

HOW TO BECOME A SUCCESSFUL NON-EXECUTIVE DIRECTOR

Best practice guide
Third Edition



About the Financial Times Board Director Programme



The Financial Times Board Director Programme (FT BDP) exists to improve the knowledge, skills and effectiveness of board directors. Through the use of workshops, networking events, digital education courses and a formal qualification, the Programme utilises a faculty, steeped in board experience within a multitude of sectors.

The FT BDP workshops all deliver insights and acumen to help develop existing and aspiring directors throughout their career journey. You should consider the FT BDP courses if any of the below are applicable to you or your board members:

- You are thinking of making a move into your first non-executive director role
- You have been newly appointed to the board
- You want to improve your board performance
- You would like to increase your individual marketability

GET IN TOUCH

Our dedicated team can talk you through all options applicable. We also offer bespoke packages for companies.

For further information visit:
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About Winmark & The NED Network

winmark

The NED Network

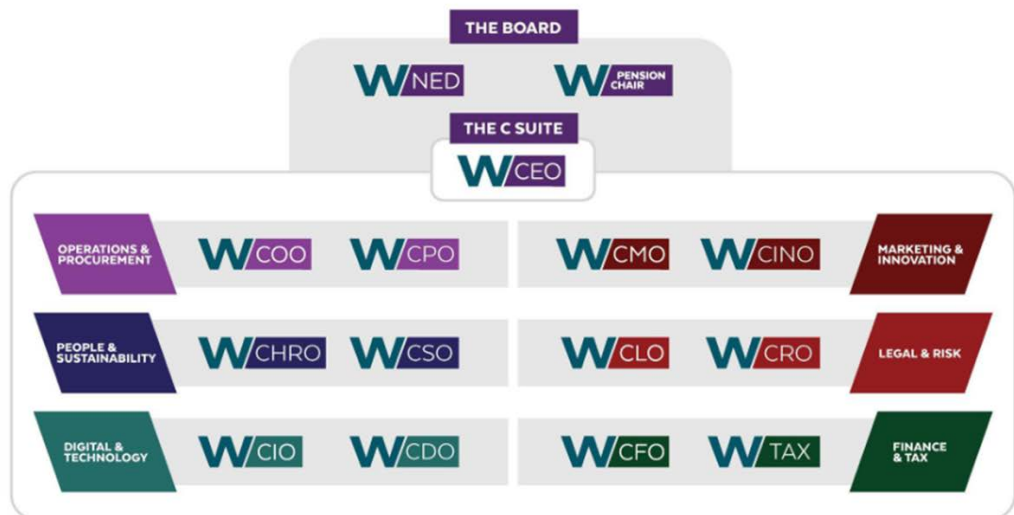
Being a member of the Non-Executive Director (NED) network places you at the heart of a community of the best of your peers. This world class membership is designed to add value to you, your board, your organisation and ultimately the stakeholders you serve.

Winmark

Winmark is building a global C-Suite community of top-tier organisations dedicated to exemplary governance and sustainable growth.

We provide a unique peer-to-peer ecosystem enabling board members and C-level executives to connect, access world-class best practice, share challenges, and exchange solutions. This is wrapped in a VIP service that enables members to further themselves, their teams and the organisations they serve.

The peer-learning networks include over half of the FTSE 100, numerous Fortune 500 companies, government departments, private and not-for-profit organisations as well as technology disruptors.



Winmark & NED Community

If you would like to find out more about the Winmark networks please contact:



John Jeffcock

Chief executive officer

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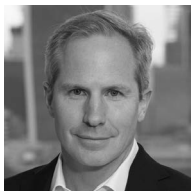
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Acknowledgements



**John
Jeffcock**

John Jeffcock is Chief Executive of Winmark, the award-winning C-Suite network business. Winmark runs a full portfolio of C-Suite networks including Chairs, NEDs, CEOs, COOs, CFOs, CLOs, CMOs, CIOs, CHROs etc. Winmark has over 700 multinationals involved, including BP, BBC, BAFTA, Belron, BEEAH, BAT, BASF, BMW, BT, Bank of China, Bank of England, BFI, Britvic, BSI and that's just a few of the 'B's.

John lectures at Imperial College Business School, is an Industrial Fellow at University of East London (UEL) and a Board Member of the Chartered Management Institute (CMI) and Worshipful Company of Marketors.

John has Masters in Business (MBA) and Poetry (MA). Prior to joining Winmark he was Chair of The Impact Programme and a Captain in the Coldstream Guards. He is a twice published poet and recognised by the media as a commentator on business and contemporary verse. His most recent business leadership book 'The Suite Spot' was published by Bloomsbury in 2022.



**Lesley
Stephenson**

Lesley has specialised in corporate governance since publishing the Cadbury Report on behalf of the London Stock Exchange in 1992. Lesley has written for the International Corporate Governance Network (ICGN), the European Corporate Governance Institute (ECGI) and the ICAEW NED Special Interest Group and is a regular speaker at workshops and conferences on governance and in particular the role of the non-executive director.

She has been the Publisher of the FT Board Director Programme (FT BDP) for 20 years and is responsible for ensuring that the content of all their courses is practical, relevant, up to date and that the quality of the speakers is of the highest level. She was the driving force behind the development of the FT NED Diploma and continues to oversee it. She wrote two of the four FT BDP Professional Director Series of e-learning courses - The Role of the Board and The Role of the Board Member.

She also publishes the leading monthly newsletter on corporate governance, *Governance*, which has covered governance developments and best practice world-wide for over a quarter of a century.

Introduction

“The average age of a publicly quoted CEO is 56 in Europe and 58 in North America and Asia. C-Suite executives tend to be two years younger, and both tend to step down from their last executive role around the age of 60.”

John Jeffcock, CEO, Winmark

If we are to believe current projections, average lifespans will exceed 100 years while pensions only last around 20 years. This means that our post C-Suite plural careers may well last for 20 years or more, dramatically increasing the pool of people who want to become NEDs.

The good news is that the demand for good NEDs continues to be strong across all sectors as boards seek to drive growth, achieve greater diversity, develop successful strategies and implement good corporate governance. It is widely recognised that the perspective, wisdom, connections and know-how of experienced NEDs within the boardroom can improve overall performance.

Many executives consider becoming a NED and see it as being a good transition into a post-retirement career. It provides an outlet for experienced executives and partners from service firms to continue to use their business experience. In addition, people who are still enjoying their executive career find that taking on a single non-competing NED role can significantly add value to their executive role as well as being the first step towards moving to a portfolio career in the future.

A lot of executives view NED roles as an appealing post-retirement option, allowing experienced leaders to continue leveraging their business acumen. Current executives can benefit from a non-competing NED appointment, enriching their perspective while easing into a future portfolio career. However, securing that first NED role is by no means an easy task and requires preparation and extensive networking.

This guide outlines the critical requirements and appropriate skills needed to become a NED, and explores the measures hopeful NEDs should take to ensure they are ready to make the transition.



The search for NEDs is a highly competitive arena: know your skills and knowledge base, be focused on what you're going for, be clear you have something to offer, and understand what the board is looking for.



Julie Chakraverty

Senior independent director, NCC Group plc, founder of Rungway, former NED of ABRDN, Santander UK, Mitsui Amlin (Winmark NED Network member - UK)

Plural Careers

A NED recently joked that they were on the minimum wage, when considering what they are paid against the number of the hours they put in. Although, this is an exaggerated portrayal of NED pay scales it does highlight the important issue of money.

“Normally, when I get asked for career advice by people planning to leave their executive role, I start by asking them how rich they are. They are initially taken back but then they quickly understand that the need to have a regular substantive income has a significant impact on their choices and the number of six figure NED roles are very limited.”

