

## Compensation as a Catalyst



David Swinford

CHAIRMAN

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Editor's Note: Pearl Meyer is a strategic content partner for the National Association of Corporate Directors (NACD). Pearl Meyer is an active participant each year on the NACD Blue Ribbon Commission (BRC) and contributor to its annual BRC reports—signature publications that propose new principles and practices to address the most critical boardroom issues. The following article was published as an appendix in the 2015 BRC report [The Board and Long-Term Value Creation](#).

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While the board's first consideration for creating value typically centers on business strategy, the next question is often "How do we enact that strategy?"

This is where compensation can play a significant role.

With the right mix of short- and long-term incentives that are carefully aligned to both the annual business plan and the long-range strategic vision for the company, compensation can become a catalyst for creating value.

### About the Author

David Swinford is chairman of Pearl Meyer. He is a senior advisor to the firm's leadership team and serves on the firm's board of directors. In his consulting role, Dave works closely with companies to align executive compensation with business and leadership strategies, helping clients build and maintain strong executive teams that create value over the long term.

### About Pearl Meyer

Pearl Meyer is the leading advisor to boards and senior management helping organizations build, develop, and reward great leadership teams that drive long-term success. Our strategy-driven compensation and leadership consulting services act as powerful catalysts for value creation and competitive advantage by addressing the critical links between people and outcomes. Our clients stand at the forefront of their industries and range from emerging high-growth, not-for-profit, and private organizations to the Fortune 500.

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