

# Obtaining Your First Non-Executive Directorship

Serving as an independent, non-executive director (NED) can be a boon to one's professional development, as well as a uniquely compelling experience.

Directors govern and guide the company, fulfilling a role distinct from that of executive-level managers, which means even the most seasoned senior executives must be willing to learn and grow to serve on a board. In return, they will gain the chance to work closely with highly accomplished leaders from varied backgrounds. Refine their communication skills. Hone their ability to influence and collaborate. Form valuable relationships. And tangibly expand their worldview.

Like most things worth having, obtaining a first non-executive directorship may take effort. At any given time there are a limited number of opportunities to serve. To receive a coveted invitation to join a board, aspiring NEDs must demonstrate that they are qualified and motivated to meet certain of the board's most critical needs.

This article provides a primer for all who hope to obtain their first non-executive directorship, drawing on our deep experience working closely with some of the world's most respected and highest performing boards and the personal, objective counsel we offer to first time director candidates

## Preparation

Consider carefully both what you have to offer a board, and what most interests you:

- Be objective when thinking about how your particular experience and skills will be relevant for a NED role. For example, do you have finance expertise which would be useful for an audit committee role? Are there particular industries which would value your sector or functional knowledge?
- What level of commitment can you make? The board of a publicly listed company will usually require the highest time commitment. Further, if it is an international company there is likely to be travel involved. Should a crisis arise, the commitment can increase substantially.
- Do you have the support of your current employer? They will need to release you for a number of days per year, and there may be little or no control over which days these will be.
- Finally, be honest about your motivation. Is this something you truly want to do, or simply feel you should do? Are you enthusiastic about the idea of committing your time and energy?

If you find your motivation to be strong, seek experiences that will prepare you for a NED role. For example, you can join internal company boards or committees. If you lack understanding of how a board operates, do some homework. There are a wide range of reference books and courses which can help you learn the theory and the language of boards.

## The 'Campaign'

Pursuing a spot on a board is in many ways akin to starting a new career, and should be approached systematically. Re-write your CV for board roles and consider who will be your referees. Who has seen you in action as part of a board-level decision making team (e.g. supporting strategy discussions or the remuneration committee)?

Plan your campaign using multiple approaches:

- NEDs are hired via various routes (often from personal networks but also advertisements etc.). Build contacts with private equity companies, executive search firms, management consultancies, brokers, corporate financiers, accountants, lawyers, other NEDs and your social connections.

- Raising your personal profile is very helpful. Consider joining trade associations, taking speaking engagements and writing articles for publication. The more widely available your CV the easier it is for organisations to recognize what you might bring to their board.
- Identify a mentor who already holds a board role. Ask him or her to share insights into the working of a board, advise you on your campaign, and provide access to networks of directors as well as personal referrals.

Be patient. It often takes several years of persistent campaigning to obtain a first NED role.

## **The Appointment Process**

By the time a board expresses interest in you, the key decision makers will already be familiar with your public profile, including your demonstrated skills, experience and professional accomplishments. As such, during the interviews, focus on establishing your personal qualifications as a NED (for example, your ability to remain independent) and your strategic fit to the company.

Key individuals in the appointment process will be:

- The executive team, who will rely on your experience and wisdom.
- The Chair, who is responsible for building and leading the board team.

The interview process should be structured to allow a proper investigation of what you would bring to the organisation by all interested parties – including you.

While the organisation is evaluating you as a board member, you also need to do your due diligence.

- Review practical considerations such as the financial and legal circumstances. Ask to speak to the relevant company advisors when appropriate.
- Carefully consider the culture of the company and whether you share the same fundamental values. Learn all you can about the current board members. Are you prepared for the possible challenges of working with the group?
- The board must work with a wide range of organisational stakeholders including employees, shareholders, customers and the wider public in the form of the press and public bodies (regulators, government etc.). Do you understand the potential issues that the board may face now and in the future?

## **Serving Effectively**

Once you've joined the board, be an avid student, determined to serve effectively. Remember that you are no longer an executive making decisions and coming up with the solutions, but rather a non-executive with the dual role of 'coach' and occasionally challenging 'policeman' for the executive team.

Good directors:

- Welcome the responsibility associated with the role and are interested in and committed to the board and organisation.
- Serve as a thoughtful sparring partner to the CEO and other directors, balancing the role of giving the CEO room to manage, whilst ensuring standards are met.
- Are good listeners, encouraging discussion of different perspectives and helping to build consensus.
- Ask questions, even the difficult or naïve ones which are often avoided.
- Have the confidence to voice their opinion and challenge management constructively.
- Speak when appropriate. They know that if they don't voice their opinion in the open forum of the board meeting, they cannot dissent afterwards.

- Contribute with good business judgement, displaying their relevant skills and background knowledge, and contribute widely, not just in the area where they may be perceived as 'expert'.
- Continually develop NED skills, showing willingness to learn.
- Act as ambassadors for the organisation, continuously gauging and proactively safeguarding public perception of the company.
- Recognise that a board has responsibilities 365 days of the year. Its duties do not begin and end with the board meeting, but rather the board provides continuous mentoring and monitoring.

Obtaining your first non-executive directorship, then succeeding in that new and quite different role, demands a significant investment of your time and energy. It is a step into the unknown that will test your abilities in ways you likely have never experienced before. Rest assured, however, that most who take this journey find it to be genuinely exciting as well as professionally rewarding.