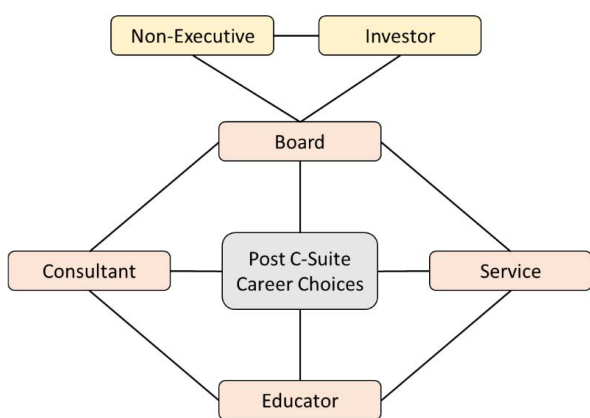
John Jeffcock, CEO, Winmark

Many prospective NEDs find themselves financially stable - with paid mortgages, children's education secured, and freedom to pursue desirable roles. However, personal situations differ. Some face impending expenses like weddings or will continue to require substantial annual incomes, which may limit options to the consultancy and plural NED routes. When evaluating compensation, keep these key points in mind:

- **Allow three years** - It takes three years minimum to build a NED career (the Big 4 partner exiting programmes take five years and there is a reason for that)
- **Cover your cost base** - Think about covering your base costs before making the jump, maybe by maintaining a two- or three- day week (the consulting and NED markets are already mature with oversupply).

For those people who are in the lucky position of already having built up their tangible assets and who want to do something that interests them, the world can be a very exciting place. Armed with a broad range of unique skills, a wealth of knowledge, substantial social capital through their connections and reputation, and a high level of professionalism and behavioural skills, they can be very valuable to a whole range of organisations, people and initiatives. The challenge lies in determining the first steps to take.

Plural careers are not limited to public company NED roles alone, and most NEDs actually engage in a portfolio of activities as outlined in the model below.



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- **NED & NED Investor** - there are all types of NED roles for organisations ranging from FTSE 100 to small private companies. The latter obviously pay less but many NEDs also become investors, utilising their contacts and know-how to grow the business with the aim of cashing in after a few years.
- **Consultants** - Lots of NEDs use a consulting business (usually a limited company), as their vehicle for handling the projects and initiatives they undertake. This consulting work, although 'lumpy', is often their largest source of income and in rare circumstances can exceed their executive pay.
- **Educator** - business schools and universities are in regular need of guest lecturers and commercial experts. Although not often highly remunerated, these roles can be very personally fulfilling. Many of these careers are initiated by publishing a book or conducting unique research.
- **Service** - this is about serving your local community, eg through a not-for-profit or helping to support the pursuit of one of the UN 17 sustainability goals. As with NED roles, it's important that this commitment aligns with your personal passions.

The key is to avoid 'pigeon-holing' yourself into one area and to look for areas where you can add genuine value beyond governance.



Take a board role as early as possible in your career and actively seek out board experience, but do due diligence regarding corporate governance. Chat with others who do board work and seek their guidance, you'll inevitably pick up great tips.



Jeanne Kelly
 President, *British Irish Chamber of Commerce, Browne Jacobson Ireland*
 (Winmark NED Network member - Ireland)

Important Considerations



Understand yourself, what you bring to the board and company and be able to articulate it well.

The technical skill that made you a successful executive is not enough.



KitPing Au-Yeung

INED and Chair of Nomination Committee, *AV Concept Holding Limited*, INED IOP publishing, founder & CEO of *UTransform Life and Business Limited* (Winmark NED Network member – Hong Kong SAR)

Personal Fit

When looking for a new NED role there are several things you should keep in mind:

- **Open Mind** - Do look at all the options and keep an open mind as you might discover a perfect fit that you hadn't considered before.
- **Honest Reflection** - Not all executives make good NEDs, so be sure it is the right route for you. CEOs can find the transition particularly hard and some people have short lived NED careers as it does not suit them.
- **Best Fit** - Consider the type of organisation that aligns best with your personality and skill set - such as an entrepreneurial firm or a large public company.
- **Aligned Passion** - Demonstrate real passion and genuine interest in the role you want to undertake, otherwise it will be difficult to secure a position and you may not give it the focus it needs.
- **Add Value** - Think critically about your own skills set and connections, think about where you can add material value and what you can offer as a board member.
- **Knowledge & Challenge** - Remember your role is non-executive, and you should only consider taking on the role if you understand the governance issues for that organisation and are prepared and ready to become a 'critical friend' to the executive.
- **Your Time** - If a Chair role is two or three days a week and a NED role three to four days a month, that tells you that your portfolio of roles is limited to 2 Chair roles or around 4/5 NED roles and no more. Be realistic about your time and consider the extra time a NED role may take, for activities such as:
 - Preparatory reading
 - Site visits
 - Ad hoc work
 - Committee meetings

There is also the possibility that an unexpected incident you could not have anticipated might occur. A salutary tale is the experience of a newly appointed Chair of the British Schools Exploring Society (BSES). He thought this not-for-profit role would take up a small amount of his time, be a fun role and an opportunity to give back to younger people. Soon after taking on the position in August 2011, a polar bear attacked a Society expedition in the Arctic Circle, killing a 17-year old school boy. BSES became front page news and the Chair diligently spent much of his time dedicating substantial efforts to prevent such a tragedy happening again.



I have three rules when accepting a NED position: I must understand and like the business, I must be able to add value and I must feel comfortable with the people and culture.



Moni Mannings OBE

SID LandSec and Co op Group, INED easyJet and Hargreaves Lansdown, founder of EPOC (Winmark NED Network member - UK)

Board Diversity

When we first wrote this guide in 2019 we celebrated the success of The 30% Club as female representation on UK plc boards hit 31%. We latterly discovered that public companies across the globe tend to beat government gender targets by 1-2%.

So how has diversity progressed since?:

- **Gender** - the progress for women continues. Winmark identified in 2021 that NED appointments under the age of 60 are now predominantly (51%) female.
- **Ethnicity** – in 2023 96% of FTSE 100 companies met The Parker Review Target of at least one board director from an ethnic minority, whereas, just 60% of the FTSE 250 met the target.
- **LGBTQ+** - has been identified by KPMG as currently having limited or no impact on career progression, and there is little data on representation at board level.
- **Social Mobility** – has been identified by KPMG and Winmark as being the biggest area of concern. KPMG identified that SEB (Social Economic Background) has the largest impact on career progression, and Winmark’s EPIC diagnostic has identified that 44% of business leaders are privately educated.

Measuring diversity is a complex and contentious area - for example, there are far more people of Asian than African descent on boards. Supporting diversity initiatives focused on individuals from lower socio-economic backgrounds can carry a dual impact, as being from a lower socio-economic background often intersects with the most disadvantaged minority ethnic communities.



Education and networking are key focus points when looking for a new NED role.

Good corporate governance training will give you the essential grounding and will also broaden your network.



Michael Greene

INED at various companies including *Kroll Bond Rating Agency (U.K.)*, *Kestra Medical Technologies (Ireland)*, *Zambian Energy Corporation*, *Banco Centroamericano de Integración Económica UCITS Fund* (Winmark NED Network member - Ireland)

Tech & Boards

Boards have realised the crucial significance of digital skills for many years, and Covid-19 accelerated the digitalisation of the workplace by an estimated four to five years. Digitalisation remains an important area of board competence, but this has now been eclipsed by cyber and artificial intelligence (AI) expertise. AI, particularly, is expected to be as game-changing as the internet.

