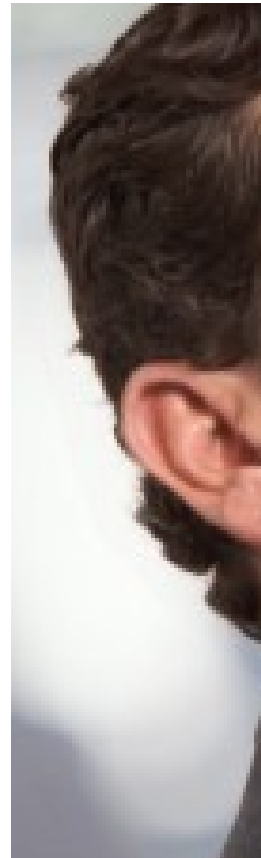
'Shark Tank' Just Revealed a Trillion-Dollar Idea



10 Work-From-Home



7 Small Businesses You Can Start At Home



What the Richest A



How to Start a Business With Almost No Money



How To Be a Million



