

THE 10 SEARCH COMMANDMENTS

If you are searching for Independent, Part-Time or Non-Executive Chairmen or Directors for Publicly Listed Companies always remember the following 10 key do's and don'ts in non-executive search.



DO'S

1. Involve the whole Board, ideally through a Nomination Committee with a majority of NED's, chaired by the Chairman or an NED.
2. Aim high. The quality of NED's measures the stature of the Chairman/Company. Use a professional search firm.
3. Be creative / imaginative, seek agents of change.
4. Start with the task / role, skills / experience and 'chemistry' most needed to complement/strengthen existing Board.
5. Consider wider than traditional sources, e.g.:
 - a. Divisional Directors, not yet main Board, of major companies
 - b. Public / Voluntary Sector/Academics
 - c. International business people
 - d. Qualified / relevant women or younger candidates
6. Seek individuals with genuine independence from chairman and fees - beholden to shareholders, employees, and local community.
7. Seek individuals with some spare availability for special projects, emergencies: and pay fees reflecting time committed.
8. Ensure several independent directors (minimum 3 for PLC) with clear leader (e.g. Deputy Chairman, particularly where (unusually) Chairman / CEO same).
9. Appoint for a specified term - e.g. 3 years - with a formal review.
10. Have a letter of appointment, setting out duties, committees, terms of office, fees and review procedure/timing.

DONT'S

1. Leave selection method, and appointment, to Chairman / Executive Directors alone.
2. Settle for easiest or second best, or limit search to those already known to Chairman/Board, or already PLC main Board.
3. Regard appointment as nominal gap to be filled, faithful retainer to maintain status quo.
4. Start with names and then design role to suit each candidate.
5. Limit selection or follow fashion, unless relevant to task - e.g. existing PLC main Board only, token woman, title, former politician / civil servant / diplomat / trade unionist, or appoint from existing professional advisers or former executives - duplicates/misses opportunity to broaden.
6. Hire those only seeking extra fees, power, prestige, etc.
7. Appoint where already overcommitted or for regular board meetings only.
8. Appoint only one, or less than 30-40% of Board.
9. Make open-ended appointment, or imply automatic reappointment.
10. Leave vague the role, term of office etc, or (particularly if a large PLC) permit participation in significant performance pay, share option or pension schemes.

For more information contact:

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