

The Non-Executive Director



Photo: Getty Images

How many different NED roles should you aim for?

Building a career as a non-executive director isn't a numbers game. Being part of a NED board requires focused commitment, and the capacity to scale up your time and intensity at a moment's notice. So while it can be tempting to take on every opportunity you're qualified to fulfil, boats have a maximum capacity for a reason, and the same goes for non-execs – no one wants to end up sinking.

Since overboarding can be a serious issue, both for non-execs and the companies that appoint them. As a result, more and more investment organisations and proxy advisors are creating restrictions on the number of board positions one person can have – and even governments are stepping in to address the problem. In the Netherlands, public sector NEDs acquire points for every position they hold, and there is a cap to how many they can accumulate at once.

The most appointments I've seen NEDs have while still being effective in them is five. But this is more of an upper limit than a number to aim for, and even then, it depends on the size of the companies. Sitting on the board for five large companies will almost certainly be spreading yourself too thin.



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Keep capacity for crisis

When NED candidates are assessing a role, one of the biggest difficulties is that the demands can be deceptive at first.

There's no set answer for how much time a non-executive will spend at their job, but a safe estimate might be 15 days. That breaks down into a whole day of board meetings each quarter, ad hoc visits to a factory or supplier, and then all of the reading and preparation that's required before each meeting.

Out of 365 days in a year, 15 doesn't sound like much of a demand. But that's only if everything is running smoothly. In times of crisis a NED could easily end up spending 20 or 30 days in meetings at the company alone – and the number of days required can rise to 50 once you add in the preparation time for each meeting.

Depending on the nature of the crisis, there might also be court cases to attend on top of board meetings. I can recall one situation where the non-execs spent six months working alongside lawyers on a daily basis.

To be the best asset to a NED board, you have to keep room on your plate for emergencies. If you have four or five companies in your portfolio, that means being prepared for all of them to suddenly demand more of your attention, even if everything is running well at the moment.

Investigate the demands of the role

Every good non-executive role begins with due diligence. Not just from the organisation but also from the NED candidate themselves. Before you think about joining a board, you need to put in the time to examine the demands, responsibilities and dedication that lies ahead of you.

Enthusiasm in a role is good, but too much of it can be a red flag. I've often seen candidates who are so eager to take up a board role that they haven't stopped to question whether it's one they can actually devote themselves to.



In fact, spotting this potential for capacity is part of a search firm's job. Searching for NEDs doesn't just mean evaluating candidates and putting the most qualified names forward. It also means having the experience to say no to candidates who are too committed elsewhere, even if they're otherwise a perfect fit.

I can recall two occasions when part of my search involved personally turning down candidates put forward by the existing board. It's not an easy conversation, but this is exactly the kind of challenge you want a non-executive search firm to provide. Although these candidates had the right experience to fulfil the company's strategy, I could tell there were other factors that would prevent them from delivering what the company would need in a crisis.

Not every board will be the right fit

In my experience, too many people see a non-executive role as a natural career step or something appealing to have on their resumé. Nevertheless, being a NED is a responsibility more than it is an opportunity, and the role requires commitment as much as knowledge and experience.

When I conduct a search for NED candidates, I know I have to be precise in who I call. That's because when I do speak to people, the vast majority of them say they're interested before they've really looked into what it is or what kind of team they'll be joining.

Those people will all make high-level candidates, with a wealth of experience and specialist knowledge that fills what the company is asking for. But the reality is that only a handful of them will be suitable for the role in the end. That's not on account of their capabilities, but on their fit within the existing team.



When you become a NED, you're not just committing your time to the organisation. You're also committing it to the other people around the table. Even if someone could serve on as many NED boards as they wanted to, it's just not possible for them to work effectively with them all.

If you are serious about pursuing a non-executive career, or you're searching for your next non-executive director, get in touch with me. Together we'll bring your way forward into focus.

Eelco van Eijck
Managing Partner Amrop

✉ Eelco.van.eijck@amrop.nl

☎ +31 20 347 3240

🌐 www.amrop.nl

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