



## Take on Board

# Transcript – Sara Faivre

### Helga Svendsen 0:00

Today on the Take On Board Podcast, I'm speaking with Sara Faivre about social unrest and COVID and the board's role in setting the tone. First, let me tell you a bit about Sara. Starting with a background in agriculture and biotechnology. Sara's own transformative journey from the research lab to the boardroom, has led to a career devoted to helping others integrate profit and purpose. Sara is a public and private company, board director and business evolution coach from Austin, Texas. She's on the board of Farmer Mac, One More Cloud and NACD Texas TriCities Advisory Board and she was formerly on the boards of Texas Red Angus Association, Viagen Incorporated, Genomics effects and exit out Life Sciences. Her first board experience was as an executive member and co founder on a VC funded ag biotech genomics ethics during the crazy.com heyday. Welcome to the Take On Board Podcast, Sara!

### Sara Faivre 1:01

Thank you so much.

### Helga Svendsen 1:04

Great to have you here. And indeed, Sara and I were at a virtual conference together last week, Decision84. So it was fabulous to connect to there with a bunch of like minded directors, Sara. Before we explore our topic for today's social unrest and COVID, and the board's role in setting the tone, we'd love to hear just a little bit more about you. Can you tell me a story about young Sara that tells us a bit about how you got to where you are today.

### Sara Faivre 1:30

My young Sara story actually, is sort of in the early stages of my career when I was in the.com, heyday, when I was doing those biotech startups. And I got really, really burned out. VC funding. NASDAQ crashed. I mean, it was just horrible. I got so tired of hearing It's nothing personal. It's just business, which usually was what you heard right before you get stabbed in the back. So I got so burned out. I left, started a grass fed beef company and was in the middle of running that I had two young kids. And I got a call from the white house one day while I was sitting, selling beef at a farmers market. And I almost hung up on them, because really, who believes the White House is calling them and it was the White House personnel office. And they asked if I would be interested in serving on the board of Farmer Mac, which is the AG mortgage GSE. And that changed my life and we can talk

about that later. But the the take home message there is how I got how they got my name. I was a political nobody, but I belong to a pretty liberal church. And when Obama got elected, you could submit your name to be considered for a position in his administration, which I did because I thought it was cool that he was pulling up virtual nobody's thinking that yeah, right. He's not really doing that and they pulled my name out of that database.

**Helga Svendsen 3:03**

Wow. It's such a great lesson for people I guess in a way I know here in Victoria in Australia where I am and I know a number of other, the state governments around Australia have registers for these things. And likewise, no doubt around the world. So put your name down. Just out of interest. What came up on the phone? Was it a private number? Or was it an actual number because I'm imagining it didn't say a White House.

**Sara Faivre 3:30**

But what came up on the phone? It said private number, but because I was a direct to consumer business I and that was before the days of so much phone spam. I always answered the phone if I was able to so he answered the phone and said this is Ben Flatguard of the White House personnel office and that's when I almost hung up, but I had seen a change.gov bumper sticker earlier that day, and was just wondering if they ever did anything with all those.

**Helga Svendsen 3:58**

Oh my god. What a fantastic story. So what did you say when he says I'm been whoever from the White House recruitment people, which is not quite what you said, but what did you actually say?

**Sara Faivre 4:10**

Well, I admitted, and I'd served on boards as a president of my biotech. But I wasn't really even sure whether it was going to be a compensated board position. And I was afraid to admit my ignorance. So I said, Okay, I'll consider it.

**Helga Svendsen 4:28**

Oh, half fabulous. Right. So, you know, two things I can hear in there. One, put your name down for things second, answer the call.

**Sara Faivre 4:38**

Yeah. And the power of positive thinking, because if I was really skeptical, I never would have thrown my name in the hat.

**Helga Svendsen 4:47**

Put your name down on these registers, folks. I'll do some digging around and see if there'll be a couple of them that I might be able to link to in the show notes. I'll do my best folks but might not be able to find all of them. Just Google wherever you are. Register for government appointments or something along those lines in your local, state or country, I'm sure you'll find some of them and put your name down because somebody might make the call and look where you'll end up. So, Sara, today we're talking about social unrest, any net, I'm guessing we're talking about the Black Lives Matter protests and movement, I should say, and COVID and the board's role in setting the tone. So I should say that we are recording this on the 17th of June. I don't usually date my podcasts, but with so much going on in the world at the moment, it's worthwhile doing it because things change so quickly. So can I first check how you and your family going with both of these things? And then let's talk about the board.

