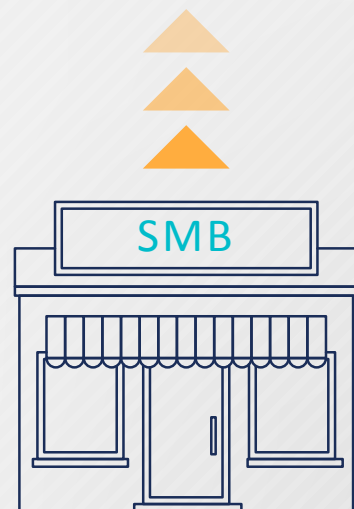




# A Professional Board **enables** Growth

Small and Medium Size Company  
Growth is Being Limited



# A Professional Board enables Growth

## Small and Medium Size Company Growth is Being Limited

An ongoing topic for debate is the make-up of the boards of small and medium sized companies and the impact this could be having on the growth of such organisations.

Historically, the vast majority of boards in these sizes of organisation have tended to consist of people with close relationships to the owners. It can often range from a family member, a lawyer, friends from university or friends with mutual interests such as golf and other sports.

Of course these individuals can have the relevant competences and capabilities required to successfully run a business, however, usually there is room for improvement. Many of these organisations keep the same senior people in place for years and years, which can result in a predictable and stagnant business. There can be a lack of diversity, creativity and new ideas brought into the business which can stunt growth.

The world is changing and the need for a professional board is growing. Clearly, an organisation with a board consisting of carefully selected members will be gaining added value. There is no difference between selecting people on CXO-level and a board member. The company's owners should be defining the profiles that are required and relevant for the company in its current and likely future position. This will bring the sustainability and benefit required to optimize the organisational output.

I was recently participating in an event where the topic was "Boards in small and medium sized companies" and the following question was asked:

### **How can a board become a major driver in the growth of these companies?**

Regarding companies in Denmark, 60% of all companies have 10 employees or less. And if they have a board, it is most likely made up of family or friends.

The picture is the same when you include companies with 50, 200, or even as many as 400+ employees – basically until we reach companies that are not "owner managed driven".

It's a challenge and a shame that more of these organisations don't select a wider range of professional board members as this is likely to lead to much greater diversity and increased growth.

We come across so many qualified people looking for a board position to progress their career development. In addition, they feel like they possess the knowledge and expertise to add real value to an organisation. They want to make a difference and make valuable contributions to the growth of an organisation.

The real challenge can be removing existing board members. Clearly, if they continue to add value they should be kept in place, but there also needs to be an acknowledgement (and suitable exit process), when an individual's time in the organisation has run its course. This will then enable the recruitment of an individual with more relevant expertise to achieve the growth the company is looking for.

So why is this not happening more often? The main reason is likely to be the difficulty of removing family or friends from a business, which inevitably has wider personal consequences outside of the organisation.

We are experts in helping organisations identify the right people in the right roles at senior levels and can also help you identify exit strategies for existing personnel. It does however require the acknowledgement of the need for change in the first place so that we can help you implement it.

### **Asking the right questions**

Recently I participated in a General Assembly as a shareholder of a larger organisation (7,000 employees), and it made me reflect on some key questions that should be getting asked at board level for all businesses. These are:

1. Why does each board member of a company currently have a seat - what justifies their need or presence?
2. What is their current contribution to the company?
3. How is this contribution anchored with the vision and goals for the company?

In addition, for future appointees to a board, the process should include the candidate making a presentation as part of an election process. This will allow shareholders and fellow board members to get a sense of their suitability for the role e.g. their level of qualifications, commitment, passion and focus.

# Author



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Jens has enjoyed a highly successful international career as an executive search practitioner for more than 20 years.

Prior to joining EMA Partners, he worked with the Ward Howell International Group. He has completed more than three hundred search assignments across industry sectors including trade, finance, consumer services and retail.



Jens Müller

Since 1988, EMA Partners has been serving local and international businesses across multiple industry sectors. The firm has been instrumental in helping its clients recruit numerous leaders who have made a significant impact in their organizations.

With access to intellectual property through our association with Decision Dynamics AB, EMA Partners is a provider of leadership assessments and other advisory services to our clients.

Our expertise lies in assessing, hiring and developing leaders at the Board, C-Suite and Senior Executive level across industries. Our clients include global corporations, local companies and not for profit organizations.



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