



# Raymond A. Mason School of Business

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## EPISODE 195: KIM LOPDRUP – SERVING ON A BOARD

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### Kim Lopdrup

I've been fortunate in that the boards I've been on have had, at least well, they haven't been directly competitive with the companies I've worked for. They're dealing with many of the same issues, and actually, I have learned a lot from hearing about the same issues from different perspectives, and I've always found it's helped me in whatever business I'm running day to day.

### Female Speaker

From William & Mary in Williamsburg, Virginia. This is Leadership & Business, produced by the William & Mary School of Business and its MBA program. Offered in four formats the full-time, the part-time, the online, and the executive MBA. For more information, visit [wm.edu](http://wm.edu).

### Ken White

Welcome to Leadership & Business, the podcast that brings you the latest and best thinking from today's business leaders from across the world. Sharing strategies, information, and insight that help you become a more effective leader, communicator, and professional. I'm your host, Ken White. Thanks for listening. Serving on a board, whether corporate or nonprofit, is a goal for many professionals. But how do you get there, and what's required of board members? A Harvard Business Review article titled *Are You Ready to Serve on a Board* lists five types of intelligence aspiring board members should possess. They include a financial IQ, a strategic IQ, the ability to build relationships, understanding where you add value, and having a get-it-done attitude. Kim Lopdrup is the former CEO of Red Lobster. He currently serves on multiple boards, including those at Wawa and Bob Evans, and he has experience on nonprofit boards as well. He joins us today to discuss the role of the board member, the time and talent required, and how members of the board benefit from their experience. Here's our conversation with the former CEO of Red Lobster, Kim Lopdrup.

### Ken White

Well, Kim, welcome to the podcast. Nice to have you back.

Kim Lopdrup

Great to be here, Ken. Thanks for having me.

Ken White

And right before you and I are sitting down, you were with some William & Mary students in class going through a case. How did that go?

Kim Lopdrup

It was fun. We were with Dawn Edmiston's strategic marketing class doing the Red Lobster case. So that was one that didn't take a lot of preparation. So that was fun.

Ken White

I think you were ready for that. Yeah. How did you find the students?

Kim Lopdrup

Very sharp and engaged. It was a fun session.

Ken White

Did it bring back memories of being in the classroom for you?

Kim Lopdrup

Oh, absolutely. I was an undergraduate here, and certainly, William & Mary helped change my life. I came here as really having no clue what I wanted to do, and William & Mary helped me figure out what I really liked and got me on the right track. And I am hugely grateful to William & Mary.

Ken White

Always so nice to hear. And again, welcome back. We've talked to you before about turnarounds. We've talked to you about leadership as well, and we were looking back at all of the various topics we've discussed on the podcast, and we've never talked about boards. What are they? How does one get on a board? And so forth. And you are on some boards right now. Why? What is it about that position that makes you say, yes, I'm in?

Kim Lopdrup

There are several types of boards. One of the early ones was just getting on the boards of Boys and Girls Clubs. And Joe Lee, who was chairman of Darden Restaurants at the time, a CEO and chairman of Darden Restaurants at the time, was so passionate about Boys and Girls Clubs, and I respected him hugely. And I did have a passion for kids, and particularly from disadvantaged circumstances. But it was really Joe who got me focused on the

organization. And I think because Darden was a supporter, they kind of made me Darden's representative on the Boys and Girls Club board. But boy, oh boy, did I learn what makes that organization so effective and became incredibly passionate about it. And that helped me a lot later. In terms of for-profit boards, I think the first one was Hiram Walker and Sons. I worked for Allied Domecq Plc at the time, which is a big British large-cap company. They were the number two spirits company in the world and then owned Dunkin Brands as part of their management development program. Because they, you know, viewed me as having potential. They said it would be good for me to get experience on the board of one of their other one of the other companies they own, which was Hiram Walker and Son. So that was probably my first for-profit board. Probably the second one was Rubio's Baja Grill, which is a fish taco chain based in Southern California. At the time, I was in charge of M&A for Dunkin Brands and was looking at different things. I saw Rubio's, and it didn't fit what Dunkin was looking for, but I thought it really had some special things, and I actually contacted the company. I said, Are you looking for investments? And they said, well, yes, as a matter of fact, we're doing a round. We've got Rosewood Capital in, and we're doing another round. If you'd like to invest, we'd love to have you. And you know what? Why don't you join our board too? And since I was with a large restaurant company, they were smaller. They were happy to have me involved. But certainly, when you're making an investment in a private company, often they're very pleased to have you on their board, particularly if it's an earlier-stage company. And then the third one would be Wawa, the convenience store chain. They found me through an executive recruiter and my company-owned restaurant experience. I was president of Red Lobster at the time, so the company ownership, the cultural fit, was important. My prior experience at Dunkin Donuts was relevant for their business as well.