**Sara Faivre 5:45**

Well, I count myself lucky every day. I am in pretty extreme lockdown with my family. I have two an 18 and 20 year old at home and I'm a divorced parent. Both step parents both my husband and their Dad's wife are at really high risk. So we have this little dual household bubble where everybody is in total lockdown. I have lots of extra time with my kids, they have no time with their friends. So I'm not minding it so much I still get to see my horse. And I realized just exactly how lucky I am I have rearranged my business to be completely virtual. And we're far enough outside of the Austin, Texas metropolitan area that the protests have not mattered to us physically, although certainly emotionally as a pretty serious empath. They weigh on me a lot.

**Helga Svendsen 6:41**

Mm hmm. It is a very difficult time, I think. And I guess even that's a position of privilege in I'm thinking about my own reaction to that thinking it weighs on heavily, you know, weighs on me and worries me and then you think well that's the least of the concern of those that are much more directly impacted by this. But I think these sorts of conversations about how the board can react and can operate in setting the tone is even more important. In thinking about that we are obviously in a pretty unusual time. At the moment, I can't imagine there are going to be many more years like 2020, but maybe there will. But we're in a very unusual time. And for those of us in Australia, we started with the bushfire period, which was incredibly impactful for the start of the year leading into COVID, leading into the Black Lives Matter movement being catalyzed by what's going on in the

world. So how does that impact you as a director, tell me about how that's impacted you and the boardroom conversations that you're having.

**Sara Faivre 7:48**

So I'm going to tell you another little story. So in my day job, I'm an executive coach, and I'm very much about integrating profit and purpose. And I've also been running a board right This program for a couple of years where I helped primarily women, that diversity focus program to help people get on boards. And this whole thing even before the George Floyd and Black Lives Matter, has made me take a strong look at what's important in my life realizing how important family is. And so after the George Floyd thing, I spent a lot of time on my morning walks thinking about was my effort pointed in the most effective direction and as a public company, board director, I'm very well compensated, and I have been working hard to secure another one of those positions. And what just was really questioning myself is that is that my highest and best use and I what I realized is that one of the things that the board does is hire and fire the CEO. I was brought on the board right after farmer max co head been fired for not really misappropriation of funds, but the compensation had incentivized him to take make some really risky investments that went south and endangered the company. So they had just had a CEO turnover. That was 12 years ago, 11 or 12 years ago. So I came on right after that new CEO was put in that CEO turned out to be a cultural disaster. And we replaced him with another CEO. And we subsequently had to replace that CEO for non financial reasons. And we have a new CEO or he's been there a couple of years. And we finally learned to really pay attention to culture and ethics. And the person that we brought in has transformed the culture of the company it is has gone from having no women in The C suite and the layer below are very few two, we now have a woman of color as our CFO, we have diversity of all types at all levels of the organisation. After five years of tearing the Diversity Committee, we now have three women on the board after 10 years of being the only woman on the board, and we have a woman as our board chair and all but one of the candidates we interviewed for board positions This year, we're diverse. And I thought that's the issue around Black Lives Matter is not just a police brutality issue. It's a systemic issue. It's systemic inequality. It's systemic racism. It's all it's got to be addressed everywhere. And, you know, as a conscious capitalist, I went from being burned out and running that farm to you. I got exposed to conscious capitalism and I'd be I'd met good people in business. and became a believer that business is the main source force for good. We can't wait for the government to do it, especially these days. It's got to come through business. And it's got to go come through individual development. And so I kind of talked myself back into Yeah, being a board members, probably the most impactful thing you can do.

**Helga Svendsen 11:21**

I would love to hear more about this. And as in as much as you're able to share, I'm wondering, you know, it sounded pretty clear for the first CEO that was exited just before you came on. But then I heard the next one, I think it was I think I've got this right was a cultural disaster. And since then, you've got the new CEO on who has really paid attention to culture and ethics. Now, it's something I think a lot of boards struggle with in terms of culture. We all know it's important. How much do you

see in the boardroom? And what do you need to see in the boardroom, so that you know that somebody is either being a cultural disaster or that they're paying attention How has that played out in the boardroom? What are the sorts of things that you needed to say so that you had proper oversight of that.

