**CASE: Everyone Wants to be Involved in Everything February 1, 2021**

**COMPANY BACKGROUND**: “BULLARD INDUSTRIAL” INC., a small-Cap Public Company; Located in the Midwest; incorporated approximately 60 years ago; makes a wide variety of products for the aerospace, automotive and material science industries. However, it only became public ten years ago—and is still going through growing pains (private to public).

Its products are “highly technical and “designed in”. Because of the “design in” nature- the “pre-sale” or “pre-revenue” can be anywhere from one to two years. Once designed into products- the products are usually manufactured in three to five-year cycles—with modifications along the way.

The sales markets are increasing the demand for technological and design changes. Investments for the future require larger capital and technology outlays both for the development/design and to produce the products. Product designs take a significant amount of both R&D, as well as capital outlay when ultimately produced. Software and ties to IOT are becoming an increasing part of product development.

In addition, the Company’s stock price has been fluctuating and despitel the turmoil with the Pandemic, the Stock price and doubled over the last 12 months mainly due to large sales increase. However, investors think the stock price should be higher.

Questions in front of the board include decisions on R&D investment and its technology roadmap; Capital Investment; Equity Raises vs using Debt; How to improve cash flow and increase return to shareholders. In addition- the Board has been dealing with numerous issues related to ESG (Environmental, Social and Governance) and has decided that in 2021 this will be a priority focus for the Company/Board. Finally, in 2020, the Company became a target of several Cyber-attacks-while no negative ramifications, it did take focus away from strategy decisions and operating issues. In addition, the high growth has put stress into the Company’s ability to final talent resources (people) and those that are at the company are unhappy that the company is not doing more in the diversity and inclusion area. Finally, several customers are insisting that its suppliers (including Bullard) use BlockChain. But the Company does not have the infrastructure support.

The Company has established a Strategy Committee; an Executive Committee; a Technology Committee- in addition to the normal committees: Audit; Compensation and Nom/Gov. Some board members also want a “Risk” Committee.

THE MAIN PROBLEM is that the Board Members do not want to be left out of any discussions and decision making on all the above topics—and each person insists that they are critical to each of the Committees.

THE BOARD CHAIR IS AT A LOSS AS TO HOW TO MAKE THIS WORK----Because of increasing focus at the Board level of these issues—the Board requested that a Governance expert speak with them about how to structure both their priorities and Committee vs. full board work.

**The Governance expert stressed the following**:

Not every board member needs to be involved in all decisions, but all board members should possess enough knowledge on each topic, including sufficient financial literacy to understand basic terminology, read and evaluate financial statements and be able to ask the right questions in determining the financial health of the organization. The Governance expressed the same view on Cyber issues, Blockchain and ESG.

**Board Make up**:

The Board is made up of seven individuals plus the CEO. (The Chairman is independent). The Backgrounds of the Board members are quite diverse:

2 former CEO’s with background in the industries served by the company (customer)

1 former CEO with background in the same industry

1 active executive from company in similar industrial space (Sales/Marketing and HR background)

1 active executive -former “analyst”-in market space who is now Treasurer of Fortune 25 company with IR background.

1 former executive- Former CFO of Fortune 500 company- with experience in industrial companies

1 active executive- with fortune 50 company- strengths in sales/marketing and legal/compliance

YOU ARE THE BOARD CHAIR--- WHAT DO YOU DO? WHAT STEPS DO YOU TAKE? WHAT INFORMATION DO YOU NEED? How do you engage the board members to develop a workable situation?

END: Who should be on what committee? Do you have the right / needed number of directors with the right skill sets? What committees are most critical and are some issues -ones that can be incorporated into existing committees?