

Career goal: Member of the Board of Directors

Interview with Ms Monika Krüsi, Chair of the Board of Directors, Repower

KPMG: You gave a speech at the first-ever Women's Board Award ceremony entitled "From Operational Manager to Chairwoman of the Board", which focused on learning at every stage of a career and in a variety of roles. Were you speaking from personal experience?

Monika Krüsi: Yes, indeed. This is true for myself as much as for other board members' careers that I have observed. Becoming chair of the board is a step-by-step process that involves constant learning and gathering the broadest possible experience as you go along. Of course, having a degree is a good starting point, but experience comes from working in a range of different positions and functions.

You sit on various companies' boards, one of which you chair. Was it ever your career goal to become a board member?

Doing what you truly enjoy and excel at is more important than pursuing a particular career goal. This is a good basis for developing your track record. Working as a consultant gave me an early insight into the world of corporate boards, and this is what inspired me to seek a role in strategic management, namely that of a board member. It allowed me to amass experience, finding out what motivates boards, how they function and what ultimately matters most, all of which made becoming a board member easier.

How do you choose which company's board you want to join? Were you asked to join a board?

My situation was a bit different. I was a full-time investor, so I slid into this role acting as a representative of investors. If you can't do it as an investor, it would definitely be a good idea to consider starting your career as a board member with a start-up. Start-ups are generally very keen to benefit from the knowledge and experience of proven experts. Being in a smaller company also allows you to grow into the position and the responsibility. It's a great learning experience, but you should also keep asking yourself what you bring to the table and how you can help to drive the company forward.

How important is it to understand the industry in question when starting out as a board member?

Industry know-how is certainly helpful, but I don't see it as an essential prerequisite. In my opinion, there are two types of board members. On the one hand, you have the experts, such as accountants, lawyers and HR or communication specialists. On the other hand, you have the all-rounders who are experienced in leading a business and understand a company's complex processes. The latter definitely need to have industry experience. When it comes to the boards I sit on, I try to strike an ideal balance between these two groups.

DR. MONIKA KRÜSI

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Further activities and duties:

- Chair of the Board of Directors, ACP Advanced Circuit Pursuit AG
- Member of the Board of Directors, Burckhardt Compression AG, CP Pumpen AG, Energie 360°, Signal AG and Suhner AG
- Board Member, Technopark Luzern
- Partner in the management consultancy, MKP Consulting



In your experience, how is a successful board of directors put together, and what role does the chairperson play in this regard?

As chairperson, you have two main tasks: to set up a board that's an ideal mixture of professionals and to find the best possible CEO – perhaps even the whole executive board. The individual board members' profiles depend on the company's medium to long-term strategy. Where do you want to take the company over the next ten years, and which skills and resources do you need to achieve that?

How important is diversity for this?

A good mix of cultural backgrounds, professional experience, nationalities, genders and age groups is a big plus in a board of directors. Having said that, the more international a board is, the more of a challenge it becomes for members to communicate with each other. It is important that everyone is on the same page when it comes to understanding and speaking. This is just as much a cultural challenge as a linguistic one. The process is probably harder with a highly diverse team, but the decisions that come out in the end are generally better and more broadly supported.

MONIKA KRÜSI



There could be more women on boards. Should there be a quota, or are voluntary initiatives, such as the Women's Board Award, the right way?

If quotas represent the ambition you're aiming to achieve, then I think they're a useful means to an end. However, strict quotas that are all about ticking boxes and nothing more aren't very helpful. I welcome the fact that this issue is being raised and platforms like the Women's Board Award are being created. We have a lot of very capable women in this country, and the more we talk about it, the more people become aware that boards should and indeed could include more women. The potential is there – far beyond the 20 or so names that are already known and that we keep on seeing.

To what extent do you think that boards should become younger and include rising stars, for instance, with digital transformation expertise?

That's a difficult question. Let's look at the annual agenda of a typical board member. Generally, the topics revolve around investment requests, budgets, staffing, structural changes in the company, risk management, etc. The topic of digital transformation might be raised once or twice in the context of a strategy discussion, but most investment requests tend to involve it indirectly as well. Every member of a board of directors has to have a basic idea of how digital technology can be deployed and what its pitfalls are, but I'd question the need to have digital expertise specially represented. On the contrary, in fact: this expert would also need to have the requisite life and professional experience to assess the traditional financial and risk issues. The same is true for other experts, such as lawyers or communication specialists. They can be consulted in an advisory capacity as needed without having to be permanent board members. A board that's too big is very hard to manage.

You talked about learning step by step in a range of different roles. What did you take away from your time in executive management that was useful once you became a board member?

In my earlier executive management roles, I learned to deal with many different topics simultaneously and to play an active part in a team. Executives have to make decisions, take risks, set a framework, define the company's targets and strategic orientations. This mechanism also plays out a step higher up, i.e. between the board of directors and the executive board. The board of directors establishes the framework within which executive management has to work. Two things I learned in particular as an executive manager were making decisions and concentrating on things that matter. As a director, it's your job to define the company's focus. This is something that has to come from the very top, namely the board of directors.



A Harvard Business Review study featured in our current Board Leadership Newsletter states that board experience is helping more women get CEO jobs. Do you agree with this assessment, or do you think the opposite is true?

