In these times of major change in our environment, corporate governance must build trust not only with shareholders but with all company stakeholders. More than ever, an efficient board is a true asset in the transforming world in which we operate as directors.

"Business as usual" is no longer a reality. Digital transformation, game changers, and the need for global know-how are among the issues we are facing while also dealing with increasingly complex regulations. Compliance is our prime duty as directors, but we also have to cope with changes and add value to the company. Boards must encompass the proper skills for strategy and its implementation.

Diversity, as it relates to board composition, is increasingly becoming a leading practice, although gender diversity should obviously not be prioritized over competencies and the experience required in the boardroom. The "Old Boys' Club" can no longer ensure the proper level of know-how to tackle the unique challenges we are facing.

In 2007, an IFA report suggested to increase the number of women on boards in France from 8 percent[1] to 20 percent in four years. In 2009, the ratio was slightly below 10 percent.[2] Nevertheless, such measures to improve gender diversity proved sufficient enough to favor imposing a legislative quota of 40 percent women on boards by 2017.

Quotas are never a victory and should not be the solution. However, they are the only option when there are no signs of a willingness to change the current situation. Despite our preference for "soft law," we have to recognize that regulation can speed up progress.

This radical change in board composition accelerated the implementation of nomination committee leading practices. Having to integrate gender diversity has forced committees to consider how to hire individuals with the necessary skills and to use external consultants to guide an appropriate selection process.

In 2014, the number of women serving on French boards jumped to 32 percent. But the number itself is not the biggest victory. Satisfaction must really come from the profiles of these new directors and their impact on corporate governance. In many cases, they are younger, more active professionally, digitally agile, and internationally experienced. Boardrooms are now more open to changing business realities and more prepared for a new strategic era. From a governance standpoint, clearer nomination processes and the implementation of recognized leading practices are also positives.

Nominating committees now have practical challenges to face in optimizing board composition rather than replicating the past. This revitalization also involves better onboarding processes and training, which should already be mandatory for all board members.

Clearly this should have happened without a law, as regulations disregard unique situations like family businesses and increase constraints on companies. Soft law is by far the best way to achieve efficient governance, assuming codes and behaviors are proactive enough to anticipate the necessary changes.

[1] French Institute of Directors, *Comment favoriser la mixité au sein des conseils d'administration?*, June 2006 (English summary: Orse, *The access to and representation of women in corporate governance bodies: The international trend is gathering speed*, September 2009)
[2] AMF, *Rapport 2010 de l'AMF sur le gouvernment d'entreprise et la rémunération des dirigeants,* July 2010

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