Most boards now have a token woman seated at the table. But many times the token woman is given the token board assignments that no one else wants.

“She’s one of the best directors I’ve ever seen.”

—Allen Murray, former CEO, Mobil

That’s not the case, however, with Helene Kaplan. She gets the tough job assignments and does them so well that her peers promote her as an Outstanding Director.

Just ask Walter Shipley. The former Chase Manhattan CEO turned to Kaplan in the early 90s, when what was then Chemical Bank underwent some substantial changes.

At the time, financial institutions were exposing themselves to risk in increasingly volatile areas, largely by conducting proprietary trading in everything from equities to frequently esoteric options. Shipley grew concerned that the board didn’t fully understand where the company’s major risk exposure lay.

“Traditionally, you thought of a bank’s loan portfolio as the major risk area,” Shipley reports. “While that used to be true, it’s no longer where banks face their most extreme risks. The bigger dangers are in trading, and complicated things like asset and liability mismatches.”

His concern led Shipley to invite Kaplan and another director to a three-day seminar at Harvard Business School. The seminar was specially designed for non-banking professionals sitting on the boards of financial services companies. When it was over, Kaplan and Shipley put their heads together and came up with a novel way to keep tabs on Chase’s exposure.

“We spent some time together, contemplating what we should do,” Shipley recalls. “In the end we decided to create a separate risk policy committee.” He then asked Kaplan to step in as committee chair—a role she’s filled ever since. “She’s done extraordinary work,” he adds. “It’s a remarkably productive and helpful committee of the board.”

“She’s made herself very knowledgeable in an area that’s not well understood by many directors,” agrees Hearst Corp CEO Frank Bennack, another director who has served on the risk management committee with Kaplan.

Current Chase CEO William Harrison also gives Kaplan the nod. “For a large, complex company like Chase, risk management is an important part of who we are and how we perform,” Harrison explains. “The risk management committee has proven to be very effective. As chairman, Helene does a
wonderful job. The committee adds a lot of value."

Kaplan herself acknowledges this type of committee is important to financial institutions—several of which have imitated Chase in recent years by adding risk policy committees to their boards.

The mere existence of this type of committee sends a signal to the stock market and the world at large that Chase has made risk management a top priority. "It gives a very positive signal that this is an area the board is deeply interested in," Kaplan observes.

Her efforts at Chase show Kaplan's willingness to put hard work into her directorships. "Helene is extremely vigilant about understanding complex issues," Bennack notes. "Management tends to rely on her judgment because it's so well-informed."

Besides the Chase board, Kaplan sits on the boards of Exxon Mobil, May Department Stores, Metropolitan Life Insurance, and Verizon (the newly renamed offspring of the merger between Bell Atlantic and GTE).

She has served as chair of both Barnard College and the Carnegie Corporation, and is a trustee of the American Museum of Natural History, The Commonwealth Fund, The J. Paul Getty Trust, and the Institute for Advanced Study.

And she continues as "of counsel" to Skadden, Arps, Slate, Meagher & Flom.

Does this superabundance of responsibilities compromise her performance as a board member? Not in the least, says Allen Murray, the former CEO of Mobil Corp. "She's one of the best directors I've ever seen," Murray declares.

Kaplan's first board seat was at retailer Toys 'R' Us, which she joined in the early 80s. Since then, she has a long history of participating in some of the most important corporate mergers in memory.

What is the ultimate testament to her talent is that she has continued on the boards of the merged companies. Generally, the merger of two boards means that, roughly, only half the directors survive. The merger is an opportunity to squeeze out the less productive board members.

As a director of Chemical Bank, she weathered an early 1990s combination with Manufacturers Hanover. She subsequently continued on the board when a deal with Chase Manhattan made the Chemical name disappear. More recently she's overseen the transaction that produced Verizon, as well as the historic union of Exxon and Mobil.

The work of contending with all those deals may sound exhausting, but Kaplan refers to it fondly. "It's been a remarkable opportunity," she says. "It's amazing to watch institutions brought together—especially because some have such similar cultures, and some really don't."

One of the most sophisticated transactions Kaplan recalls participating in wasn't a merger at all. Rather, it was the recent demutualization of Metropolitan Life Insurance. 'Demutualization' is the process of transforming a policyholder-owned mutual company into a publicly traded, shareholder-owned firm.

Challenges included evaluating the benefits and risks for the current policyholders as well as for the potential shareholders, and navigating regulatory obstacles. "We had to make very significant decisions assessing the impact on so many different parties," Kaplan recalls.

"Helene has extraordinary leadership skills," says Ellen Futter. "They are really formed by her penetrating intelligence and her acute wisdom."

Now the president of the American Museum of Natural History, Futter served as Barnard's president when Kaplan chaired the board there.

Futter goes on to point out that Kaplan "leads in a way that engages the entire board. She's always soliciting the opinions and views of the others, and building consensus in a very effective way."