



Stanford eCorner

How to Choose Good Board Members

Ray Lane, *Kleiner Perkins Caufield & Byers*; Ron Bloom, *PodShow*

January 31, 2007

Video URL: <http://ecorner.stanford.edu/videos/1676/How-to-Choose-Good-Board-Members>

Bloom talks about his relationship with the board of Podshow as an ongoing dynamic one. They spend a lot of time with each other discussing issues as a healthy debate. A good board is one who is able to give advice at the right time and help in making connections. He also believes that the camaraderie of the board with each other is important.



Transcript

You mentioned before that the early mistake you did was the bad board. So can you describe please what differentiate the bad board from good board? Bad board from good board and a great example is when we were building the company and I was trying to find the right leadership in engineering. I talked to Ray and I said, "How do we do it? What are we missing and what are we doing here?" He said something that I used all the time which is the first 10 or 20 people on the organization put a DNA stamp on the organization and that permeates your next growth whatever it is, a thousand or hundreds of thousands. So we try to keep a whole around the lead of engineering, the whole of that DNA decision for as long as possible until we just hired a guy that they vetted for me that I don't know if anyone else could handle this guy but they vetted and in five minutes Ray called me and says, "Hire him. I don't care what it takes because he understood our DNA." That's a great example of getting some input from a board. The public company board we had we were busy already. We were very aggressive. We were growing. Not that they were bad people but it was more like a rubber stamp, you talk and they would give some advice and the advice would be many of the things you might hear in school. You know, make sure you stay focus.

Are you sure you're not doing too many things at once? How's that cash flow going? You know, all that kind of stuff. If you need the board to ask you that, you're probably in a little bit of trouble. If you haven't had the experience in running a company then those are really interesting questions. Our board is a healthy debate. We have a couple of guys that are more satiric. They dream John Doerr who is a very interesting board member. It was PodShow, Podcast network he would say, "It's not about the audience. It's about the chaos. Then it was "It's not about the chaos. It's about the Pod" then it was, "It's not about the Pod.

It's about the show." And any set, "OK we're not in Kansas anymore." But on the other hand, if you get into talking about where we can go and what the big vision is, he reacts. Ram Shiram is on our board. He is a very interesting gentleman. Ram and Ray have a great dynamic. They know that they can tell us, hit us right between the eyes I think also and we'll react. We spend a lot of time. We give three hours or so to a board meeting and they take three hours and become prepared and we discussed topics and it goes left and it goes right. At the end, We never got it done in three hours. Yeah, OK, four hours. We shell a lot.

We ask a lot. So in general, the camaraderie of the board with each other is important. Also, from an advisory capacity, I can call any board member on our board and probably get to anyone in the universe. And the board members are smart

enough to know to advise me may be as a little too soon. And I think I'm smart enough not to ask before it's too soon like what I see a lot of young companies do is. Ray Lane knows the head of ABC. Why don't you go talk to him? Well, I ask myself Her. Her. Why don't you go talk to her? And I asked myself what will I say? I don't have anything to say to her yet. So now I had parked in the back of my mind, "Boy, if I have five minutes with the head of ABC what would I say?" I got to build a company to get to the point to have that discussion.

So knowing that basically all I have to do now is build a company to get to the intersection, to talk to the person. And somewhere on this board, they'll give me access to that person. It's really, really the definition of the type of board that I like. Eighty percent of board meetings are not all that important. You see, interaction you have between board meetings and make decisions around individuals off any decision. But board meetings are 80% spent on the product, spent on the, you know, actually what the company, it could be a staff meeting actually, yeah. And 20% is on the stuff we have to do just as a business as any business would do but 80% of it is content that we're reviewing, looking at, fun stuff has been developed since the last, they're fun, good fun board mates.