

## 2007 Directors Conference

**CONCURRENT SESSION**

# Succession Planning

*Carrol Pruett, Mid-State Bank & Trust*  
*Larry Cabaldon, DHR International*

Friday, November 9, 2007

10:30-11:30 am

# Board Performance Beyond Succession Planning

WIB/AABD Annual Directors Conference

Nov. 8-10, 2007 • Indian Wells, CA



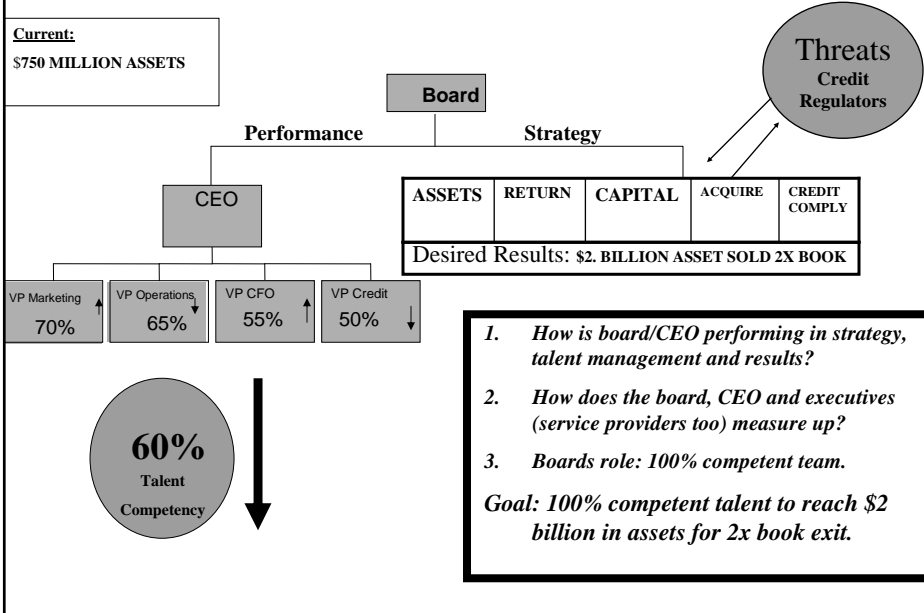
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## *Every director's duty: Leave a proud leadership legacy.*

1. **Take the lead by assuming your full leadership responsibility:** To protect and create value for the benefit of all shareholders, employees, customers, and the community. Insist on working with inspired, knowledgeable and principled directors (including the CEO).
2. **Assess each director, and executive's performance.** Gauge the board's ability to recruit, guide and work with the CEO and develop a winning strategy. Determine if the board, CEO and management team are completely competent and committed to executing a well thought out strategy.
3. **Hold to the highest standards. Ensure the board, executives and service providers' adhere to the highest standards of corporate governance,** risk management, regulatory compliance, fiduciary and professional standards. Make sure they display integrity, courage and character, individually and as a group. Hold yourself personally accountable to these same standards.
4. **Focus on the intangibles: WHATRS**
  - **Winning** -Is everyone winning-the organization, directors, the board, employees, shareholders? If not, what do we need to accomplish to win.
  - **Harmony**-Are we in agreement with and committed to the organization's methods, values, and objectives?
  - **Attitude**-Do we have a negative attitude of fear, blame, and distrust or are we aggressively positive about winning?
  - **Trust**-Are we committed to the truth and are we credible with ourselves and all stakeholders?
  - **Right things**- Are we doing the right things in terms of ethics, people, strategy, and are we doing the right things now?
5. **Set and achieve 5 objectives every 90 days.** Start with the intangibles; get the best talent, 100% committed, then focus on tasks and performance metrics. As a steward of financial, human and other resources, leave a proud legacy of growth, value, and integrity.

# Board Performance

**Current:**  
\$750 MILLION ASSETS



1. *How is board/CEO performing in strategy, talent management and results?*
  2. *How does the board, CEO and executives (service providers too) measure up?*
  3. *Boards role: 100% competent team.*
- Goal: 100% competent talent to reach \$2 billion in assets for 2x book exit.**