**Ken White**

Sure. What do you learn from an experience like being on a board?

**Kim Lopdrup**

You really do learn a lot. And I've been fortunate in that the boards I've been on have had at least while they haven't been directly competitive with the companies I've worked for, they're dealing with many of the same issues. And actually, I have learned a lot from hearing about the same issues from different perspectives. And I've always found it's helped me in whatever business I'm running day to day. In terms of the nonprofit boards, I've also learned a lot, and we were very successful at diversity at Red Lobster and named a Forbes list of America's Best Employers for Diversity. That is entirely because of what I learned from Boys and Girls Club entirely. And I've often made helpful connections through work on different boards, and actually, particularly nonprofit boards, made helpful connections I wouldn't have otherwise made that ultimately wind up being important in ways I never would have expected.

Ken White

So I would assume some of our listeners, mid-career professionals, maybe even early career professionals, have the chance to be on a nonprofit board. Your advice would be?

Kim Lopdrup

Absolutely. What I would say is try to pick something you're genuinely passionate about and also expect with a nonprofit. Yeah, they want you there for board governance. But usually, at least for a nonprofit, at least 50% of your time is going to be helping with fundraising and certainly an expectation of making a donation yourself, which is great as long as you've chosen something you're truly passionate about. And I would say with a nonprofit or a for-profit, choose something you're truly passionate about.

Ken White

How do you find out what responsibilities you'll have, and what responsibilities did you have on some of your boards?

Kim Lopdrup

Well, you start out by asking, generally, you ask, what are the responsibilities, what are the time expectations? How often do you meet to make sure you can fulfill the expectations? The purpose of a for-profit board is not to run the company. It is to provide governance and make sure that shareholders' interests are protected. So, for example, public company boards will almost always have an audit committee to make sure the financials are being reported accurately. It will almost always have a compensation committee to make sure executives are being paid fairly. And you will almost always have a nominating and governance committee to make sure that the oversight is truly independent and not being controlled by the CEO or insider forces. So the goal of a public company board is to protect shareholder interests. They will also approve major capital projects, look at the risks the company is facing, things like that. A nonprofit board actually has largely the same responsibilities, but typically with a nonprofit, there's an expectation that you're personally donating and or raising money in other ways. Some nonprofits actually have a very specific target. You need to give or raise this amount to be on our board. So it's perfectly appropriate to ask what the expectation is when you're signing up for something.

Ken White

Yeah. What kind of time commitment?

Kim Lopdrup

Oh, it varies dramatically for, you know, and some nonprofits are less disciplined than a for-profit in terms of enforcing attendance expectations. But for a for-profit company, it will typically range from. I would say twelve days a year. If you've got a well-oiled machine,

they'll probably have quarterly board meetings. They might be two-day board meetings, and you have to put in another day of, you know, preparation and other, other things you're handling. So I'd say twelve days would be best case. But if there's a crisis, all of a sudden, it can become almost a full-time job while navigating through that crisis. So it varies a lot. And the better managed, stronger companies, frankly, are generally easier than either a new company or a company that's going public or a company that's going through a crisis.

**Ken White**

We'll continue our conversation with Kim Lopdrup in just a minute. Our podcast is brought to you by the William & Mary School of Business. The world is changing like we've never seen before, and that means change for business and your role in it. You can sit on the sidelines and watch things evolve, or you can be a part of creating the future. If you want the tools and education needed to succeed in the years ahead, we invite you to consider the MBA program at William & Mary. Wherever you happen to be in your career, William & Mary has an MBA program for you. The full-time, the part-time, the online, and the executive MBA, all taught by the number one ranked MBA faculty in America. Take charge of your future. Check out the MBA program at William & Mary at [wm.edu](http://wm.edu). Now back to our conversation with Kim Lopdrup.

**Ken White**

You mentioned committees. Do you want to be on a committee where you have expertise, or do you want to be on one where you might learn?

**Kim Lopdrup**

Actually, it's probably a combination of both. And if somebody's new to being on a board, they're probably all situations where you'd learn. But actually, I think it's very valuable to try to get experience on all the key committees.

**Ken White**

What about education? On the boards you've been has there been training and education for new board members? And is that something people should seek out?

**Kim Lopdrup**

There are organizations that do provide training and even certificate programs. To be honest with you, I kind of picked it up as I went. And rather than go through specific training, there is a lot to learn, particularly with a public company there's SEC guidelines and rules are really, really important. And if somebody's going to do that for the first time, there actually are training programs available that I'm sure are quite good.

Ken White

Have you ever chaired a board?

Kim Lopdrup

I am a chair of a board, Botrista's board.

Ken White

And what kind of responsibility does that entail?

