

How to Recruit a Non-Executive Director

A Non-Executive Director or NED doesn't get involved in the day-to-day running of a company. He or she will bring business acumen, experience, valuable contacts, insights and objectivity to provide the business with guidance and to help achieve longer-term or strategic goals.

A NED can fill a gap in the range of skills currently on the board and/or add industry knowledge of a specific sector that the business is targeting. Their understanding of your business and business model and the environment it operates in will help ensure strong and appropriate processes are put in place in order to manage fast growth. This will prove invaluable when seeking external funding if/when an exit is sought from the business.

They will support effective policy making and planning exercises, provide professional guidance to the executive directors and act in the interest of the company stakeholders (shareholders, staff, suppliers).

All in all, their role is to be an objective, critical friend to the board.

In order to find the right NED for your business and to ensure their success in the role, the business should :-

- Be clear on the NED's objectives in the role
- Ensure these objectives are reflected in a proper job description
- Put an appropriate value on the benefits of hiring for difference/diversity – one of the key benefits of having a NED on the board is that you have a “fresh pair of eyes” looking at your business
- Be realistic about the time commitment you're seeking from the NED
- Given the NED is there to provide constructive challenge, be prepared to listen to what they've got to say!
- Do a “chemistry” check first - if the NED isn't going to fit the culture of the board, then its not going to work
- Don't rush in – do appropriate due diligence checks on the person's background and track record
- Consider investing in the services of a third party (recruiter or other trusted advisor) to ensure the process is as objective and the net is cast as widely as possible – not just the business's immediate network. The third party can also help with the due diligence process, plus offer guidance on remuneration package – salary /equity
- Provide a proper contract and letter of appointment – again seek appropriate professional help with this

How can Transpire – The Director Network help?

Depending on client needs, Transpire offers a range of approaches, including a personalised network review, access to Transpire Members' CVs, support to a formal recruitment process and a full headhunting service delivered via Partners