

Going Plural

SAXTON BAMPFYLDE HEVER

THE AMROP HEVER GROUP

Are you ready for a change of pace, a less one-sided work-life balance, a little less power and a lot more influence? One in a series from Saxton Bampfylde Hever plc

Getting ready

Building your portfolio

What every good Chair knows

Any other business

'Now here,' said the Red Queen, 'it takes all the running you can do, to keep in the same place. If you want to get somewhere else, you must try to run at least twice as fast as that!'

Lewis Carroll

Our formula for a fulfilling portfolio: three boards (one as Chair and two as a non-exec), one arts or charity body, and one government committee.

The more boards you're on, the more carefully you'll have to tread

It's a small world nowadays. If you have multiple directorships, you're more exposed to conflicts. Sooner or later, almost every board hits a crisis. How many could you handle at once? If you're a Chairman, are you risking two appearances on one edition of the evening News?

What every good Chair knows

Non-execs are a very cheap way to get experienced advice...

Non-executives aren't just there to see fair play. Any Chair worth his or her salt will expect them to add value. **Before you take the job, make sure you know what you're expected to bring to the boardroom table.** If you're coming from the City, do they want your contacts as well as your experience? If you're a woman, are you willing to be a role model for the company's female executives – and how will you go about it? If you're on an overseas company's board, are you there to play a full role or just to represent your country or region? And are you in a position to fly over for emergency meetings at short notice – for example, to fire the CEO?

...But advisers don't always make good non-execs

If you're a professional adviser – a banker or lawyer, say - a non-executive seat on a client's board might seem appealing. But as advisers ourselves, we'd urge caution. You may know the business well – but can you be sure that you or your firm will never have conflicts? Would you be willing to fire your firm and appoint rival advisers? Will investors see the appointment as a reward – for easy-going audits, for example? The company values your good judgement and counsel – but ask yourself, do your skills as an adviser include an aptitude for taking tough decisions or drawing a line in the sand? **And are the traits that make you a successful professional so effective in the boardroom?** Your interpretation of the non-executive's duty to probe and challenge may somewhat startle the board if you're an aggressively adversarial lawyer, for example.

She may call it dinner, but it's an annual appraisal

A good Chair will want a one-to-one with you at least once a year. It's invaluable for you both, especially if board meetings are rather formal affairs. And if, after five to seven years, she suggests it's time you moved on – don't feel miffed. She's right.

Any other business

Buy a paper shredder. You've got an awful lot of reading ahead of you – but you'll never want for cat litter again.

For years, clients have been asking us to find non-executive directors who can add real value. And the demand for part-timers with firepower keeps on growing – driven not only by corporate governance concerns but also by the need for wide ranging strategic acumen in both commercial and non-commercial organisations from aero-engines to government and charities. Today there are unprecedented opportunities for talented top executives to build a satisfying portfolio of part-time appointments – until, eventually, they can give up the day job.

Non-executive directorships are not, however, an easy option. Increased pressure and public scrutiny make the posts demanding and stimulating. But for the adept executive whose need to run the show has been assuaged, non-executive directorships make a logical next step in career terms. We are often asked for advice from senior managers ready to ‘go plural’. If you’re contemplating non-executive life, here are some tips we have learned from years in the search business.

Getting ready

Start today. If not sooner...

Fifteen years ago, the opportunities were relatively scarce. Candidates would normally be in their late 50s or early 60s before they could hope to put together a suitable portfolio. And then, only if they had the right connections.

But now appointments are made through due process, rather than the old boy network. Chairs and Nomination Committees are interested in bringing in a multiplicity of talent to their boards and executive search consultants are increasingly helping them to do just that. Today, opportunities are open to a wider range of people, some of whom start assembling their portfolios in their 40s – perhaps even in their 30s with a charity trusteeship. Our advice: **the sooner you start, the easier it becomes and the better you will be at it.**

...But don’t abandon executive life too fast

Timing is all. Your growing portfolio will enable you to replace the day job. Eventually. **But before you quit, make sure you have fully scratched your executive itch.** Are you really able to walk away, or do you still have something to prove?