Kim Lopdrup

The chairman is really, I mean, a director but is the person who does the coordinate sort of the leader among the directors who's calling board meetings, who is developing agendas, is leading the meetings, often working behind the scenes to understand what the issues are, what people's perspectives are, talk people into position ahead of a board meeting. So they're the leader among the directors, but like other directors, they get just one vote.

Ken White

Right. Fun. What's been the most fun board you've been on?

Kim Lopdrup

I would say it's been Wawa because they are so remarkably driven by their values and really trying to do the right thing at every turn. And it's a fascinating company. It's something like 230 years old that's made such remarkable pivots from being an iron foundry to, you know, when that, you know, making fire hydrants and cannonballs and that dried up. So they went into textiles making diapers and stuff, and that dried up. So they became a dairy farm that brought milk to your door. The economics of that got a little shaky. So they went into dairy stores, and that morphed into convenience stores. Then they decided to add fresh food. Then they decided to become a fuel retailer, and it just keeps morphing and changing in astounding ways. But the secret to it is their employee stock ownership plan, which employees own about 40% of the company. Somebody who is working at the counter making your coffee but has never been promoted but has been there for 30 years has a million and a half dollars in their ESOP account for retirement. And those who've gotten promoted have done considerably better. But I love that it's a company that just has incredible values, cares about its employees, and it's really an opportunity for people who weren't born with a silver spoon in their mouth to actually retire comfortably. But at every turn, they do the right thing first. It's really a joy to work with them.

Ken White

You seem to have a place in your heart for that particular kind of worker because I remember when we talked about Red Lobster, you saying what a great place to be and to succeed where you do not need a college degree. Wawa sounds quite similar.

Kim Lopdrup

Yes, actually, it is. And there's just a huge percent of the population that were not born with a silver spoon in their mouth and maybe didn't have the means and opportunity to get a William & Mary degree. But they're good people, and if you give them an opportunity to make a positive contribution and work hard, they actually are very excited to have that kind of opportunity and tend to be very loyal and tend to have great values and do a great job serving the customer and ultimately creating a success story that will serve shareholders well.

Ken White

I assume you would have had some fun with Boys and Girls Club working there. What are some of the memories you have there?

Kim Lopdrup

Again, that one was special also. What is amazing Boys and Girls Club of Central Florida? We had 17,000 members, most of whom were growing up in single-parent households with low incomes and not a single successful role model anywhere around them, mostly minorities. And yet, out of 17,000 members, we found that typically you'd have maybe two pregnancies a year, maybe four get in trouble with the law out of 17,000, again, growing up in drug-infested, gang-infested neighborhoods, which was astounding, and the high school graduation rate was better than that for the general population. And here's what I learned that was the key. Number one, make it a fun place that people want to be because in, particularly after school hours, which is when kids get in trouble because there's no one home to supervise. Secondly, have the club director. Actually, club directors and employees get to know the kids and see what their strengths and dreams are and actually affirm them. You know, Jamal, I think you've got real potential, and you're really good at this. And you're really good at that. Tell me about your dream for your life, and I think you can really do that. Well, let's talk about how let's build a plan for how to do that. You're right, and here I'm going to help you. And the fascinating thing is, once kids have a dream for their lives and believe it is achievable, they will walk through walls to make that dream come true. The kids who don't believe they can have a bright future are the ones who live for today and make stupid decisions that undermine their potential to have a bright future. Things that get them arrested or pregnant or whatever. Helping a kid believe they can have a bright future is key, and Boys and Girls Clubs does that so well. And it is 100% positive messaging. These kids hear so many negative messages, often from people who are well intended about why they're not going to be successful, why

they don't have an opportunity that is so harmful to kids. Boys and Girls Club is a 100% positive message focused on the individual. You, Jamal, have potential. Yes, your dream is achievable, and I'm going to help you. Incredibly effective. And by the way, that's part of why we were so effective at diversity at Red Lobster. When I retired, we had four executive VPs who report to me. Three were black. We had no quotas, no chief diversity officer. But yeah, I did work harder to recruit, mentor, retain minorities. But you know what? When it came time to decide who got that job completely level playing field. Those who got it earned it. But again, if someone believes a dream is achievable and you're helping them, they will walk through walls. They will do whatever it takes to make that dream become a reality.

### Ken White

That's our conversation with Kim Lopdrup, and that's it for this episode of Leadership & Business. Our podcast is brought to you by the William & Mary School of Business, home of the MBA program offered in four formats the full-time, the part-time, the online, and the executive MBA. If you're ready to take charge of your future, check out the William & Mary MBA program at [wm.edu](http://wm.edu). Thanks to our guest, Kim Lopdrup, and thanks to you for joining us. I'm Ken White, wishing you a safe, happy, and productive week ahead.

### Female Voice

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