**Sara Faivre 12:08**

So one of the things that was actually pretty important was being able to have really thorough vetting through our recruiter and having a recruiter that we could trust to dig and do that. I feel like I brought some value to the board, through my coaching experience in reading in the interviews, and just kind of this is so stereotypical, but kind of being the only woman I really relied on my intuition to get a read of all of the candidates that we interviewed. And this person definitely came across as just having more integrity and being more, more real. You know, after that experience, I can tell you we asked a lot tougher questions in the interview process. After having been burned?

**Helga Svendsen 13:01**

What sort of questions were you asking? Because I think this will be really helpful for others as they doing the same process. What are some of the questions that you asked?

**Sara Faivre 13:08**

Well, the issues that we were facing as a company around that I don't think we really even at that point had a full grasp of what the cultural issues we had were. But we knew that we needed someone who is going to be able to handle difficult personal situations. And so we asked a lot of questions about, you know, how would you handle someone who wasn't fitting in how would you handle this situation? How would you handle and so we asked a lot more hypothetical questions about their interactions.

**Helga Svendsen 13:42**

And then it sounds like since that person came on the board, got a lot more insight into how the organisation was actually running in relation to culture.

**Sara Faivre 13:52**

We did know that that was also our regulator required that we do a cultural survey, which we actually did too, so We did one for the regulator. And we have since implemented an ongoing cultural survey program, as well as finally hiring a full time HR executive. So getting some of the data and then putting some of the resources in. And how has both of those things getting some of the

data from the cultural survey and having the HR director hat? Has that changed? What comes to the boardroom? It's changed a lot. I mean, that I think we would have asked for some of this anyway. But having someone with an executive position in HR means we now have someone with that kind of stature who can come in and actually discuss things with the board. Before we had a more junior person who kind of kept track of things and she would report to the board, but that's not the same thing.

**Helga Svendsen 14:49**

Yeah, there's so much in there that will help other boards in thinking about how they keep oversight of culture. Is there anything else from that experience that you've had that would be useful advice for other directors and other boards and other organisations in keeping oversight of culture.

**Sara Faivre 15:07**

There's two things. So I was mentioned I was on the Diversity Committee for the Diversity Committee for five years.

**Helga Svendsen 15:14**

Even having a Diversity Committee. A lot of organisations don't have that. So tell us more.

**Sara Faivre 15:18**

It was a subcommittee of the board. It was one of the issues that was identified in one of the CEO turnover, that that you know, that was definitely a problem. And we had exactly two diverse members on our board of 15. We had one African American man and one woman. So we were two of the four diversity subcommittee members. And we also are hamstrung we have a somewhat unique board structure so we actually don't get to interview and nominate most of our board directors because we have three different classes of stock. The President appoints five directors, so we have no say in that. But the President has always appointed one woman out of the five, entire history and the other two are elected by a fairly small number of shareholders. So we can make suggestions. But we don't normally present a slate of candidates that are automatically approved, they usually tell us who they want to put on the board. So it was a really long uphill climb, but we finally got there. So we have a woman board chair. And we have, like I said, we have another there's now three women on the board in total, and the board has become aware of diversity issues, and we've done much better through the board. So at my suggestion, diversity is now beginning to be part of our DNA. I suggested that we elevate diversity to a full board, one of the full board committees as part of corporate social responsibility, because diversity is really just one piece of ESG or corporate social responsibility and That's been approved. And the other thing I am now really pushing for is as we have implemented and embraced ESG formally in our is let's not Park this in

public policy, let's make this part of our our strategic planning. This needs to go in the strategy committee, not the Public Policy Committee.

**Helga Svendsen 17:24**

It's interesting to hear I hear of organisations here, potentially having ESG committees. I haven't heard of many organisations having a Diversity Committee.

**Sara Faivre 17:35**

Well, like I said, it was a subcommittee of the governance that it was specifically because we had such we had such an issue and it was such an uphill battle.

