



Helping Boards Be Even More Effective Problem Solving Units

# BOARDS FOR EARLY STAGE ENTREPRENEURS

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# You Are Known By the Company You Keep

- External Validation
- Spending Too Much Time in Your Own Company
- Leverage the Company Your Board Keeps
- Misery Loves Company



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# DOWNSIDE

- Time/structure
- Loss of Equity



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# BOARD COMPENSATION

- Equity
- Cash in lieu of equity
- Noncash: network building
- Noncash: Structure, Respect, and Communication.



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# STRUCTURE

- Job Description
- Term Limits
- Set Times for Meetings a Year in Advance.
- Mutual Termination Letter.

# Risk Management Issues

- Suggest Board member incorporate and not be paid as an individual.

# Talent Considerations

- Avoid Friends.
- If you can't get "A" level players, go for "B" level players associated with "A" level companies.
- Limit Board to 2-3.

# Sources for Talent

- Venture Capitalists for referrals.
- Valued Advisors: professors, attorneys, customers, prospective customers/alliance partners.
- Board Talent Banks:  
[www.boardoptions.com](http://www.boardoptions.com),  
[www.nacdonline.org](http://www.nacdonline.org),  
[www.thebostonclub.org](http://www.thebostonclub.org).



# Thank You.



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