As a result NEDs need to skill up in these areas. As this area is too broad to cover in this guide we have listed some key links below:

Data

- UK Open Data Institute (ODI) [Guide to Data Practices](#)
- UK Open Data Institute (ODI) [The Data Ethics Canvas](#)

Digitalisation

- Australia On Board [Digital Transformation](#)
- USA Third Stage [2024 Digital Enterprise Operations Report](#)

Cyber

- UK National Cyber Security Centre [Board-toolkit-QAs](#)
- USA National Association of Corporate Directors [Director's Handbook on Cyber Oversight](#)

Artificial Intelligence

- USA AI Governance & Board [AI Institute Generative AI Governance \(Deloitte\)](#)
- UK Institute of Directors [AI in the Boardroom](#)

We are very aware that there are numerous excellent reports and sources of advice beyond the ones mentioned above. Our goal is to provide a foundational selection, equipping you with the requisite information to pose pertinent questions needed to fulfil the role of an effective NED.

Finding a NED Role

Getting Your First Role

Most senior professionals are, understandably, so preoccupied with their own businesses or careers that they simply don't make the time to develop a strategy for the transition to a portfolio career.

Breaking through and gaining that first NED role is often challenging and if you wait until the last days of your executive career the road ahead may be longer and tougher than if you had started earlier. As mentioned before, if your employer is supportive and will allow you to take on a NED role as part of your professional development, there are tangible advantages for your employer too.

Lawyers, accountants and management consultants often face greater challenges due to the advisory nature of their roles, as they are perceived to have little operational experience. However, their professional experience with diverse clients can be highly relevant and demonstrate valuable analytical and influencing skills. These advantages need to be effectively communicated through your CV.

If you can, get an outplacement package, which can be valuable in providing mentoring support, interview practice, new connections and the opportunity to have your CV reviewed by a specialist NED recruiter.

It is critical that you take the time to choose the right first role as this will signal the scale and type of company you are interested in and enable you to position yourself accordingly for future opportunities. Be cautious about taking the first opportunity that comes along. Take time to research sectors and organisations properly.

Consider the type of roles available as all come with different responsibilities and remuneration:

- Plc FTSE 100, 250, Small Cap, AIM and Mid-Market
- Private Equity
- Family & Private Companies
- Charity Trustee & School Governor Roles
- Public Sector – NHS and Other
- Third Sector – Housing Associations, Other

Advice on How to Look for a Role

- Executive search companies look for a minimum of 10 years' board experience. Therefore do volunteer to become a school governor or charity trustee. These experiences all count.
- Develop a strong personal brand that highlights your broader talents; such as, leadership skills, strategic-thinking, ability to handle difficult situations, international experiences, M&A etc.
- Think about your hobbies and passions and see if you can find roles that leverage these interests.
- Make sure you are a good cultural fit by talking to all board members if possible.
- Remember a non-executive CV is very different from an executive CV, spend time crafting a document that will support any applications you make.
- Demonstrate your value during any selection process by showing you understand the role of the board in terms of stewardship and holding the executive team to account whilst they navigate the company specific risks and opportunities. Make sure you are familiar with the UK Corporate Governance Code.
- Ask critical questions on alignment, engagement and the balance of priorities between revenue, people and ESG.



Do interview practice with friends using a list of questions that the organisation may ask you.



Sarah Fairhurst

INED Equis Development Pte and Palm Concepcion Power Corporation & JECl
(Winmark NED Network member – Hong Kong SAR)

Things to watch out for

- Avoid being pigeon-holed in a technical past by enhancing your qualifications and demonstrating breadth of knowledge. Ensure you have the basics in place in areas such as corporate governance, strategic management and finance, and then expand into the pressing issues of our time such as sustainability, AI and cyber security.
- Make sure it is a real NED role and not a cheap way of getting consultancy because the company couldn't afford (or don't want to pay) for an executive role.
- Make sure you have enough time to commit to a NED role while keeping a healthy work/life balance.
- If you are looking to take on a NED position alongside your executive role make sure you have full support from your CEO and when in a NED role make sure you have full support from your Chair.

When to look for a NED role

- Recruiters may only look at your last role and not at your career holistically, so when you do reach out, reach out from your best roles.
- Reach out when you are at the peak of your career, when your bargaining power is greatest.
- You are likely to have more success if you are coming from the private sector, rather than the government or not-for-profit sectors.

Committee Chairs

The Remco NED role maybe a natural place for a CHRO and the Audit Committee for a CFO, however, there are several factors that you should take into account when considering a Committee role:

- There is a significant amount of onerous regulation, particularly for public companies.
- Everyone, including the board and executive committee will have a view and these are seldom aligned.
- You need to have a good understanding of finance and other departments, so that you can push back when appropriate.
- You should expect to be responsible for writing the Committee Report for the Annual Report which will become a public record.

Connections and Networking

INSEAD espouse that “the alternative to networking is to fail”, while Harvard thinks MBAs should emphasise that - “more business decisions occur over lunch and dinner than at any other time”. The numbers speak for themselves - 20% of business leads and 75% of jobs (including board roles) are found through networking.

In senior management, your personal brand should already be in place and you should have built relationships with the power players in your industry, related media, the City and Government. You need to be a deal maker or have assets and know people with both. You need to understand how to leverage these external connections to benefit your organisation and your NED career. Your network makes you powerful.

You also need to have the will and skill to make it happen. So how do you get started?

- 1. Set Your Purpose:** Decide on where you want to be in five years' time and write down your personal NED ambitions. Then write two lists, one of people who you know today and another of people you need to know to achieve your ambitions.
- 2. Build Social Capital:** Every single meeting you have outside your organisation can be of value and you should create personal ambassadors who champion you in the market. Next to all the people who could help you, write down how you could help them. Be generous, introduce them to each other, give them something first (people will reciprocate).
- 3. Be Authentic:** Don't rush people, slowly become a friend and look for guides on your journey. If you want to win in the gold rush you need to know where to look first.
- 4. Be a NED Brand:** Tell people you want to be a NED, particularly people in executive search. Showcase your personal brand and provide thought leadership in appropriate forums. Become known for an area in which you excel. Promote and nurture this reputation. Create your own 10 second tag line that tells people who you are and why you are valuable to know. Do it with humility and humour.
- 5. Be Visible:** Offer to speak at events, being seen, heard and read are all valuable ways to get noticed. Look at sector bodies where you can offer a relevant, knowledgeable and independent voice.

6. Diversity and Reach: Ensure your network is full of people from different sectors, roles and backgrounds. Seek out mentors and ask consultants and board members in your network for their guidance. Reach out to the edge of your network and ask them for advice.

7. Connect and Reconnect: Look at how your network might offer opportunities to increase your visibility. Reconnect with organisations and academic bodies from your past. Connect with professionals in the NED space, attend industry events, join relevant associations or organisations to build relationships.

8. Be Entrepreneurial: Look at start-ups, particularly technology companies that are aiming to target your current or previous role or sector. Look for opportunities to engage with start-ups to gain experience, demonstrate your abilities and have fun.

9. Use Social Media: Use LinkedIn strategically; connect with a number of people you know, who might know of potential opportunities with the companies or sectors you are interested in. Contact CEOs you used to know, who are on other boards.

10. Be Courageous: In business the six degrees of separation is a myth and can be short cut to one. If you want to make contact, find your referral and initiate an introduction. Most people will give you 20 minutes. “Ask, and it shall be given to you”. (Matthew 7:7)

In the end, it all comes down to relationships. As Theodore Roosevelt, the youngest ever President of the USA, once said:

“The most important single ingredient in the formula of success is knowing how to get along with people.”



