



MARKKULA CENTER FOR APPLIED ETHICS

Characteristics of a Good Corporate Director

Running Time, 6:37 minutes

Summary

Veteran Silicon Valley Board Member Robert Finocchio describes personal qualities and critical strategies of an effective board member. Finocchio believes that directors must think like shareholders and have a real financial stake in the company.

When to Use This Video

- to introduce the role of a corporate director
- to emphasize how a director represents the shareholders
- to introduce strategies for being an independent voice on a board

How to Introduce This Video

- Robert Finocchio, a former Silicon Valley CEO, is now a highly regarded professional director. He has strong views about what makes a good director and a good board.
- In this video, Finocchio describes how a director can think like a shareholder. What do you think of his suggestions?

Questions to Ask After Viewing the Video

1. How does Finocchio think a director can get and keep a shareholder perspective? Do you agree?
2. Do you agree that a director has to have a substantial financial investment in a company?
3. Does having a substantial financial investment compromise a director's independence? Does it make it hard to represent other company stakeholders?
4. Finocchio does not like celebrity directors put on a board for their fame. Can a former vice president or a famous scientist be a good director?

Concluding Comments Instructors May Wish to Make

- A director is expected to represent the shareholders, other stakeholders, and at the same time be "independent." This is a difficult task.
- Challenging management in the clubby atmosphere of a board will always be hard. Effective directors can't be looking for friendship when they join a board.