



Being a Non-Executive Director

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Getting Started

- **Thinking about a Non-Executive role or portfolio career?**
- **Non-Executives – Risks and Rewards**
- **Preparing your Campaign**
- **Resources**
- **On the Board – Do's and Don'ts**
- **Top Tips**

Non-Executive Roles/Portfolios

Portfolio Working Survey

- **What would you do differently?**
 - **35% would network and self-market more actively**
 - **17% would consider a broader range of options**
 - **16% would choose roles/clients more carefully**
- **Routes to a portfolio included non-executive directorships (40%) followed by and interim director or consultancy role**
- **Drawbacks included:**
 - **Finding suitable roles (32%)**
 - **Uncertainty (24%)**
- **Personal networking with close contacts was the most production method of finding roles (56%)**

Non-Executive Roles/Portfolios

“There is no way I would go back to conventional corporate life”

“A hard but very important lesson to learn is not recognising the need to have marketed myself from day one and continued networking even when on assignment.”

“I had to invent my own activity where I chair a group of CEOs of SMEs. I have also set up a networking event which allows SMEs to meet advisers and consultants.”

Non-Executive Roles/Portfolios

Recommendations

- **Start planning a portfolio career well in advance**
- **Speak to friends and former colleagues – what do they advise?**
- **Educate yourself about the market and participate in relevant courses and events**
- **Consider investing in counselling specifically tailored to a portfolio approach. Prepare a realistic assessment of your strengths and weaknesses and where you are most likely to be successful**
- **Spread your net as widely as possible and consider unpaid roles to meet new groups of like-minded people**
- **Plan your financial situation carefully and anticipate that there may be gaps when you are not working**

Non-Executive - Risks and Rewards

Increased focus on Corporate Governance best practice as recommended by Higgs:

- **Open and rigorous selection process**
- **Increased Board diversity, both gender and function**
- **Ensuring independence**
- **Board and individual director evaluation**

Changes in Company Law codify the same liabilities as any company director

Increased emphasis on compensation for duties performed rather than stock options or equity

Recognition that casting a wider net will decrease company risk:

- **Non-Executive Selection - 48% by personal contact**
- **NED Development: 62% no training, 62% no objectives, 75% no appraisal**

Preparing Your Campaign

- **Who do you know? What do you know? What do others think you are good at?**
- **Is there a NED or chair who could be a mentor?**
- **Where do you want to work? What is in your catchment area?**

Preparing Your Campaign

- **Why do you want to do this? Where do you see yourself in five years? Ten years?**
- **Are you confident of your knowledge of the City?**
- **What training or other skills do you need? How do you update any 'old' qualifications?**
- **How will you do in interviews? Are you sufficiently prepared about the company and how you can make a difference?**
- **Following up on 'favours'.**

Preparing Your Campaign - CVs

- **The Perfect CV – 2 pages max**
- **Include measures of success**
- **Make it easy to print, no fancy layouts and fonts**
- **Read it aloud to check for errors**
- **Have references available in advance**

Preparing Your Campaign - Interviews

- **Follow the application process to the letter**
- **Getting on the short list is flattering!**
- **Make the right first impression**
- **Do your homework well in advance so that you are able to ask intelligent and probing questions – and respond as well**
- **Research those who are interviewing you – do you have any connections?**
- **Liability – find out the situation early in the process**
- **Don't**
 - **Exaggerate your experience**
 - **Be late**
 - **Expect a fireside chat**

Resources

The Non-Executive Director, www.non-execs.com, sponsored by Cranfield

Public Appointments website, www.publicappointments.gov.uk

Appointments Commission website, www.appointments.org.uk

The Higgs Report, www.dti.gov.uk/cld/non_exec_review/pdf/higgsreport.pdf

The Tyson Report, www.london.edu/tysonreport/Tyson_Report_June_2003.pdf

Equal Opportunities Commission, www.eoc.org.uk/

Combined Code, www.frc.org.uk/documents/pdf/combinedcodefinal.pdf

DTI Building Better Boards, <http://www.berr.gov.uk/whatwedo/businesslaw/corp-governance/better-boards/page17362.html>

Resources

The screenshot shows the homepage of 'The Non-Executive Director' website. The main heading is 'Are you a Non-Executive Director or Trustee?'. Below this, there is a welcome message and a list of benefits for members. The page is divided into several sections, including 'Benefits', 'Testimonials', and 'Why Use The Non-Executive Director?'. The 'Benefits' section lists: 'Aging line: Every other Director gets to start looking for their first role in the private sector', 'Company secretaries and those responsible for board evaluation and planning', and 'Companies and charities also want to find Non-Executives and Trustees'. The 'Testimonials' section features three images: a bowl of coins, a stack of gold coins, and a clock. The 'Why Use The Non-Executive Director?' section lists: 'A free source of new and experienced Non-Executives', 'An excellent place to refer potential candidates', and 'Access our extensive database: list of roles, offices, employers and remuneration info'. The website also features logos for ACCA, OCA, and Cambridge Judge Business School.

www.non-execs.com/affiliates/lbs

Waived joining fee, only £60 + VAT

A service from The Financial Times Ltd.

The Non-Executive Director
non-execs.com

On the Board – Do's

- **Listen. Look. Act. Just like crossing the street.**
- **Get to know the other directors away from the board table.**
- **See the organisation from others' perspectives – customers, stakeholders.**
- **Be strategic – but don't be afraid to ask for detail if your intuition says something isn't right.**
- **Participate in committees that you have the time for.**
- **Plan your tenure and succession with the Chair.**
- **Leave on good terms – even if there are issues.**

On the Board – Don'ts

- **Try to be the CEO. Or the FD. Or the Sales Director.**
- **Miss board or committee meetings.**
- **Wing it on the board papers.**
- **Talk out of school.**
- **Run off at the mouth. Or bully people. Or say nothing.**
- **Try to get favours from the company.**
- **Trivialise your obligations or liabilities.**
- **Outstay your welcome.**

Top Tips

- **Find people to work with that you like.**
- **Take on projects that are stimulating in their own right.**
- **Don't expect headhunters to do the work for you – they are paid by clients – they are only your advocate for a specific assignment.**
- **Be realistic. If you have never been on a 'board' then it is much harder to become a non-executive. You should consider alternative routes such as interim management.**
- **Leave time to keep informed about the business market and industries you work in.**
- **Have fun!**

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