

Boards At Their Best

Insights on Leadership and Corporate Governance

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About Me



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James Kristie is the editor and associate publisher of

Directors & Boards, a quarterly journal and a monthly online newsletter (the e-Briefing) of high-level leadership, governance, finance, legal, and strategic issues. He has been editor since 1981, and associate publisher since 1991. Directors & Boards has as its primary readership public-company directors, chairmen, CEOs, and other senior management and board advisers.

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MONDAY, MAY 18, 2009

The Battling Board



Today, by proclamation of President Obama, starts Small Business Week 2009. As the President noted in his [signed proclamation](#), "Our Nation's success depends on America's small businesses and entrepreneurs. Their contributions are necessary to rebuild our economy so that it once again offers the opportunity to succeed to all who seek it. This week we thank small business owners, entrepreneurs, and employees for helping America achieve that promise."

And let's not forget small business board members. These hardy individuals render vital service to entrepreneurs. But small business boards are a breed unto their own. The challenges in recruiting for, structuring, and managing a board for a small business are daunting.

The President's proclamation reminds me of an article I published in 1994 titled "Problems with Boards of Small Companies." It was written by venture capitalist [Harry Edelson](#). It was so good that I selected it for special honors as one of "20 Classics" published in the journal's first two decades, from 1976-1996, when I did a special 20th anniversary edition of *Directors & Boards* in 1996.

Edelson, general partner of [Edelson Technology Partners](#), identified a whole range of problems endemic to small company boards, but also offered helpful solutions to each problem. Harry has a keen sense for human foibles—not a bad quality to have for a VC. One problem/solution that may give you a chuckle during this designated week for honoring the distinctiveness of small business is his observation on what he called "The Battling Board." Here's Harry:

Problem: Normally, outside board members do not associate enough to develop an intense hatred for each other, but it is a different story for members of management or for an officer and an outside board member. I attended a board meeting with three others in a small conference room where the chairman and president got into an all-out fist fight, knocking over the table and chairs.

Solution: When officers despise each other it is time for the board to fire one or both. Incidentally, if you think a fist fight is likely, make sure that the conference room is large enough for innocent board members to avoid injury and gain a good vantage point.

I join the President in his salute to the "entrepreneurial spirit ... of small business owners" and add my own salute to the feisty spirit of service—minus the fisticuffs—of small business board members.

Posted by James Kristie at 9:29 AM [0 comments](#)

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