In my opinion, you can only switch from a directorial mandate to a CEO role if you have previous managerial experience. That said, every board of directors should have at least one or two members who have the technical expertise and managerial experience needed to lead the company for a limited period of six to eight months in an emergency – and who can spare the time, of course. This is very important.

You've touched on an interesting topic there: time. It's been our impression that many members of boards don't have the time to deal with any unexpected increase in their workload.

That's right. While it's not the case that every member has to be able to give 100% commitment at all times, the board of directors has to step up in a crisis situation. This means making time. Members who are also directly involved and in charge of another business or organization naturally have a harder time doing that, which is why it's so important to have a good mix.

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These days, finding board members has become an industry in its own right. Headhunters identify potential candidates and contact them directly. How can you get on their radar?

This is a question people ask quite frequently. I hardly know any men over 50 who don't want to become a board member... My advice is always that you should have a track record, be a person of integrity and know what your specific strengths are. How can you add value to the company? Also, you should be proactive and not sit at home waiting for a call from a headhunter or a chairperson. As I said earlier, try to make your first steps and gather experience in a small company or a start-up.

What's the fascination with being a board member?

Many think that becoming board member means they've made it, but you have to realize that it's very hard work. There are clear duties that require a defined profile. Men probably have a stronger desire to be board members, whereas women are rather more realistic and relaxed about it.

Is being a board member a prestigious job?

It's a combination of prestige and a fascinating job, paired with a certain degree of freedom and responsibility. This is what makes it such a fulfilling job for me.

Once you have made it, you're chosen to join an existing board. What does this mean? What kind of experiences have you had in your new role?

First, let me say something about the selection and appointment phase. The company or the headhunter names you as the preferred candidate following an in-depth selection and due diligence process, but it's just as important that you do your own due diligence on the company and its board. What is the company's strategy? How can you contribute to it? Who are the other directors and executives? How are decisions taken? What is the company's shareholder structure? If something doesn't feel right or alarm bells start ringing, then you should be able to turn a mandate down. Of course, you're saying "no" to an opportunity, but you'll also save yourself a lot of trouble. A "yes" usually means committing yourself to the mandate for at least five to seven years. It's worth considering whether you really have the time and energy to invest in this particular company. Doing your homework beforehand will make your start a lot easier.

Does this mean that you have said "no" to a mandate yourself?

I was nominated to chair the board of a large and well-known company but refused for the reasons I just mentioned. This takes courage, but you have to stay true to yourself and your personal values.

Let's say you get the mandate – what's the best way to start off on the right foot?

It's like jumping on board a moving train. Deals and projects that have a long history are already in progress, so you have to prepare well and read up on them to make sure that you can add value and ask the right questions from the outset. In the beginning, everyone listens carefully to what the new person has to say, and you can ask more questions about each deal or project. Asking questions, playing an active part and thinking along (and therefore assuming responsibility) is good policy anyway.

You are Chair of Repower's Board of Directors and thus one of the few women holding such a position. How did it appeal to you in the first place?

I've always been fascinated by technology and technical processes. I also enjoy being analytical. This is probably why I studied business management and did a PhD in business IT. During my own selection procedure, I found out that, apart from being a sustainable company operating in a very interesting technical and strategic environment, Repower has been around for more than a century and always managed to evolve and adapt to a changing market. I was also impressed by my colleagues on the board and the CEO. This made for an easy decision.

The board of directors sets the tone as far as corporate culture goes, and every board meeting is a chance to shape this culture. As chairperson, I manage the meetings, which requires some talent as a moderator. I have to create a space in which each member can express themselves and participate in decisions. At the same time, I have to keep the discussion and decision-making processes as efficient as possible. Managing the executive team also requires the right balance between praise and criticism. I really enjoy this moderator role. The chairperson has to keep a very low profile as regards to contributing ideas, so I'm usually the last person to give my opinion on a topic so as not to influence others' opinions.





Our impression is that there are too many items on the agenda, one expert after another takes the floor, and there ends up being far too little time left for the board members to actually discuss the topic at hand.

It's always a question of how you structure a board meeting and how often you meet. My meetings always begin with a block where the board is alone and gets to discuss topics before the executive board, department managers or external experts join in and have a say. We formulate issues and questions so that subsequent discussions are much more efficient. However, it's important that no decisions are taken at this preparatory meeting, the sole purpose of which is to facilitate a productive and well-organized board meeting. It's sometimes necessary to call an additional board meeting so that we can clarify a particular issue to a satisfactory conclusion.

Does a chairperson still need to keep learning new things? If so, what exactly, and in what fields?

You have to continue to grow and evolve. The companies whose boards I sit on regularly review the work done by their board of directors. After almost every board meeting, we ask ourselves whether there's anything we could have done better. A healthy feedback and learning culture is vital at board level, too.

How do you make sure you get a feeling for the needs of a company's employees?

I actively try to maintain personal contact with employees. I'm keen to listen to people and to look into business processes. However, you have to be careful not to say anything in front of employees that they could misinterpret as a new decision – which should in fact clearly be the executive board's responsibility or which could contradict the latter's policies. That said, I find it important to develop a feeling for a company and to see what's going on at grassroots level. As a director, I help to define the company's culture, and that means addressing and solving problems together.



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