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## Refreshments please!

The composition of [boards](#) these days is expected to be an expertly mixed cocktail of non-executives. This should be made up of a lot of fresh ingredients along with the pickled ones. Take a good base of relevant [skills](#), combine it with a healthy slug of diversity and, for an extra twist, add a sitting [executive](#) as a NED. Each board has a distinctive recipe, but here are a few of the common approaches which can help you find your own special mix and avoid a sour outcome.



### Good practices to consider...

Make decisions based on individuals and their continuing value – not just the term they've served. On some boards, the understanding is that people should really move on after six years. Others think nine is fine. [The Code](#) expects companies to explain after nine but – for the moment at least – is not setting a hard cap. A check point every three years is a good discipline, not a sell-by date.

Keep an eye on all the moving parts. It's a good idea for the Company Secretary and Chairman to be maintaining a "[skills matrix](#)" to remind them who brings what experience and knowledge, as well as when they are likely to rotate off. And making sure the [committees](#) maintain the right mix is a critical component.

Get the order right. An established Senior Independent Director (SID) should manage the Chairman succession and, of course, you don't want the Chairman and the [CEO](#) both heading for the door at the same time. Allow for settling-in time too. A new CEO will want the Chairman to be around for a while to provide guidance and support as they get their feet under the table. Likewise, a new Chairman – even a highly experienced one – will appreciate the counsel of a SID who knows their way around the company and the executives.

### Things to avoid...

Assuming investors see your logic. Spell out to them why it makes sense to keep a long-standing NED. There may be a good reason for keeping someone beyond their "expected" term – it could be unique skills or a consistently strong contribution and challenge that the [CEO](#) appreciates. Or they might provide much-needed continuity. Amid the pressure to stay "fresh", it's important to remember that the Board needs to stay cohesive – especially at times of rapid or major change.

Over-engineering the process with a multitude of categories and sub-skills. Real life will get in the way... The best board [succession](#) plans fit on one page and don't need a microscope to be read.

Not having the conversation. When is the Chairman planning to leave, or the SID? Or the CEO? It's important to check everyone's intentions each year even if there seems to be "nothing to talk about" because "everything is fine." Get into the habit of discussing it regularly, so that when change is needed, it won't be awkward to broach the topic.

## Good practices to consider...

Keep everyone in the loop – not just the members of the [Nominations Committee](#) but the rest of the Board too. All directors can usefully input into the job spec, and a circulated draft and brief discussion at the Board might be all it takes to gain support for the Committee's plans.

Get serious about diversity. It's not just about women on boards but it should be *at least* about them! Don't forget about relevant nationalities and international experience if that's a feature of your business. The ethnic mix is an area which regrettably still sits in the "too difficult" box for most boards. But if you set a broad enough profile, you should be able to get a diverse group of candidates to choose from, and we increasingly see boards aspiring to a better ethnic mix.

Spend a good amount of time with the candidates in formal and informal discussions, to try to get a sense not just of what they know but also how they will fit in with the personalities you already have. But don't string it out for too long...

Provide a thorough [induction](#). There will be background materials for the newbie to read, but don't just hand out a standard pack: listen carefully to what they need, depending on their experience and interests. Give them ample opportunity to meet the executives in one-to-ones and to make visits. Pairing an established NED with a new one will give them good insights – and help them to get to know a colleague early on.

Give new directors some feedback after their first few meetings. It might be up to a year before the Chairman is due to hold his one-to-ones with directors. But the new ones need a chance to discuss how it's going, be reassured and guided – and it's also a chance to hear their first impressions which can provide valuable insights. You might invite them to share their impressions with the full Board.

## Things to avoid...

Assuming a few side conversations is a consultation and then presenting the new NED as a fait accompli. Getting the CEO's thoughts on the profile is particularly important – but it's easier to forget the other executive directors, who are too often side-lined during debates on succession.

Accepting the apparent constraints without applying enough imagination. Think about looking for functional expertise and bringing a different perspective from outside your own narrow sector, and you'll find there are a surprising number of quality candidates out there – who can help you meet your diversity targets.

Extending the process with endless rounds of interviews and a long approval process, trying the patience of the candidates and even losing them along the way. Once the spec is agreed, the interviews can be delegated to a small sub-group. Not everyone has to meet the favoured candidate, as long as the process is transparent.

Delaying the induction as the executives are all far too busy. Or trying to compress the whole thing into an intensive week. There's a limit to how much anyone can take in and if you blast a new NED with too much too soon, they will struggle. But get going quickly, spread it out over a few months and don't limit the meetings to top executives. If you give new NEDs a chance to meet staff and middle management, they will quickly start to get a feel for the company.

Being too judgemental on the basis of one or two meetings. Wise directors often bide their time, getting a sense of the atmosphere of the Board, the personalities and the habits. No two boards are alike and it's easy to weigh in too soon and too actively in a manner that inadvertently jars with the Board's culture. But with some support, the initially quiet ones speak up and the louder ones can learn to become a bit more subtle.

