



Investment committees—Making a difference

Perspectives on what it takes to succeed

Challenges in finding and integrating new committee members

Jeff Molitor

Over the years, I've worked with a range of investment committees. I've served on them and chaired some as well. One thing I've learned is that committees need to have the right blend of capabilities to be effective. It's not that everyone needs to be an expert in every aspect, but roles have to be clear.

In this video, we'll point out some of the challenges committees face in selecting and integrating new committee members, and point the way to some possible solutions.

Joel Dickson

I think finding the committee members is a lot like building a portfolio of investments, so you want a diversified set of skills.

William McNabb

I think the challenge is really being clear about what specific roles do you want different people to play and, you know, how are you trying to, in a sense, design the committee holistically.

Jeff Molitor

Just having somebody on because they've been a big donor or if they're known by someone else doesn't really work. It has to be somebody who can work as part of the team, has a real interest in doing what's needed, and has some investment background.

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Kamila Williams

The biggest commitment for our committee members is time. Being present at the meetings is very important and being engaged at the meetings is very important

Rebecca Cuff

Often the people that you want on your committee are the busiest people, but the busiest people tend to be the ones that get things done. So you want to attract them.

Alba E. Martinez

Some solutions to help increase the likelihood of success when we're recruiting committee members, in my experience, tapping retirees, and semi-retirees is very effective. There are a lot of people in the 50, 55 and over age range that are dying to give back to their community, often with extremely successful careers in financial services and investment. And it's important to look for those people and give them the opportunity to serve.

Lucy Momjian

So it's just not enough to find members. It's how you bring them on board and make them useful and integrate them early on. One of the organizations that I work with actually has a wonderful book that they've compiled that has a history of the organization, its mission, the various committees, the financials, and it's really a wonderful resource for new members.

Wendy Simenson

I think when you bring on a new committee member, it's really important that ideally, you have a committee charter. And that individual can look over the charter and make sure that they're up to the task. Because if you were, say, investing passively and somebody is just philosophically opposed to that, it's not going to further the means of the committee to have them come on board if it just really doesn't agree with them and they're going to fight it at every turn.

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Scott A. Conking

When anybody that comes on to a new board or investment committee, they tend to be a little bit quieter. They kind of don't have the lay of the land. It's almost like coming into a book, a 15-chapter book, on chapter 10, and you haven't read the previous chapters.

John J. Brennan

The leader, whether it's the staff or the chairman, should spend the time to provide the history, and provide the sense of how the portfolio got to where the portfolio is.

Joel Dickson

And really, I think that starts with a good investment policy statement, so that everyone knows sort of what the common ground is, where the hot-button issues are, and what we think the goal of the overall investment committee process is.

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