Only take a NED position in a company which you feel passionately about now or could do in the future. If you feel inspired by the business, you will give it your time and energy more willingly and get more back from it.



Anne Morrision

Chair *Escape Studios*, Board 10–11 *Carlton House Terrace* and Committee *The British Academy* (Winmark NED Network member - UK)



What the Chair wants to know is are you a strategic advisor? Do you clearly understand the business and role and ultimately can they trust you and your capabilities? For me, I'm looking for not just a candidate, I am looking for an unwavering partner who is committed to forging a path towards sustainable boardroom success.



Amanda Zahringer

INED The Advertising Standards Authority for Ireland, Community Finance Ireland and Academic Advisory Irish Times
(Winmark NED Network member - Ireland)

Transition Support

There are multiple support networks to help you get started and to make the transition easier by drawing on the experiences of others making the same journey. Joining networking groups such as Winmark will grow your connections and knowledge, and thereby increase the number of people you know who could potentially help you land that first position.

There are specialist search firms such as Hanson Green, Odgers and Zygus that can also provide advice and help. It is worth developing relationships with several search firms to make sure that they know that you're interested in a NED role. But 'don't hold your breath', the likelihood of landing a role via search firms is small. Your career, your drive, your actions are much more likely to deliver the desired result!

There are also good NED jobs boards, some of which are listed below:

- Nurole: [The Market Leader in Non-Executive Board Hiring, 1,000 placements this year.](#)
- Governors for Schools [Effective Governors, Excellent Schools](#)
- What is a trustee and how to become one? [Charity Commission \(blog.gov.uk\)](#)
- [Public Appointments](#)

On average, NEDs are contracted to work two to three days a month per role, whereas a Chair is two to three days a week. While this may seem like less workload compared to a full-time executive, the amount of thought and preparation required to be a successful NED means that it is very difficult to juggle more than four at the same time.

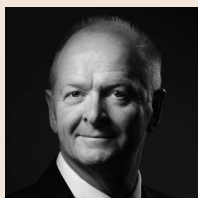
Aspiring NEDs should aim to make a success of their first role before considering taking on further roles. In addition, bear in mind that when first starting a NED role time needs to be spent getting to know the organisation. And if there is a crisis or the organisation is in the middle of a transaction, the time commitment can be a great deal more.

The Application Process



Understand what you bring to the table and what you lack in skills knowledge and experience and how you can make your personal mosaic more complete.

It's competitive and no NED is the finished article. You will fail more than you succeed when making applications to become a NED but you will succeed eventually. You need to persevere and to be lucky!



Neil Hayward

*INED Skills Union (Singapore),
The National Skills Academy
for Rail (NSAR) & Applied
Monitoring, Chair of Industry
People Board British
Horseracing/BHA and
Governor Solent University
(Winmark NED Network
member - UK)*

Your Application

Before applying make sure you understand the company and what is happening within the sector. One route to being a NED is to offer to start with a project for a client, for a fixed fee and fixed time. When you're talking to a potential client, listen to what they're up to and figure out if you've got the skills to help on a project. This can be a useful way of demonstrating your value, but also for you to see if you would like to work for them.

It is important to understand the issues and trends, who the competitors are and what they are doing. It is essential that you do as much reading as possible, including reviewing media coverage and analyst reports and of course search the web as extensively as possible. A detailed study of the company's website is absolutely critical, as is looking at the websites of their competitors. If you get to an interview, the interviewer will be considering the balance of skills, the added value you will bring, and the likely chemistry with the whole board.

- Make sure to position your unique 'value add' carefully against your target company's needs.
- Be persistent and imaginative.
- Demonstrate that you've 'done your homework'.
- Empathy is important and you need to position your unique proposition.
- Demonstrate that your interest is being NON-EXECUTIVE, and that you understand the difference between executive and non-executive.
- Demonstrate that you will allocate whatever time is required for the role.

A NED CV

To 'market yourself' you will need multiple CVs and elevator pitches depending on the role you're going for. This will require stylistic change, as you need to target your CV to the particular role – a role in the third sector is different to a role in an investment bank. Remember - 'you join the board, the board doesn't join you'. You've got to have a grasp of the culture and to reflect this in your tailored CV.

- Aim for 2–3 pages maximum.
- No fancy fonts.
- Plain language.
- Reverse chronological order.
- Use numbers to show scale and context.
- Include your address, contact details and link to your LinkedIn profile.
- Use the header for your name.
- Tailor your CV to the specific role, whilst ensuring that all material appointments are included.



The Executive Team are full time and board directors only meet a few times a year. So there are massive agency issues and the executive will always know more than the board director. As a director, you need to find ways to close the knowledge gap.



Christiane Schloderer

Chair board of trustees,
*German International
School Abu Dhabi* & board
director *NEXSYS-ONE*

Experience

- About your employer (t/o; total number of staff and its prime activity).
- Roles/tasks of influence.
- Job titles mean different things in different organisations, so ensure that you convey what you intend.
- Achievements, such as a successful merger or acquisition.
- Refer briefly to any work with charities or voluntary organisations, work in your community, school governor roles etc. If you don't have any executive board experience, such roles take on more importance.
- Personal interest, and other skills eg languages.
- Include internal courses to demonstrate breadth.

Application Forms

- Use the person specification to guide you on the points to cover.
- On an application form consider the questions carefully – how do they reflect the person they are looking for.
- Be concise.
- Motivation and ability – demonstrate your desire to contribute and how your expertise is relevant.
- Highlight skills such as strategic thinking, evidence-based judgement, and decision-making.



When your instinct tells you there is a problem, there usually is even when everyone else doesn't recognise it.



Michael Rosenberg OBE

Chair of *T42 IoT Tracking
Systems plc* and *Catalyst
Media Group plc* (Winmark
NED Network member)

Being a Successful NED



To be a successful Non-Executive Director, you must have a clear mandate from the owners.



Fahim bin Sultan Al Qasimi

Executive Chair of the *Department of Government Relations, Government of Sharjah, UAE* (Winmark NED Network member - UAE)

What Good NEDs Look Like

There are several different traits excellent NEDs will have. John Jeffcock, founder of Winmark, builds on Patrick Dunne's work and argues that there are five characteristics which are common to all:

- 1. Great judgement, integrity and self-belief** – NEDs need to be confident with what they know and comfortable with what they don't know. They are ready to ask questions when they don't understand something and be able to stand their ground when other board members try and close down a line of questioning.
- 2. Strong interpersonal, social skills and good listener** – An important characteristic is knowing how to listen - and listen in an active manner. Don't just listen to top-level management; those at the coal face can contribute fresh thinking. Look for opportunities to chat and bounce ideas with non-board members. Initiate 'site' visits. Remember we have two ears and one mouth, and they should be used proportionately!
- 3. Great antennae** – for example, knowing where to look in the board pack, what to ask when touring the company offices or sites, or spotting issues with the CEO or CFO.
- 4. Very good at managing conflict** – either around the boardroom table or in a transaction environment.
- 5. Independence** – NEDs are independent directors and need to ensure they vigorously retain their independence.

Great NEDs should keep themselves up to date not only with corporate governance guidance, but also generic opportunities and threats such as cyber security, automation, digitalisation, and revenue enhancement/new business opportunities to introduce to the CEO.



Be curious, competent and compassionate, whilst recognising that as a NED you need to challenge and support in balanced measure.



Wendy J Barnes

Non-executive director with *Scottish Power* and *Yorkshire Water*, and cyber security advisor (Winmark NED Network member)

The NED Role

Once on the board, a NED should engage fully. They should allocate enough time for the job, get to know key people at both the board level and below, ask the right questions and insist on digging behind the data where appropriate and maintain the capacity to deal with crises. Moreover, a new NED should ensure that an appropriate induction programme is put in place.