**Helga Svendsen 17:46**

I do wonder though, whether having been proactive in some of those things, rather than waiting, it sounds like there was a bit of an issue in your organisation and that prompted it so you know, nothing like that. Good crosses to prompt some of these things sometimes, but I wonder about doing it a little more proactively. You know, I was talking to a board director yesterday, and she was reflecting that, in their recent board recruitment, they hadn't had a huge amount of diversity in the applicants. And when they talked about their board, it's like, well, no one applied. And she, I think, rightly, had reflected Well, what should we be doing to ensure that they do apply? I don't think you can just say, well, we put it out there and they didn't apply. So therefore, like, well, what how we really showcasing that we are a diverse and inclusive organisation, how are we really making sure that we do get applications from people from diverse communities? Yeah, so maybe having a Diversity Committee is one way of doing that. It's interesting. What was the charter of that committee?

**Sara Faivre 18:49**

Because it was a subcommittee. It really was just, it really was ad hoc. We started out with bringing in a diversity consultant. So this was like chaired the committee for five years, but I think seven of the 10 years I've been on the board, we've had the committee and came up with some real education for the board, as well as a full program for the entire staff. And we did make progress much quicker in the main part of the company than we did on the board. So there was education, there was consulting. And then on the board side, it really was a multi year plan. You know, we started looking ahead at who is likely to retire who is rolling off talking to the largest shareholders who were the ones who had the power to nominate members and we do occasionally get to, we have a couple of spots we didn't get to nominate. And it just took a lot of long term planning. And it also helped because I swim in the diversity space when the time came and, you know, every year Even though I knew we didn't get to nominate a whole lot of boards, I would always present them

with a number of names of not just diverse in terms of gender or ethnicity, but also these are these are people who have completely different skill sets that also happened to bring other types of diversity with them.

**Helga Svendsen 20:19**

As is often the case. Oh, fantastic. Oh, Sara, I could talk to you all day. Sara's husband is from Tasmania here in Australia. As you heard earlier, she's from Texas, but I'm hoping that one day in the future, she'll get back to Tasmania and we can talk all day when we're in the same country and hopefully over a nice glass of wine instead of will one day we will one day. I'm wondering what are the main points you want people to take away from the conversation that we've had today.

**Sara Faivre 20:51**

Like I said, I spend my day job is helping people integrate profit and purpose and just not leaving that your day job that that I really for myself, my main takeaway is to be more conscious about bringing that into the boardroom. And, you know, just to show up as your whole self,

**Helga Svendsen 21:11**

Is there a resource that you would like to recommend for the tech on board community, a book or podcast or something?

**Sara Faivre 21:17**

You asked that question. And I was, had to go back and look through all of my old books. And I still keep coming down to the one that started it all for me, which is conscious capitalism. That was I read that book, I went to their annual meeting, I was fresh on the board of Farmer Mac, I was still running the grass fed beef company. And I sat through that meeting, and I went, you know, I could run a company again, if it was one of these. And that was pretty much what was the catalyst to me becoming a business evolution coach was I decided that I wanted to help companies, be those kinds of companies.

**Helga Svendsen 21:56**

Fantastic. And and it sounds like you do that now. Both as a director of organisations or as a board member of organisations, and as a coach of other organisations, in bringing your whole self to the boardroom and being that sort of conscious director, have you got some suggestions for action? What are the sorts of things that people should be thinking about doing to make sure that happens?



**Sara Faivre 22:20**

Never stop working on your own personal development. And don't be afraid to speak up in the boardroom. You know, the corollary to that is if like, and I'm bringing all sorts of diversity to my boardroom, I'm a scientist on a financial board. I was the only woman. I'm one of the few Democrats. So I've got much more liberal views. The men on the board are people I care about and respect, which has been really helpful in this politically divided time. If you're find yourself in that situation, don't shy away from the social interactions because that's where a lot of the glue happens. That helps your alternative viewpoints be given weight in the boardrooms

**Helga Svendsen 23:01**

Absolutely those, building those relationships are key. It's not just coming together and you know not to get out in those board meetings, however often they might be. It's building the relationships to have those deep conversations. Yeah. Oh, fantastic. Thank you so much, Sarah. It has been. I've enjoyed the conversation, and I know people will get a lot out of the conversation that we've had today. So thank you so much for being a guest on the Take On Board Podcast.

**Sara Faivre 23:29**

Thank you. This was delightful.