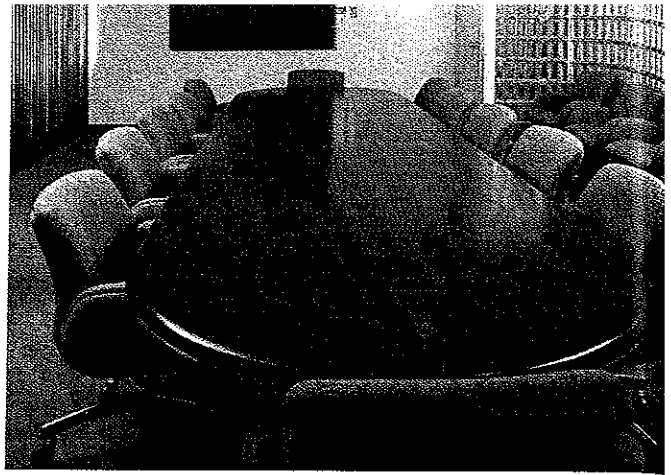


MANAGEMENT

THE IMPORTANCE OF BOARD SELECTION

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Many companies in their early years make fundamental mistakes because they don't take advantage of developing a Board of Directors, which is suitable to their needs. In most cases it stems from the fact that they surround themselves with directors who they feel they can trust, mainly family members or close friends.

And, most often this simply is not the best solution because those friends or family members often lack the knowledge, skills or abilities—or expertise to truly assist in making decisions in the needed area.

In November, Hawley Troxell Ennis & Hawley, LLP held their annual Intermountain Business Forum, which was designed to focus on corporate growth and the role of the board. This year's topic was "Growth and Governance—Aligning Company Directors and Management to Enhance Superior Growth" with keynote speaker Hal Shear.

Prior to the event, IQ had the opportunity to speak with Mr. Shear regarding the importance of board selection. Our conversation brought forth several important tips, which we feel our readers should consider when faced with their board obligations:

- There is no shortage of superb directors in the United States. And, there are many qualified people who want to serve on boards. Idaho businesses don't have to depend upon executives within the state. They can seek experts in their fields from outside of their immediate market.
- Boise is no different than any other major city in the United States. Because travel is so easy, out of area board members can attend a

meeting in Idaho in the same way that they can attend a meeting elsewhere—like Silicon Valley or Boston—at similar or lesser cost.

- It is very important to have independent directors on early stage boards. For an entrepreneur, it really is not a matter of control. You are in control in the early stages of your company. The real issue is in making sure that you are getting the right observations for which to base your decisions. If you can help it, why would you make the same mistakes that others have made.
- Companies should seek qualified, interested and appropriate board members. This means that they should be appropriate to the stage of development of the company. If the company needs to raise capital, it might be prudent to load the board up with experts to assist in that process. If the company is entering a highly regulated area, such as the airline industry, it might be prudent for them to entertain aviation attorneys and others with the relevant skills. This also means that the composition of the board should change depending upon the needs of the company—needs change; therefore the composition of the board should also fluctuate.

Finally, according to Shear, there is a difference between planning on serving on boards and getting trained to understand the dynamics, understanding how to add value, and understanding what the roles & responsibilities are. Shear strongly suggests that directors receive training. For additional information on the Forum, see www.intermountain-businessforum.com. For additional information on Hal Shear, see www.boardassets.com.

NEW ARRIVAL



NEW A PICK ME UP? TULLY'S COFFEE OPENS IN BODO

Boise's first Tully's coffee store has opened in BoDo. Additional franchises are expected to open around the state within the next 12 months. Tully's currently operates one Idaho store in Ketchum. The store is a partnership between Pinnacle Coffee and Tully's Coffee.

"Pinnacle Coffee shares our vision for serving the Treasure Valley community," said John Dresel, president of Tully's Coffee. "We think Tully's in BoDo will be a place the Boise community can count on for a comfortable environment and delicious handcrafted coffee—and we look forward to continued growth in the market." The 1,400 square-foot store is located at the corner of 8th Street and Broad Street.