

Corporate Governance Failures: *A Post Mortem Look at What Went Wrong and Why*

On Tuesday, May 19, the National Association of Corporate Directors New Jersey chapter (NACD-NJ) concluded its spring program series with a panel discussion titled "Corporate Governance Failures: A Post Mortem Look at What Went Wrong and Why." More than 50 NACD-NJ members and guests registered to attend the breakfast event, which was held at The Hilton Short Hills.

Jan Margolis, managing director and co-founder, Applied Research Corporation, moderated the panel discussion. Beverly Behan, founder, Board Advisor, and author of "Building Better Boards: A Blueprint for Effective Governance" and Alyce Halchak, director, Corporate, Gibbons, P.C. comprised the expert panel.

The discussion began with a comparison between the corporate governance failures that punctuated the dawn of this decade (i.e., Enron, WorldCom, Tyco) and the current slew of failures that we are now witnessing (i.e., AIG, Lehman Brothers, the Big Three auto makers, etc.). The panelists shared their views – from a board perspective – on what went wrong in both instances and what actions might be taken to prevent similar failures from happening in the future. With boards accountable for the performance of their companies, their role in overall enterprise risk management (ERM) is a critical one. The panelists shared their personal experiences with boards and ERM and provided attendees with some recommendations on how boards can strengthen their ERM programs.

The panelists discussed other hot button issues such as board composition, whether the role of CEO and chairman ought to be separate, performance evaluations, third-party peer reviews, succession planning, and the nature of the relationship between boards and the senior management. Given the corporate governance failures of late and the wide-ranging implications for boards, the program was a timely one and a very thought-provoking way to conclude NACD-NJ's spring program series.

About NACD

Founded in 1977, NACD is a national non-profit membership organization dedicated exclusively to serving the corporate governance needs of corporate boards and individual board members. For more information on the New Jersey chapter of the NACD, please visit www.nacdnj.org.

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