Once in place they play a crucial role in providing independent oversight, constructive challenge, and strategic guidance to a company’s board. Here are some key responsibilities:

- **Governance and Oversight:** NEDs monitor the executive management, ensuring the company is well-governed, complies with laws and regulations, and operates ethically.
- **Strategic Guidance:** They contribute to the development and review of the company’s strategy, offering valuable insights and advice from their diverse experiences.
- **Risk Management:** NEDs assess and mitigate risks, ensuring that effective risk management processes are in place.
- **Performance Evaluation:** They participate in evaluating the performance of the executive team and the overall board, fostering a culture of accountability.
- **Stakeholder Representation:** NEDs act as a bridge between the company and its stakeholders, representing shareholder interests and ensuring effective communication.
- **Specialist Expertise:** They might bring specific expertise or industry knowledge that complements the skills of the executive team.
- **Decision-making:** NEDs contribute to major decisions, offering an independent perspective and ensuring decisions are made in the best interests of the company.
- **Challenge and Support:** They challenge the status quo when necessary, encouraging healthy debate and ensuring that decisions are well-considered.

NEDs are distinct from executive directors as they are not involved in the day-to-day operations. Instead, they offer an external, impartial perspective that contributes to the overall effectiveness and success of the company.

Trustees and Governors

As the FRC (Financial Reporting Council) says, 'Non-executive directors should devote time to developing and refreshing their knowledge and skills, including communication skills, to ensure that they continue to make a positive contribution to the board. Key skills are objectivity, carving out appropriate relationships with fellow board members, and having the capacity to make time for the role.'

While there are similarities in the oversight and governance roles among NEDs, Charity Trustees, and School Governors, there are distinct differences in their focus and the environments in which they operate:



At the end of my first year as a NED, I have learnt a huge amount. Being a successful NED is about **investing generously** in your capacity to be helpful, sites visits, read the papers and stay current but **target** your interventions **carefully**. In NED world there is no correlation between quantity and quality of input.



Patrick Butcher

NED *Sheffield Forgemasters, Endava plc and Helrom GMBH*. Former Group CFO of *Headlam, Capita, Go-Ahead Group and Network Rail* (Winmark NED Network member - UK)

Non-Executive Director (NED)

- NEDs serve on the boards of commercial companies, providing strategic guidance, oversight, and advice to the executive team.
- They work within the corporate sector, often in for-profit organisations, and their primary objective is to safeguard shareholder interests and ensure the company's success.
- NEDs are responsible for monitoring the company's performance, compliance, risk management, and strategic decision-making.

Charity Trustee

- Charity Trustees oversee the governance and strategic direction of charitable organisations.
- They are responsible for ensuring the charity fulfils its mission, operates within legal and ethical boundaries, and effectively manages its resources.
- Trustees focus on the charitable objectives and the impact the organisation has on the beneficiaries or the community it serves.
- They must ensure that the charity's funds are used appropriately and that it complies with relevant regulations and laws governing charities.

School Governor

- School Governors are responsible for overseeing the management and performance of individual schools.
- They play a vital role in setting the school's vision, ethos, and strategic direction.
- Governors work closely with the school leadership to ensure educational standards are met, policies are implemented effectively, and resources are used efficiently.
- Their focus is on the educational outcomes and the well-being of students, staff, and the school community.

While all three roles involve governance, oversight, and strategic input, they operate in different sectors and have distinct areas of focus based on the nature of the organisation they serve. NEDs focus on corporate success and shareholder value, Charity Trustees on fulfilling charitable objectives, and School Governors on educational excellence and the well-being of students and staff within a school setting.

Effective Board Behaviour



Examples of Bad Behaviour

Forgets the line between governance and executive

- Interferes in operational details.
- Forgets about the purpose of the organisation.
- Sidesteps the Chief Executive to direct staff inappropriately.

Doesn't handle crises well

- When faced with crisis demands more paperwork/meetings.
- Assumes someone did something wrong.
- Focuses on what happened rather than what can be done.

Hijacks the meetings

- Or allows them to be hijacked by fellow directors.
- Points out spelling or grammatical mistakes during the meeting.
- Goes into questioning about details.
- Raises critical issues at the very end of the meeting.

Thinks that the work of the director is done at the meetings

- Doesn't engage with the organisation between meetings.
- Fails to respond to emails.
- Has to be chased.

Focuses on the wrong things

- Thinks that the main measure of success is the revenue/profit.
- Forgets to keep things in perspective.
- Doesn't focus on the end user.
- Forgets that it's a board and majority rule.



Examples of Good Behaviour

Remembers the line between governance and executive

- Confines themselves to setting or reminding the executive of the vision/direction and allows them freedom to deliver.
- Gets involved in subcommittees or specific projects if needed.

Responds well in a crisis

- Realises that more paperwork doesn't help. If the organisation is sufficiently well structured, whether things are going well or badly shouldn't necessitate the need for more time – just different conversations.
- Doesn't seek to blame.
- Focuses on 'what next?'

Doesn't hijack the meeting

- Only points out any grammatical or spelling mistakes in the paperwork if it's material to decision making or image and does so in advance of the meeting or afterwards.
- If they have any detailed questions asks them in advance of the meeting to maximise discussion time during the meeting.
- If they have anything additional to contribute – raises it in advance of the meeting so it can go on the agenda or at the very beginning so the Chair can decide how to handle it.

Understands the need to be involved outside formal meetings

- Engages with the organisation between meetings – offers support and expertise when needed.
- Responds to emails promptly.
- Reads communications and responds appropriately – even if just to say 'thanks and well done'.



Examples of Bad Behaviour

Thinks they're the expert

- Doesn't listen.
- Puts the executive on the defensive.
- Thinks they could do a better job.

Doesn't act like part of a team

- Lets personal interests and opinions get in the way of group decisions.
- Fosters cliques within the board.
- Obsessed with own agenda at the expense of group coherence.
- Inappropriate relationships with staff.
- Tendency to attack the executive, or assume that something hasn't been done or hasn't been done well.
- Questions aggressively as if they're trying to catch someone out.
- Never praises and tries to catch people doing something wrong.



It is important not only to make your point but to make it in a way that it is listened to. Influencing in the right way, at the right time is a core skill of a NED.



Andrew Allner

Non-executive Chair at
*SIG plc, Shepherd Building
Group Limited and Eco
Buildings Group plc*
(Winmark NED Network
member)



Examples of Good Behaviour

Focuses on the right things

- Remembers that revenue is simply one of the resources needed to help to achieve the organisation's strategy.
- Remembers that good times come and go and that it's rarely a single person's failure or fault.
- If the board out-votes them, lets it go and moves on.

Recognises the knowledge and skills of the executive

- Assumes that the executive is working hard and doing the right things and asks questions that are supportive and further the work.
- Recognises that the experts in the organisation are the executive not the board.
- Treats the executive as professional experts whose job is to advise the board when decisions need to be taken.

Acts like a team member

- Fosters positive relationships with all other board members and the executive.
- Helps ensure all board members have the chance to contribute.
- Appropriately engages with staff.
- Works for the interest of the group, not self-interest.
- Realises that the board and the executive are a team that needs to work together to achieve the strategy of the organisation.

Appendix A: NED Policy for the Management Board

A Winmark Management Precedent

SCOPE

This policy is intended to apply to members of the Management Board (excluding Executive Directors of the Company who are covered by the Remuneration Policy) and selected senior leaders reporting to the Management Board.

