



MARKKULA CENTER FOR APPLIED ETHICS

How a Board Member Can Learn What's Really Going On

Running time, 4:14 minutes

Summary

Veteran Silicon Valley board member Robert Finnochio discusses how a board member can get adequate and accurate information about a company's performance and its managers' competence. He presents many very specific tactics based on his extensive experience.

When to Use This Video

- to introduce the idea that the board's role extends beyond the boardroom
- to offer specific suggestions for how board members can get the facts

How to Introduce the Video

- Bob Finnochio is a very experienced Silicon Valley board member and believes a board member must use multiple tactics to learn what is really going on around a company.
- Pay attention to the specific methods he suggests and think about how you would react if you were the CEO of a company with Finnochio on the board.

Questions to Ask after Viewing the Video

1. Why is it so hard for a board member to learn what is really going on around a company?
2. What does Finnochio or any board member learn by wandering around a company, having lunch in the company cafeteria, or watching the eyes of subordinates in the back of the boardroom?
3. How would a CEO or senior executive respond to Finnochio's methods?
4. How much time should a board member dedicate to knowing what is going on?

Concluding Comments Instructors May Wish to Make

- Knowing what is going on is one of the most difficult tasks of a corporate director. A director spends only a few days a year at a company or in meetings.
- Recent scandals show that CEOs and CFOs with something to hide very often keep directors from talking to others in the company or walking around to see for themselves. This should be the first sign for any director that something is wrong.