Influence is not the same as power. An effective non-executive must learn to balance their responsibility for proper corporate governance and advice with the understanding that they are paying someone else to be Chief Executive.

Sort out your aircraft carrier

There has been considerable research into the problems experienced by senior executives retiring from their primary role. Executives have become accustomed to optimising their efficiency and effectiveness in their drive to succeed by calling upon a significant base of always-on-hand-assets such as company drivers – to get them to and from meetings on time; intelligent executive assistants – who process large amounts of data, presenting the most urgent to their bosses for action; talented PAs – who manage nightmare diaries and somehow get more meetings into the day than would seem possible. So before you quit your day job, consider the support structure that goes with it. How would you cope without it? Most pertinently, who would look after your diary?

A portfolio lifestyle requires adept time management – yet some senior executives haven't managed their diaries for 30 years.

Some people are fortunate enough to be provided with someone to keep their diary as part of their leaving package. Or even better... early on in the portfolio-building process, we suggest candidates find a job that becomes their fixed base to enable them to undertake remote assignments – their aircraft carrier, if you will. One that gives them a base, and someone to answer their phones five days a week and keep their diary. Your portfolio career may last another 15 years or more – so this could be one of the most important moves you make.

Practise a few craft skills

The skills of a non-executive director aren't entirely synonymous with those of a successful line manager. **You may need to practise a few of the critical nxd competencies before beginning your move to portfolio.** For example, as a full-time executive you are used to getting as much 'air time' as the merits of your arguments require. As a non-executive you may find your opportunities to ask questions severely rationed. Practise asking fewer, acute questions that will get to the heart of the issue. Your favourite headhunter may be able to offer some advice here – asking pointed questions is a big part of their job!

Can you afford it yet?

Some people make a good living out of their portfolio but not all portfolio positions pay well; and jobs like charity trusteeships don't pay at all. Most portfolio players pick up enough to cover their household expenses, get their diary kept – and do something worthwhile as well as something they love doing.

Prepare to find your diary astonishingly rigid

If you're hoping for a more flexible lifestyle, you may be in for a shock. It is not at all unusual to find yourself booked for board meetings two years ahead. Book some holiday time while you still can.

Long weekends may not be easy. Friday is a key day for meetings. And remember that

CEOs and Chairmen do a lot of thinking at weekends – so your phone will ring all day and evening on Mondays, when they need their non-executive sounding boards. In any case, you'll be working all weekend yourself before board meetings – you won't believe how much there is to read, and you won't have all those bright young assistants to help you.

Building your portfolio

Don't be too easily flattered

Don't necessarily take the first job that comes along. Especially if it takes up all your Monday – that's likely to be your most sought-after day. **You want to be able to take up the job you really want when it comes along.** If you're asked to join a board, check out the existing members. Do they strike you as well selected – or the wrong people, for the wrong reasons? If the job doesn't prick up the hairs on the back of your neck, don't take it.

You're building a plural life – incorporate all parts of your life

It doesn't have to be all corporate. **Include some jobs that fit with your personal interests – or your partner's.** If you plan to go plural at 50, start by becoming a trustee of a charity or an arts organisation at 40: it's good learning for you, and your company is more likely to let you take time off for it (they may think it's premature to spare you for a non-executive directorship).

Be aware of your liabilities

Charities won't pay you – but they're now paying headhunters like us to find them trustees who are great as well as good. Many are now £100m businesses: they need people who can think on that scale. But as in any commercial enterprise, remember that **the responsibilities may also be huge.** And remember, although they don't pay you, you retain significant personal liabilities.

Is it improper to buy shares - or unavoidable?

There are two schools of thought:

- Some boards argue that non-execs represent shareholders, so should buy shares to keep their interests aligned
- Others argue that corporate governance might be compromised if you have a vested interest in short-term decisions

Make sure you know which type of company you're going into – especially if you don't see £100k of its shares as a good personal investment.

If your week exceeds eight days, you're taking on too much

A portfolio gives you a chance to make a difference to organisations you care about. You can have fun – it's allowed – and it's less directly stressful than actually running something. But it isn't necessarily less of a commitment than executive life.

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