OBJECTIVE

On a case-by-case basis, it is intended to allow Management Board members (excluding Executive Directors of the Company) and selected senior leaders to take on a non-executive role in a public, private or philanthropic organisation.

This appointment must benefit the Company from the perspective of broader business experience, enhance the Company's reputation and/or address personal development needs of the individual.

Approval is to be granted on a case-by-case basis.

PROCESS

- Written approval from the CEO to be obtained before entering selection or search process;
- Written approval from the CEO to be obtained before accepting any appointment;
- Annual personal statement to be made that no conflicts of interest arise and an explanation to be provided of the benefits to the Company;
- Individuals are obliged to report any conflicts as soon as they arise.

Unless otherwise approved, only one external appointment may be taken on at a time. The maximum total time commitment should be 15 days (including travel and preparation time) per annum. Individuals are expected to use annual leave or personal time if the time commitment exceeds 15 days.

Individuals can retain any fees earned from the appointment;

- Individuals are to notify the Company (as soon as legally permitted) if any circumstances arise, as a result of the appointment, which might mean that the time commitment would become exceptional (eg M&A activity or regulatory investigation);
- Individuals are not covered by the Company's business travel and indemnity insurance for any third-party activity under this policy;
- Individuals are expected to apply the Company's standards of ethics and personal conduct to any appointment under this policy;
- The Company has the right to demand that the individual resigns from their appointment:
 - with 3 months' notice (if there are reasonable grounds that the appointment is impacting their duties to the Company); or
 - with no notice if in the opinion of the Company a conflict of interest or a reputational risk to the Company has arisen from the appointment.

This policy is intended to take effect from _____. The policy will be reviewed annually by the Nomination Committee.

The above policy is intended to be highly motivational for executives and senior leaders of the Company. It also addresses a desire by the Company for senior leaders to be more externally connected and to bring in best practices from other industries into the Company. It should also help the Company to attract and retain top talent.

Appendix B: Sample Board Dilemma

The following is one of the Dilemmas taken from Boards, 2nd edition, by Patrick Dunne. The Dilemmas are all taken from real-life (suitably anonymised) and present the reader, either alone or in a discussion group, with an opportunity to think through a given situation to try to resolve it.

When considering the Dilemma there are four points to be considered:

- What's the Dilemma?
- How am I (or are we) going to decide what to do?
- What am I (or are we) going to decide to do and when?
- How am I (or are we) going to communicate what I (or we) have decided to do?

BOILING POINT WITH TOO MANY COOKS

MatFriend, a London headquartered maternal health charity was founded 20 years by its Chair Fred Frender. Fred put up \$100m to found MatFriend and was CEO for first 13 years. He decided to step up to be Chair eight years ago and brought in the current CEO, Victoria Forbes, five years ago after her two predecessors left rather abruptly following disagreements with Fred over strategy.

In addition to the \$100m from Fred, the charity has been highly successful at raising money from others. These have included former colleagues of Fred, his former employer, Foundations and Corporates as well as through general fundraising activity. Most of the board are major donors or are representatives of major funders.

After a strong start Victoria is becoming increasingly frustrated with Fred and with the board. She has a background in a high-volume service global corporation and this is the first charity role she has undertaken. So far, she has stayed the course, won Fred and the Board's respect and admiration and has tried valiantly to get the charity to be more focused, to reduce high staff churn as well as lower the number of risk incidents on a variety of matters including safeguarding and harassment.

MatFriend raises money in the US and Europe and then spends the majority of it in a number of African countries through a mix of direct delivery and grants for both research and a range of other things. It is a UK registered charity, regulated by the Charity Commission with legal entities and regulators in 20 other countries. Some of these are where it operates (eg Malawi, Kenya, Uganda, Mozambique, Sierra Leone, Liberia etc) and others are where it raises money (ie US, Switzerland, UAE).

In addition to the main board of eleven Trustees of MatFriend there are local governance boards in each

country where it has a legal entity as well as advisory boards in 20 of them. It then has a group of 8 advisory boards on different themes. There are also board sub-committees (Audit, Nominations, Remuneration, International Strategy, Medical, Investment, Regulatory and Fundraising) There is some overlap of members on these boards but in total this involves just over 250 different people.

Victoria's first year at MatFriend was a nightmare. She couldn't believe the lack of focus and process yet how high the governance load was. Simply attending the various meetings already in the diary for her was challenging as she was expected to be at every country board meeting. The financial reporting was what she described as a collection of raw data dump. Treasury management was non-existent and it was very hard to get a sense of how much cash was really committed to grantees in aggregate or how much of the funding due was actually committed rather than pledged.

Gradually over the last five years through changing the team, most notably through a new CFO and COO she has gained a much tighter grip on finance and operations and made the whole organisation more focused and purposeful. However, she remains disappointed that she has not persuaded Fred to reshape the architecture of governance and to give more autonomy to those responsible for implementing decisions. After an exasperating conversation with one of the more pompous Country Chairs who kept referring to her as "Young lady" she has decided "Enough!".

You have just joined as a Trustee and have been asked to become a member of the Audit Committee. On the morning that your 200-page board pack arrived with a similarly weighty set of Audit Committee papers you had a call from Fred. He rang you to say that he was highly embarrassed that Victoria had let the board papers go out with an additional paper that he hadn't seen proposing a radical review be conducted of the governance and decision-making processes. The paper states that the objectives of this review are to simplify decision making, give far greater autonomy to the executive and to reduce the number of committees and boards by two thirds. She proposes a budget of £50,000 to fund the project as well as two consultants with a track record in this space to pitch for the work.

Fred tells you that he is really disappointed in Victoria and that although she got off to a great start has found the job increasingly challenging over the last 18 months. He's been getting feedback from some of the Country

Chairs that she can be impatient and brusque with them and that her style is increasingly an issue. “She even contradicted me in a pitch for us to go into a new space the other day and as a result she blew it.”

The addition of the governance paper without his approval is unforgivable in Fred’s view and he can’t see how she can carry on as CEO. As a result, he tells you that he would like to have a board call in two days to formally approve Victoria’s removal, for him to become interim CEO and for the appointment of a search firm to find a permanent successor. Fred ended the call by saying “I’m so sorry to have sprung this on you with you being so new. I know that it will be difficult for you to contribute to the call in any meaningful way but wanted to speak to you in advance”.

You express surprise but think it best to reflect on the call before reacting and after putting the phone down start to think about what to do?

What are the issues and what are your options?

Note: Further description of the central characters is provided on the following pages.

FURTHER DETAILS ON KEY CHARACTERS

Fred Frender - Chair

Fred is a medical doctor with a PhD from John Hopkins who spent the bulk of his executive career in the medical devices research team of a major corporate. He lucked out with the invention of a jackpot diagnostic device for which the company he worked for gave him a royalty share. This ended up making him \$200m by the time he was 40 and, in his words, “Is still the gift that keeps on giving”. At that point he decided to keep half as well as any future income for the family and to use the other \$100m to set up a charity to support maternal health in Africa starting in Malawi. Fred is considered by many to be a genius and one of the most creative innovators in the devices space. Yet at the same time he can be surprisingly resistant to change.

Victoria Forbes - CEO

She was first of her family born in the UK, a year after the family fled from Uganda at the end of the nineteen sixties. Her parents’ dream was for her to either be lawyer or a doctor. Victoria excelled at the local state school in East London and thrilled her parents when she chose to do a law degree at Oxford. However, in her final year she decided that she didn’t want to be a lawyer after all and accepted a place on the graduate programme of a large consumer goods company. She discovered she was really good at marketing and just five years later accepted a marketing director role for a major product group of a global conglomerate. Her rise up the company was rapid and her last role was Group Managing Director for Europe, Middle East and Africa

for the company’s highest growth business unit.

