

**The Nightly Business Report
Demise of the Imperial CEO
February 23, 2010**

Since 1980 I have served on the boards of fourteen public companies. U.S. corporate governance is based on a system of checks and balances – among boards, CEO's and shareholders. Through the years CEO's have been the dominant force in the boardroom. But the demise of the imperial CEO is at hand. They won't disappear completely, but today's best CEO's are a different breed. They are more participatory and they actively work with their boards.

After the Enron and Worldcom scandals and the passage of the Sarbanes-Oxley Act, a boardroom power shift emerged. New reforms elevated the responsibility of directors. And so today, boards are more engaged with CEO's in a variety of ways: succession, strategy, ethics, executive compensation and the oversight of risk. This new activism is good for companies and their investors.

And now, another boardroom power shift is in the wings. Some shareholders want to add their own candidates to a company's slate for election, eliminating the need for proxy fights. If this is enacted, shareholders would have more boardroom clout. Directors are already exercising more power. CEO's would still be running the company but not as independently as before. The result could be a more collaborative governance structure in publically traded companies. We'll see.

I'm Barbara Hackman Franklin.