

SMOCK♦STERLING

Strategic Management Consultants

OUR CORPORATE GOVERNANCE SERVICES

Corporate boards of directors are evolving to more questioning, decisive, and positively influencing governing bodies. There is an emerging belief that “good governance” and effective boards of directors can and should have a tangibly positive impact on company performance.

Assisting these boards of directors better meet their responsibilities to their shareholders are a variety of professionals. Attorneys and their firms assist boards in meeting legal and compliance requirements; retained executive search firms assist in identifying qualified directors; and specialty firms (e.g. – investment bankers, compensation specialists) meet board needs that require their specialized professional input. With few exceptions, management consulting firms have not developed specific practices to meet the more general management needs of boards of directors – particularly in those areas where boards of directors can dramatically add value and enhance company performance.

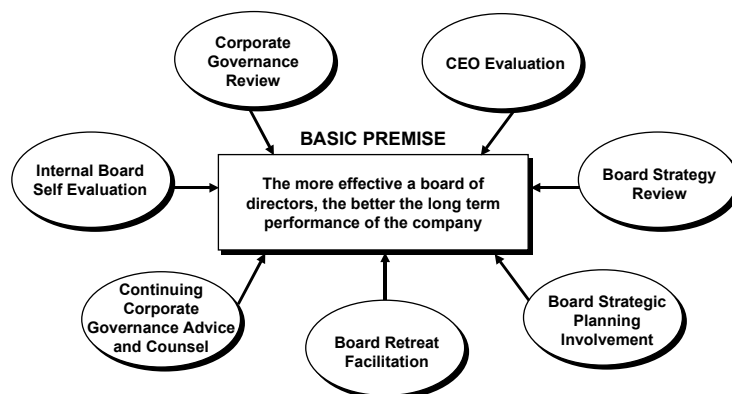
Smock♦Sterling Strategic Management Consultants (Smock♦Sterling), as a firm focused on helping our clients develop and implement winning business strategies, has recognized this need and developed both a focused corporate governance consulting practice and those services that aid the board in directly impacting their companies’ performance. The following sections discuss the basic premise of our practice, present our services, and describe the strengths that Smock♦Sterling Strategic Management Consultants brings to our corporate governance clients.

BASIC PREMISE OF OUR CORPORATE GOVERNANCE PRACTICE

All of our corporate governance services are predicated on our strongly held belief that the more effective a board of directors (be it publicly or privately held), the better the long term performance of the company. We see a direct relationship - long term - between board effectiveness in those areas where boards can and do add value (e.g. – CEO evaluation, strategy review, succession planning, and the like) and corporate performance (defined primarily as building shareholder value, but also measured by profitability, cash flow, market share, client/customer satisfaction, and other similar measures).

OUR SERVICES

Using that basic premise, we have designed a complement of consulting services focused on improving boards of directors effectiveness and taking advantage of Smock♦Sterling Strategic Management Consultants’ strengths.



Governance Review – a structured analysis of a board’s effectiveness in terms of that board’s interaction with the CEO management, and shareholders; committee effectiveness; effectiveness of the board’s strategy review; evaluation of the CEO and of the board itself; and the board’s involvement in succession planning and similar issues (similar in scope to a management audit of a company).

Internal Board of Directors Evaluation Systems and Processes – design, implementation, and facilitation of meaningful systems and processes by which the board evaluates its own performance and the performance of its individual directors.

CEO Evaluation – design, assistance in the implementation, and review of an annual CEO evaluation process – ordinarily conducted by the independent directors.

Board Strategy Review – process design and facilitation assistance for the board of directors’ review of the effectiveness of the strategy of a company to include such things as discussion of management’s strategic assumptions, a brief external confirmation of assumptions and/or major strategies, and development of refinements and/or areas for management’s inquiry or “*tightening –up.*”

Involvement of Board Members in the Strategic Planning Process – the design and structure of a way or ways for directors (both individually and as groups and using the strengths they bring to the process) to be involved in strategic plan development.

Board Retreat Facilitation – as boards of directors have more and more retreats and/or structured meetings (e.g. – the increasing number of meetings of the independent directors) on specific issues, Smock•Sterling would facilitate these retreats. ensure that they are productive, and that they meet the objectives set and expectations voiced.

Continuing Corporate Governance Advice and Counsel – serving our clients’ boards by providing continuing advice and counsel on corporate governance and related strategic issues.

SMOCK•STERLING’S STRENGTHS RELATIVE TO CORPORATE GOVERNANCE

There a number of distinct strengths that Smock•Sterling Strategic Management Consultants brings to corporate governance.

- We are unusually competent and well qualified strategy consultants and have earned a well deserved reputation for helping our clients develop and carry out a future vision and plan.
- The director of our corporate governance services practice – our president – has over 27 years experience as a strategy consultant directly serving top management, CEOs, and boards.
- We are particularly skilled at meeting facilitation, a key element in adding value to both corporate governance and strategy formulations.
- We understand corporate governance and are well versed in issues related to this important function – but, we remain flexible and do not push particular corporate governance dogmas.

SMOCK•STERLING *Strategic Management Consultants*

725 N. McKinley, Suite 2000 Lake Forest, IL 60045

6430 N. Central Ave., Suite 207 Chicago, IL 60646

Tel: 847-615-8833

Fax: 847-615-9550

www.smocksterling.com