The switch to the `charity sector caught many by surprise, especially her boss but such a move was something she had been planning for a while. When the head-hunter called with the MatFriend opportunity, at first, she thought it was a little soon but the more she learnt about the charity, the more intrigued she was and the more attracted she became. The head-hunter was very open about the issues and the reasons for the two previous CEOs appointments not working out. Almost the more the head-hunter talked about the challenges the more compelling it became to Victoria. She had always excelled at everything she did and in terms of scale MatFriend was less than a tenth of the size of her business which was in 50 countries.

Victoria had never spent what she earned and had amassed a significant amount of savings and investments as well as paid off her mortgage at 45. There was always a hankering to do something in Africa more than the short business trips and safaris she had been on. She was also starting to find the travelling and constant interruptions to holidays from the Group CEO were reducing her family time. Despite her hugely supportive husband Tom who is a successful writer and had taken the major load of looking after the children she was thinking that perhaps a move to run a significant charity might be a lot less stressful and give her a lot more time at home.

You: Mary Starr

As a high-profile paediatrician with a glittering career in private practice and academia you have long been an admirer of MatFriend’s work. Indeed, over the years they have funded some of your most impactful research. You plan to retire soon and so when you got the call from Fred to ask if you would be interested in joining the board the timing seemed perfect.

You have served on various medical advisory boards but not on the main board of Charity before. You had met Fred and Victoria a few times before and thought that they had complementary skills with Fred being the creative driving force and promoter and Victoria the implementer. Fred’s call has therefore been a bit of a stunner.

The Rest of the Board:

Apart from Fred you have met three of the other nine trustees as part of your selection and due diligence process. All stars in their field, they have been on the board for a long time but unlike you are major donors. You were struck in your conversations with them at how positive they were about both Fred and Victoria and the quality of their relationship. Yet one of them in crystal cut “Downton Abbey” English had said that “Naturally, occasionally sparks fly but a little creative tension is a good thing don’t you think my dear?”. Another

one equally politely advised you to buy a new pair of reading glasses but added “Don’t get too worried about the quarterly ‘War and Peace’ arriving in your in box. A lot of it is just summaries of the regional boards and sub-coms which you don’t need to read.”

You haven’t met the others yet but from their profiles there seems to be excellent diversity in terms of gender, ethnicity and nationality as well as field of expertise. There doesn’t appear to be a formal Deputy Chair or Senior Trustee but you have picked up that Fred seems to have particularly high regard for Martha a leading German scientist and business woman. You heard she has a very strong character and brings a sharp no-nonsense focus to discussions. Her frequent use of the word “concrete” has become a bit of an in-joke.

The issues

The most pressing issues here are what to do between now and the board call and then how to play the call itself. The relationship between the CEO and the Chair appears to have reached breaking point but is it as irretrievable as Fred says it is? He has made it clear what he wants to do and there is no suggestion of a debate but is he right and what do the other board members really think.

From what Mary knows she is likely to feel that the cause of this, as Victoria has suggested, is the over clunky governance architecture and practice combined with Fred’s reluctance to change it. However, being new she might also be wondering what else is lurking beneath the surface. Does the charity really deliver the bangs per buck it should in terms of impact, is the stated strategy what is really being implemented and how happy are the rest of the team? A host of other thoughts may spring to mind, including what she thinks might be the biggest issue of all, Fred

Maybe Victoria hasn’t played it as well as she could have, even if she has lasted a lot longer than her two predecessors. Perhaps she has been a bit naïve about the challenges of running a significant charity, a common misjudgement. She doesn’t look to have built sufficient allies on the board to support the changes that she feels are necessary, even if Fred is somewhat change resistant and suffering from a severe bout of founder’s syndrome. Her frustration also seems to have got the better of her and either way she has taken a huge risk, calculated or not.

Having said all of that, from what we know, Victoria has a big point and a good Chair would have taken it on board, dealt with it despite the personal discomfort and enlisted the support of the board to find a pragmatic transition to a more effective governance model. The ultimate responsibility for a situation like this has to be the Chair’s. A highly effective Chair would have tried

hard to avoid reaching such a point, especially if they have been there twice before. You might also argue that the board should have seen this coming and wonder what they were doing to try and deal with it.

Being a newcomer makes this situation even harder for Mary. There is only partial information and few facts to go on at this stage. She is unlikely to have enough familiarity with the people to be able to listen to what they think as well as what they say. Moreover, they don’t know her either so whatever she says she will need to be sure they hear what she means. A conference call with 11 people where you can’t see the body language makes all of this tougher still.

Knowing where the power lies will be another issue. In crises it isn’t always obvious. She may have the power that a fresh, objective and less vested voice brings or alternatively perhaps the lack of it for having not had the opportunity to establish personal credibility with them yet. Mary’s instincts are likely to play a bigger role than her analytical prowess. An instinctive response for some may be to feel that they have the convenient excuse of not knowing enough to make a judgement and that it might be best to keep her head down, to leave it to the others and then go with the prevailing view.

As a top surgeon Mary had always admired military field surgeons and those in the trauma area for their bravery in making judgements on limited information rather than on having a detailed analysis of the underlying causes of the problem before having to decide on what to do next. This seems to be one of those tricky situations where she is well and truly in the field and will have to make some judgements before she has the ideal data to hand. She has very little time to calibrate what she has heard and will naturally want to avoid being seen to be undermining Fred. Integrity, trust and keeping confidences are so important to respect and therefore to influence.

If she decides not to wait for the call but instead to find out more from others, who should she speak to? By coincidence the board pack contained a fresh board and executive directors contact details sheet with everyone’s numbers. If there is ever a time to take advantage of others greater tolerance to the ignorant questions of a newcomer it might just be now. Yet, it’s quite a bit of work to call nine others, it’s far from risk free and Mary might wonder how Fred and the other trustees would feel about her doing this.

She might also wonder about finding an excuse to speak to Victoria or the finance director. It is always easy to call ahead of a board once you have the pack to provide the excuse to ask a few clarifying questions that you don’t want to take up whole board time for. Harder though to speak to Victoria without giving the

game away and risk her feeling later that Mary has been disingenuous.

With regard to the call strategy, as a decent person respecting her rightful share of the “pie chart of air time”, Mary will recognise that she will have very little time to ask questions, make points or to challenge. One advantage of speaking to others first is to gain a better understanding of the points that they would like to make and to share them between you. On top of that you are likely to gain a sense of where the consensus is.

Conference calls are inherently difficult for proper discussions as you do have to take it in turns if you want to avoid an “interrupt-fest”. Fred may or may not be the consummate conference call Chair and with that number of people on the call it may be hard to make more than a couple of points. Given that should she send Fred a carefully considered email beforehand setting out the points that she would like to make on the call.

If Fred gets his way on the call, then with its profile MatFriend should be able to attract the sort of CEO that Fred is likely to want but will they be what the charity really needs? Losing Victoria could be a big blow to morale and Fred has never had the process skills to directly manage what is now such a large and complex organisation. Fred may also be sensitive to the circumstances of Victoria’s predecessors’ departures and want to avoid it looking like he is the problem.

Mary has been asked to join the Audit Committee but if she feels strongly about the importance of making the right choice for the next CEO and dealing with Fred’s succession as Chair over the next few years then she may decide to ask to be on or to Chair the Nominations Committee instead.

Finally, most smart people encountering a fresh dilemma will have a think about who they know who may be able to provide a little wisdom on the topic. This is all very new, it’s highly confidential and hard to share but we all have a few people we can trust absolutely to hold a confidence. There are other issues but let’s leave it there and now consider Mary’s options.

