

# How to Succeed as a NED

*Much is now expected of the non-executive director, including an appreciation of risk, a predilection to question board decisions and applicable international experience. **Criticaleye** reveals what aspiring NEDs should know in order to succeed in their first post*

The key qualities for those aspiring to a non-executive position in today's volatile business environment include a good awareness of risk, an ability to say 'no' – while not simply being a blocker – and international experience as companies seek to move beyond domestic frontiers to enter new markets. In short, a lot more is now expected from the role.

**Leslie Van de Walle**, a Criticaleye Associate and Chairman of construction material supplier SIG plc, says: "From a shareholder's perspective, greater controls are expected of the NEDs, specifically in terms of executive

remuneration, strategy implementation and in holding management's feet to the fire. There's no doubt that it's becoming a tougher job."

Understandably, stakeholders want additional layers of protection from risky executive excesses, but this has to be mediated by appreciating what it takes to run a business.

**Iain Napier**, Chairman of Imperial Tobacco plc, says: "The most difficult thing NEDs face is being able to challenge [executives] and use the word 'no'. This takes strength of character and an innate understanding of how and when to say it."

## FOREIGN CREDENTIALS

Strong strategic insight will be invaluable. **Debbie Hewitt**, Chairman of menswear retail group Moss Bros, says: "An ability to help executives to prioritise opportunities will be appreciated. Experience of turnaround situations and managing through low growth scenarios will be helpful, as will a constructive challenge of risk and ... [currently] there's a greater need for international experience."

**Iain** agrees: "Most companies want some form of international experience, not necessarily that you've worked in another country, but

that you've at least had the responsibility of managing people in another country, because most UK businesses are currently trying to expand and/or get out."

As ever, the role requires a degree of balance.

**Ruth Cairnie**, Non-executive Director of the FTSE 250 engineering firm, Keller Group, says: "NEDs must have the ability to maintain perspective, managing any short-term challenges while keeping sight of the longer-term issues. It's helpful to have real experience of whatever challenges that company is currently facing, be it credit management, liquidity issues and so on."

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### STAY ON THE RADAR

Although certain skills may be in demand at the moment, there continue to be perennial truths when it comes to securing a NED position, such as looking for an opportunity while still in an executive role. **Ian Durant**, Chairman of real estate firm, Capital & Counties Properties plc (Capco), says: "In my case I made a point of it when I joined, and I even had [the intention to take a NED role] specified in my contract. But you should have a conversation with your company about what type of NED role you take.

"For example, I was going to be a NED for a start-up business but my chairman didn't think it added enough reputational positives to the company I worked for full time, and it included a high degree of risk. So, instead, I went for another, more appropriate NED position."

**Denise Jagger**, a Partner at law firm Eversheds, says: "Network and let contacts know you are interested in identifying a position, firstly to observe their reaction and gain feedback and more importantly to keep

you in mind and hopefully recommend you. Inevitably board members will be asked when considering a long list of candidates whether anyone knows of any of the names on the list and those where a reputation is positive will be far more likely to make it to the short list."

**Chris Stooke**, Chairman of commercial insurance broker Miles Smith, says: "It would have been a tall order to get a NED role out of the blue from somebody that didn't know me, and there was a 'contact element' in the first role I got. Of course, the more things you do the more contacts you develop, so networks are important... I've done quite a bit of speaking at conferences and a little consultancy work just to keep visible. It's a matter of being patient on the one hand but keeping on the radar and being visible on the other."

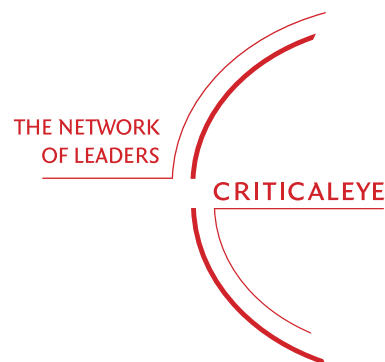
### DO YOUR HOMEWORK

Be prepared for plenty of rejection, too. **Leslie** says: "It's a numbers game. On average there are five people [shortlisted] for every NED position, so you've an 80 per cent chance of being rejected for your first NED role. Many CEOs and CFOs are not used to this rejection and may find it difficult to deal with, because they've always been number one in their company."

To increase your chances of success you should research the company thoroughly and familiarise yourself with the key players in the boardroom. **Ruth** says: "In the successful interviews I've had I found it really helpful to make quick connections, to find people that we both know or activities we've both done... it can make you feel at ease and will help to position you in the chairman's eyes."

**Ian** comments: "If it's a retail business, for example, visit the sites so you can form an opinion about the business from the consumer end. Talk to key stakeholders, particularly relationships with brokers, bankers, equity shareholders, customers and suppliers. All of those will give insight into the culture of the business and the culture of the board."

In the interview itself, keep your ego in-check and be realistic. **Peter Waine**, a Criticaleye Associate and Partner at search and selection agency Hanson Green, states: "Don't talk too much in the interview and don't over exaggerate your achievements. Explain the mistakes made in your executive career and the lessons you've learned... A non-executive interview is almost two equals interviewing each other. They want you and you want them, but only if it is the right deal for both parties."



In the end, chairmen want their NEDs to bring their breadth of experience to bear on the board and to demonstrate that they have the strength of character and independence needed to be challenging without being disruptive – those expecting long and lazy lunches need not apply.

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### Featuring commentary from:



**Ruth Cairnie**  
NED, Keller Group



**Ian Durant**  
Chairman, Capital & Counties Properties plc (Capco)



**Debbie Hewitt**  
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**Iain Napier**  
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