



From old friends to new perspectives: how NED searches have changed.

In the past, the path to becoming a non-executive director was all about proximity. CEOs hired old friends from previous jobs, or created non-executive roles to keep someone they knew within the company. If an organisation was based in a small village, they might look to people with high status in that community – the mayor, or even the head of the local fire department.

Thankfully times have changed. Now the key word for new NEDs is professionalism. Companies want their non-executive boards to be experts in law, HR, supply chains, digital development or other areas.

Sometimes the expertise might not be linked to the business operations, but to a strategic goal. It's common for expanding organisations to seek NEDs with experience in certain territories or cultures, who can bring a level of nuanced understanding to growth discussions.

For-profit companies might even bring in directors from the non-profit sector to get an entirely new perspective on areas like governance. Or if the company regularly interacts with government bodies, they might seek out a director from a former government position who can act as an intermediary in that environment.



It pays to look outside the house

In NED searches today, people are moving away from asking who they know and towards asking what they need most. That's particularly striking in the world of Family Offices.

By their nature, these organisations tend to look close to home for board appointments. But Family Offices are increasingly looking to professionalise their boards or broaden the insight available by bringing in market experts outside their personal network.

For example, I once helped a Family Office in the real estate space to recruit a new member of their non-executive board. The incumbent members of the board all had specialised fields of interest: one was a lawyer, and the other two were focused on the financial and retail aspects of the business respectively.

As the company was growing, they wanted to find an expert in property development to reflect that part of their portfolio. Development was very different to their traditional focus – maintaining and managing property – and they wanted a specialist who could bring in that new perspective.

It was also vital that the list of candidates included people who weren't already on the chairman's radar. The chairman had an extensive network of real estate experts, but that skewed towards knowledge the company already had. To find that true outside perspective, he ended up choosing a candidate who was entirely new to him.

Effective teams are built on qualities, not relationships

If we only choose directors from the people we already know well, they aren't likely to offer the best value as a board. Even with the largest contact book, it's unlikely that the best candidate for the role is someone you already know.



NEDs also need to challenge the board, bringing difficult questions to the table to head off problems before they occur. [If they're too personally close to the executive board, those tough subjects don't get discussed.](#)

But most of all, there's a risk of the supervisory board becoming homogenous. For example, imagine the board has a male chair with legal expertise. The bulk of his personal network is likely to be people from the same professional background, and may well have a similar social background too. If he only chooses directors from people similar to himself, no new perspectives are being added to the team.

For many boards, this is not even an option anymore. Last year I did a search for a so-called board of an in-between holding. Their four-person board had an equal gender split by design – if one of the female members of the board left, their replacement would also be a woman to keep the balance. The same would apply for the male board members.

This kind of constraint creates more effective NED boards. Whether it's in terms of professional expertise, gender or personal background, that spread of diverse experiences and perspectives is what builds the most valuable team.

Online networks aren't a shortcut

With the rise of social media, it can be tempting to think that finding NED candidates yourself is easier. Your personal connections aren't limited to former co-workers or people from the local community – they can be from any company in any industry, all over the world.

But while networks might be getting bigger, in reality that just makes finding the needle in the haystack even more difficult. Based on your own search profile, and driven by cookies, algorithms might point you towards people you want to connect with, but not necessarily the people you need for your board.



The search for that right expertise is becoming ever more demanding. Companies need NEDs who are experts in things like fiscal policies, inclusion laws, environmental directives and many other specialist areas. The stricter regulations become, the more you need someone with a real understanding of what they mean for an organisation – and the greater the consequences of not finding someone with that knowledge.

Looking to find your next non-executive director? Get in touch with me to start bringing your way forward into focus.

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