What are the options?

Before the call, the first choice is whether to wait for the call or take some action beforehand.

Let’s deal with “no action” before the call first. This may seem the least risky in the short term after all you are so new you could easily be forgiven for keeping your head down and going with the majority view. Yet doing that could easily be a decision that you may regret perhaps even as soon as the conference call begins but more likely later. Why?

Well because your ability to influence the outcome

may be enhanced considerably by taking action. That may be redundant if the outcome is going to be the right one anyway but what if it isn’t and you then feel later that you just let it happen or more significantly it isn’t the best thing for MatFriend. That after all is what your duty as a trustee is all about – to act in the best interests of the charity. A tough call either way but one Mary has to make.

If she senses that “no action” just doesn’t feel right for her then what things could she do before the call? As discussed in the “Issues” above she could ask for a proper conversation with Fred or call all or some of the board to get their take on things. She might also risk it and speak to Victoria without revealing Fred’s plan. If she decides to speak to a number of trustees then which ones and how should she play the conversation to ensure she isn’t seen to be causing trouble? Martha sounds like a good place to start given the brief description she has of her and in terms of how to play the conversation as long as she comes over as genuinely wanting to understand the situation better to inform her judgement then she should be fine.

When it comes to the call itself how does Mary maximise her air time? Clearly this depends upon what action she has taken beforehand. If Fred presents it as a “fait accompli” and the rest of the board are compliant then she is down to asking questions to reassure herself on areas of concern or the implementation plan and that overall Fred and the board are doing the right thing.

If Fred presents it as a “fait accompli” and the board are less sure then she will need to make a judgement about what she thinks is best. Her new more impartial voice may have more power especially if she is effectively the swing vote. In this situation her instincts may be telling her to listen first and then contribute and it is perfectly reasonable for her to ask to hear the views of those who have been on the board for some time before expressing hers.

Fred may start by asking for each board member’s views on Victoria before going through why he feels his course of action is necessary. He is more likely to do this and choose the order of contributors if he is confident that there will be support for his proposal. In this circumstance Mary again will naturally want to go last.

What happened?

In summary this was a difficult birth to trusteeship for Mary but she played it brilliantly and this is one with a surprisingly happy ending. Remember though, as with all the other dilemmas where the director achieved a good result not everything about the way they did it here will work in a parallel situation.

Mary’s instinct was not to react immediately to Fred’s initial call but rather to reflect and seek the wise counsel

of a mentor who she could absolutely trust to keep the confidence. Right from the call her feeling was that the issue was Fred and that although Victoria needed to be a lot more streetwise she was fundamentally a very strong CEO and absolutely correct in her analysis. However, at the same time Mary felt very uncomfortable making such a snap judgement on a set of issues which were this critical. She prevaricated a little about speaking to her mentor and decided to sleep on it.

The next morning, she awoke with a strong conviction to act but to do so cautiously. She emailed her mentor, a distinguished and canny Chair of a major corporate with a lot of experience in the charity sector but not in the medical field. As luck would have it he was free for a coffee just before lunch. When they met Mary set out as clearly and as dispassionately as she could what she thought the issues were as well as a couple of thoughts on how she might respond. Her mentor didn't know Fred or any of the other MatFriend trustees but quickly grasped the situation and through some excellent questions, about why her instincts were leading her to want to be proactive and speak to as many of the other trustees as possible, gave her the confidence to feel that this was indeed the right thing to do despite the effort and the risks entailed in doing so. He also asked her to try out her script with him, helped her hone it and from Mary's descriptions of the trustees guided her to start with Martha.

After some initial hesitancy on Mary's part and caution on Martha's her first call went well. Martha's instincts as sharp as ever made her ask Mary why she was really calling half way through the pleasantries. Martha thought that Victoria was spot on but her reluctance to discuss it beforehand and bottle it up was a big mistake. "She has more support from the board than she thinks she has". Martha felt that the time for change was long overdue and despite the fact that she thought the world of Fred he should think about passing on the Chair's baton. Martha warmed to Mary during the call and warned her to be careful of two Trustees in particular who would view any suggestion of disagreeing with Fred's view as treason.

The other five calls she was able to make that day, except for the two that Martha had warned her of, followed a similar pattern. Sadly, one of the two was the Chair of the Nominations Committee who said that he was fully behind Fred and he had already had a word with his favourite headhunter so that they could get ready.

Feeling that there was likely, although not certain, to be enough of a majority on the board to slow Fred up in despatching Victoria without proper discussion Mary then sent Fred an email and suggested that she see him as early as possible the following morning to share her concerns about their conversation about removing

Victoria and some thoughts she had for the board call later that day. Fred was surprisingly relaxed about the idea believing that he had the board in his pocket and that Mary was simply being an anxious novice.

When they met Mary stunned Fred with a smart, sensitive and unmistakably clearly-worded summary of how she saw the situation and her thoughts on what the trustees would welcome on the call. After preparing him by saying that what she was about to say would be uncomfortable for both of them, she told him that as a newcomer she had called most of the trustees to gain their views before making up her mind on what she thought. As expected she said "there were a range of views but a consensus". This consensus, from all bar two, was that now was not the time for Victoria to go, even though she had made a serious error in putting the governance reform paper in the pack without discussing it with Fred or the Chair of Nominations Committee. The general feeling Mary said was that Victoria was "Spot on in her analysis and the general direction of travel with regard to the solution."

Fred's mood shifted considerably and he found it hard to conceal his anger that Mary should have done this "behind my back". Mary said calmly and warmly that she appreciated that this was tough to hear and that she knew she had risked their relationship but that she genuinely didn't know what trustees might say and felt her first duty was to the charity and to find out. She said that she had an enormous regard for him and felt that there was a good way through this which despite the discomfort and embarrassment would leave the charity in a much stronger position.

Her suggestion was that he called the trustees individually and ask them to give it to him straight and then to use the conference call to agree on what feedback he should give to Victoria ahead of the board meeting and how they would take the issue of transforming the governance model forward in a way that was inclusive but delivered the step change that most of the trustees felt was necessary. Surprisingly Fred was a lot more compliant than Mary feared he might be. There was something about the warmth of her approach, the calmness and the irrefutable logic as well as the genuine respect she showed him. Reflecting on the conversation she realised that all that experience of having difficult conversations with parents about life and death and trying to balance clarity with compassion was very useful training. As was the importance of taking verbatim notes when under pressure.

Fred regained his composure for the call, startled Mary by thanking her for an incredible intervention that morning and said that she had made him reflect on his decision to remove Victoria. He said that having said this he still felt the level of disrespect that Victoria had

shown in sending out a paper of that nature without sighting him was regrettable and that in the spirit of giving her balanced feedback he would be telling her this in his one to one the day before the board meeting. He also suggested that he would tell her that although her paper would not be discussed in detail in the meeting they would discuss the need for comprehensive governance review with a focus on decision making and including succession planning as well as who from the board should lead that process and what principles they wanted to apply in conducting it.

Once she had got over Fred's ticking off on respect for the Chair (ie him) and focused on the overall outcome Victoria was thrilled. Fred was very mature about the

whole thing especially once he realised that Mary was right when she had tweaked Oscar Wilde's famous quote and said: "To lose one CEO looks unfortunate, to lose two looks like carelessness and to lose three looks like you are the problem!".

Martha led the review which came up with a pragmatic step by step approach to governance slimming and decision quality enhancing. After two years most of this was in place, Martha became the next Chair, Fred became Founder Emeritus and Mary became Chair of the Nominations Committee. A couple of years later with performance dramatically improved a successor to Victoria was appointed from within.