

Event Details

Where: The Humanities Center, Room 218, York College of Pennsylvania

When: 5:30-9 p.m. March 19, and 8:30 a.m. to 4 p.m. March 21

Cost to attend: \$295

Boards help firms navigate economic storms

By Jessica Bair

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Elaine McDevitt knows from experience the importance of a board of advisers. McDevitt is the chairwoman of the board of Reading-based The Rose Corp. – a custom-steel equipment fabricator and family-owned business. In 2004, the founder of the company – and McDevitt’s father – died. The board of advisers was one of the reasons the firm was able to survive.

“I can never overemphasize the importance of the perspective the board of advisers gives, especially to family-owned businesses,” McDevitt said. “They’ve made all the difference in our success because of their support and their experience and their guidance.”

McDevitt will be presenting at the Corporate Board and Directors Institute’s first program at York College of Pennsylvania. She will share the story of how the company came to develop a board of advisers. The additional support of advisers is even more helpful in a tough economic period because those advisers likely have experienced a wide variety of business situations from which they can offer advice, she said.

“Especially in a family-owned business where sometimes you have all the right intentions and all the right reasons for wanting to do things, those advisers give you perspective,” she said. “They’re away from the emotional part of running a family business.”

Statistics show that companies with boards of directors or advisers tend to be more profitable than those that do not, said Michael March, executive director of York College’s J.D. Brown Center for Entrepreneurship, which created the board program. As a result, it makes sense for firms without boards to consider creating one in the middle of an unstable economic period, he said.

This is one of the reasons why the J.D. Brown Center created the institute. The initiative will launch its first program March 19 and will continue on March 21. More than 15 presenters will speak during the two-day workshop on topics including liability issues, financial reporting and the importance of an audit committee and the responsibilities and expectations of directors.

Carolyn Schaefer will be attending the first program. She is managing partner of personal services at York Traditions Bank and a board member of the YMCA of York and York County, the York County Heritage Trust, Better York and the Rotary Club of York. Schaefer said she has been involved with the boards of directors of various organizations since the early 1980s.

“I think that without a doubt this is a tremendous opportunity just to continue to learn how to be an effective board member,” she said. “I think you can always add to your list of best practices.”

Serving on a board is an important task because of the ability to network and connect with other leaders, she said. In turn, she said boards of directors are important because of their ability to look at a situation from a different perspective.

“I think this particular session is a great way to share and hear ideas on how others have made their company successful and how others find the right balance in keeping their shareholders and their customers and their employees satisfied,” Schaefer said.

One of the main responsibilities of a board is to help strategize for the company’s future, which is particularly important in a down economy, said Lynda Randall, program director for the J.D. Brown Center and vice president of York County-based New Level Advisers. Board members no longer can rely on the same standards that have influenced policy decisions in the past – instead, they need to think outside the box and reformulate the firm’s strategies to match the economic climate, she said.

“They have to decide when helping the CEO how they want to position the company for the future because they can’t just rely on what has happened in the past,” she said. “The whole operating environment is changing now. They have to help that CEO make some really tough decisions.”

Another factor to keep in mind for public companies is the importance of transparency and communicating openly with shareholders about the firm’s profitability and losses, she said.

Companies with empty seats on their boards need to be even more particular than usual about whom they invite to join, she said.

Now is a crucial time for business owners to consider forming a board if they do not already have one, she said. Outside opinions with different experiences can bring fresh and beneficial perspectives to the table, she said.

“This is a time when boards are really addressing risk management,” she said. “Although they’re involved in protecting their assets, they have to start strategizing about how they’re going to take some intelligent risks in the future. You just really need well-educated boards.”