



# TOP TIPS

## Becoming a Non-Executive Director

Here is our expert advice and guidance on the Non-Executive marketplace, working with Executives seeking either their first NED role or looking to extend their portfolio. Here, we share our top tips for those wanting to undertake their first NED role.

### WHAT IS AN NED?

A non-executive director (abbreviated to non-exec, NED or NXD), independent director or external director is a member of the board of directors of a company or organisation, but not a member of the executive management team.

Part of the role is to provide an impartial and independent view to support the executive team. The non-exec is to be engaged with the businesses landscape but with a certain detachment although they share the same legal responsibilities as the executive directors. This allows a different perspective to provide valuable insight into the business and the surrounding landscape.

Instead of being involved in the day-to-day operations of the business, they are employed for their neutral oversight and reach. They can give a specialist advice regarding corporate governance, risk management and succession planning for an organisation.

### WHAT ARE MY RESPONSIBILITIES?

**Performance,** The NED monitors the executive management and play a key role in succession planning.

**Auditing,** The NED has a duty to ensure the company accounts properly to its shareholders, presenting a fair reflection of itself.

**Remuneration,** The NED has input towards deciding the appropriate levels of remuneration of executive directors.

**Strategy,** The detached position of the NED allows them to survey the opportunities and threats to the organisation.

**Communication,** Their contacts and opinions can connect the business and board with networks of useful people and organisations.

**Risk,** Ensuring the integrity of financial information, controls and systems of risk management are dependable.





## BE REALISTIC

The NED market is very competitive, with many roles requiring specific sector experience. To build your portfolio, be flexible on the location and look for direct opportunities via your network.

## DUE DILIGENCE

In depth research is critical to understand the financial position, wider market context and growth potential of the business. For start-ups, consider scalability, route to market, and funding options before committing.

## MANAGEMENT TEAM

You need to be able to work with the management team on a collaborative basis. But remember that you are there to advise, guide and coach, rather than to action.

## REMUNERATION

Be realistic! Taking a NED position should never be based on the remuneration. However, equally understand your worth and be prepared to demonstrate your value from day one.

## YOUR PROFILE

Positioning yourself as a NED requires a different profile. Create a one-page document which details what you can bring to the role. Be clear and concise, highlighting what value you can bring.

## STAND OUT

Stand out from the crowd. Be clear about what you bring to the role. Experience in Governance, Risk, Audit, Financial Management, Transformation, as well as a high-profile business investor network are often key.

## MARKET PROFILE

What networking events are you attending? Does your network know you are seeking a NED role – if not, why not? Are you up-to-date with current market trends? Make sure you are highly visible and are connecting with the right audience.

## INDEPENDENCE

Make sure that you can operate fully independently, that you don't have any conflicts of interest, and that your current employers are aware of your activities.

## RESPONSIBILITIES

The ICSA & IoD provide guidance on the key duties and legal responsibilities. In addition, both the Financial Times and the IoD run NED training courses.

## ROLE EXPECTATIONS

Understand what is expected of you as a NED. Make sure that clear parameters are set for the role both in terms of duties and time commitment. Be prepared to invest your own time to learn about the business.



# FAQS

## WHAT ARE THE KEY ATTRIBUTES FOR AN EFFECTIVE NED?

According to research carried out by Roffey Park, the qualities most desired are: "Analytical, Articulate, Confident, Decisive, Honest, Integrity, Good judgement, Persuasive, Self-aware, Emotionally intelligent"

## WHY DO ORGANISATIONS HIRE NEDS?

Every client's situation different and our job as recruiters is to establish the needs of the business and their future plans. The reasons for Non-Exec recruitment are varied but usually fall into one of two categories:

Those looking for transformation and embrace a very different future, by disruption, innovation, and growth. Clients are searching for assured leaders that can provide stability in times of fluctuation.

Alternatively, the business may wish to refocus their strategic plans or seek challenge and intervention from an external Director to counter the danger of 'Group Think'. Our Clients also sometimes seek sector experience or relevant knowledge of a supply chain.

## HOW CAN MOON EXECUTIVE SEARCH HELP?

We have excellent knowledge of the executive landscape which allows the team at Moon to quickly identify the right NED for an organisation. The reach of our connections gives our consultants the edge when appointed an NED. Very few of our roles are advertised, Governance and clear understanding of your legal and fiduciary responsibilities is of huge importance when we look to source credible candidates.

To read the full FAQ's visit our website here:

<https://www.moonexecsearch.com/non-executive-director-faq>

# LET'S TALK

If you would like to consider becoming a Non-Executive Director please contact us via

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