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It Works If You Work It

Financial Expert Urges Privately-Owned Companies to Choose Boards of Directors Wisely

Los Angeles, Calif. (May 12, 2008)—Finding directors to guide your company who actually know something about what your company does should be common sense, but it's rarely the case says financial guru Gene Siciliano. This is made even more evident by a recent *Wall Street Journal* article, which indicated that Citigroup, Inc., a large parent corporation for several financial businesses, is looking for new directors with financial expertise – which they haven't had up to this point.

“Unfortunately this problem isn't unique to Citigroup,” says Gene Siciliano, author of *Finance for Non-Financial Managers* (McGraw-Hill, 2003). “Many companies don't choose directors with the care they should because they don't recognize the opportunities a strong board can offer – or worse, the cost of an ineffective board.”

Public companies often choose directors based on how much their thinking aligns with that of the current CEO's – and Siciliano argues that private companies are often even worse. “Most private companies don't even have a Board of Directors unless state law requires it. In those cases, the board is often made up of the owner, the owner's spouse, and perhaps a senior executive of the company or the family attorney.”

Former CEOs or high-level executives often make good directors, asserts Siciliano, as they bring an expertise that can be difficult to duplicate with outside executives. If the company can't find candidates who are both available and willing to serve, however, it is still possible to put together a strong board that will help companies avoid the kind of criticism Citigroup has faced.

Siciliano urges privately-owned companies to select their directors carefully and strategically by evaluating them based on several criteria. These criteria include experience with growth strategies, general and operations management, organization and structuring, sales and marketing, strategic planning, finance and capital funding, and the creation and implementation of a successful exit strategy. If their future plans include any form of public company status, an audit committee with strong financial accounting expertise at the head is a good idea as well. The importance of these areas varies depending on the particular strategic goals of the company.

“Choosing a director because they will always support the CEO's initiatives does no one any good,” says Siciliano. “Companies need to start being smart – they need to bring in independent thinkers with strong backgrounds in the areas of expertise that the company needs.”

For more information about Gene Siciliano, please visit www.GeneSiciliano.com. To schedule an interview with him, please contact Leyna McKenney at The Ictus Initiative, (617) 840-4689 or Leyna@IctusInitiative.com. To read the *Wall Street Journal* article, please visit <http://online.wsj.com/article/SB120696250361576873.html>.

Gene Siciliano, a former CFO and CPA with over 30 years of financial and general management experience, has held top financial management positions with Computer Sciences Corporation, Epson America, and Superscope, Inc., among others. As a consultant, he has acted as Chief Financial Officer for over a dozen companies—both publicly traded and privately owned—earning himself the title “Your CFO for Rent.®” A member of the National Speakers Association, Gene is also the author of Finance for Non-Financial Managers (McGraw-Hill, 2003).

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