

Board of Governors Meeting

Summary Notes

27-28 July 2023

Virtual Conference Call

Attendees:

- **Board of Governors Present:**
Tricia Rothschild (Vice Chair), Marshall Bailey, Alexander Birkin, Daniel Fasciano, Banji Fehintola, Marg Franklin, Mei Gao, Joanne Hill, Heinz Hockmann, Punita Kumar-Sinha, Yimei Li, Geoffrey Ng, Maria Wilton, Pamela Yang (Governor-elect).
 - **Governors Absent:**
Mark Lazberger (Chair).
 - **Presidents Council Representatives Present:**
Jennifer Garbowicz (PC Chair), Pieter van Putten (PC Vice Chair), George Chen, Greg Filbeck, Joshua Howard, Shirley Ogden, Peter Varga.
 - **Leadership Team Present:**
Paul Andrews, Marty Colburn, Steven Hendry, Sheri Littlefield, Paul Moody, Andrew Rome, Randi Tolber, Chris Wiese.
 - **Others Present:**
Joseph Lange (Secretary), Tina Sapsara, Leah Hoffman, Anne O'Brien.
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1. Vice Chair Report

Vice Chair Tricia Rothschild led the meeting in the Chair's absence, confirming quorum and requesting any conflicts of interest. None were reported.

2. Committee Chair Reports

- **Governance Committee (GC):**
Korn Ferry's Board performance review is on track for FY24. Committee composition is still in development.
- **Audit & Finance Committee (AFC):**
KPMG's role as external auditor has been extended. Society funding will be reviewed in upcoming meetings.
- **Society Partnership Advisory Council (SPAC):**
Society sentiment surveys were conducted to guide Board feedback. Planning for FY24 Society Leader Conferences (SLCs) is in progress.

3. Presidents Council Chair Report

Jennifer Garbowicz provided updates on society elections, which resulted in the appointment of three Regional Vice Chairs and new PCRs. The PC continues planning SLCs, with an emphasis on fiscal year transitions and governance improvements.

4. CEO Report

Marg Franklin highlighted several achievements for FY23, including:

- Strong cash revenue performance.
- Sale of the Charlottesville property.
- Successful cultural milestones and diversified products, with ESG being particularly successful despite political challenges.

Challenges included growth in China and a deeper understanding of New Level 1 (NL1) candidate registrations. A multi-year membership strategy is being developed, focusing on enhancing member value, exploring AI, and adapting lessons learned from previous strategies.

5. COO Report

Marty Colburn reported progress on e-commerce and Salesforce platforms. The marketing cloud is improving customer care and insights, enhancing global customer engagement. The sale of the Charlottesville office has been completed, with the remaining leased space designed for hybrid work environments. A significant issue with Prometric during the May exam was resolved, with ongoing monitoring of alternate solutions.

6. FY23 Financial Update & FY24 Budget

Steven Hendry reported that FY23 financials are on track, with revenue driven by the CFA Program despite lower-than-expected NL1 registrations. ESG Certificate sales remain strong despite political pressures. No drawdown from reserves is expected, and personnel costs are below budget due to delayed hiring.

Resolution Passed:

- Approval of the FY24 operating and investment budget.

7. People & Culture Committee (PAC) Update

Maria Wilton shared the PAC's focus on executive compensation, which is benchmarked every three years. The CEO's performance appraisal will include Board feedback and recommendations on compensation and FY24 goals.

The Q3 pulse survey indicated positive results, but workload pressures and time-zone issues persist, particularly in the APAC region.

8. Membership Strategy Business Plan

Randi Tolber presented the plan to stabilize membership attrition and increase member engagement. Key priorities include emphasizing the value of the CFA charter, expanding learning opportunities, and creating a member community to support professional development. The competency framework will offer career path guidance, and a volunteer academy is under consideration.

9. Education & Product Update

Chris Wiese and Paul Moody discussed the continued success of the ESG Certificate and the launch of new products in September. Evolve, a key initiative, is being well received but has not yet translated into increased NL1 registrations. Outreach to top universities and regulatory engagement in China are showing positive results, while expanding the portfolio to include practical applications is a key focus.

Resolution Passed:

- Approval of the FY24 operating and investment budget.
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Meeting adjourned.