

IT'S TIME TO RECRUIT MORE FOREIGN NATIONALS AS DIRECTORS

Companies continue to expand internationally at a galloping rate—but the globalization of their boardrooms proceeds at a crawl. That's bad for business. (If you're offered a board seat at a foreign company, by the way, grab it.)

A typical recent workday for Sir Peter Bonfield started at 1 a.m. U.K. time with a call from his home that connected him to the Tokyo headquarters of Sony Corp., on whose board he sits, for a directors' briefing on an imminent earnings announcement. By midmorning Bonfield, 66, was in the City, London's financial center, attending a board meeting of Actis Capital LLC, a closely held company that invests in emerging markets. At 6 p.m., home again, he dialed in to a conference call with fellow members of the audit committee of Mentor Graphics, an \$800 million software-systems design firm in Wilsonville, Oregon. For Bonfield, this was a relatively laid-back day of stay-at-home board service. Over a given year, he logs more than 400,000 air miles in looking after four public and two private directorships around the globe. "I'm a bit of a travel junkie," says Bonfield, who retired as CEO of British Telecommunications in 2002. "Luckily I'm very organized, so I can keep up with it all."

He exemplifies a growing trend at the world's corporate apex—multinational directors who are board members of multinational corporations—but also

BONFIELD



what limits the trend. While big business continues to expand rapidly across borders, the globalization of boardrooms limps far behind. In the U.S., the average Standard & Poor's 500 company earned 32% of its revenue abroad in 2008, according to the Global Board Index, a study by executive search firm Egon Zehnder International. Yet only 6.6% of S&P 500 directors were non-U.S. nationals—an island of 359 souls in an ocean of 5,444 board members.

Interviews with some of these men and women and their native-born colleagues reveal various subtle reasons for the lag, among them a struggle to get in harmony with the culture of a foreign board, U.S. or otherwise. Most significant is the sheer physical distance between a company's headquarters and a foreign director's home. Say what you will about the virtues of teleconferencing, there is no substitute for frequent personal interaction, which remains punishingly difficult.