



Beyond Governance
Creating clarity, improving business

How do you
supervise
as a NED
without managing?



How to provide oversight without getting into the weeds:

A NED should consider:

- **Accountability** – are there clear lines of accountability in the business and are those people doing their jobs?
- **Quality control** – is the output to the expected standard that the business has built its reputation on?
- **Risk tolerances** – are the risks associated with a venture in line with risk appetite? If not, what actions could be taken to prevent this?
- **Compliance with laws and regulation** – is the organisation operating in accordance with laws, regulations, internal policies and procedures?
- **Mitigate unwanted behaviours** – are the underlying processes within the business robust enough to minimise unfair treatment, corruption, illegality and unethical behaviours?
- **Set out mandatory board approvals** – being clear in the matters reserved for the board document helps to manage expectations and allows the Board to make decisions on crucial parts of the business. It also allows for items to be escalated quickly when something is going off plan.
- **Stakeholder management** – the board should consider the impact of new ventures on employees, clients, suppliers, regulators and wider society.

How do you put this into practice?

Outside of meetings

- Have pre-arranged visits with CEO/CFO and other senior executives and managers.
- As a NED it is important to get to know the organisation you are joining.
- Learn about the history, structure, culture, vision, purpose and strategy.
- Get familiar with the key challenges, finances and key risks.
- Building relationships is key to receiving open and honest opinions. There can be a natural divide, however, showing an interest in someone and listening carefully to what they have to say with genuine enthusiasm can help to cross it.
- Be mindful that not all senior executives understand the purpose of a NED, some may view a meeting with you as unnecessary and one which is interrupting their work. Try to cut through perceived hierarchies and be respectful of their time. Take notes from meetings (in the method you find easiest) but explain to the person what you are doing and ask their consent if you are recording the discussion or taking photos.
- Produce reports and share your findings with the rest of the Board, splitting time and allocations can allow for NEDs to see more areas without being too intrusive.



How do you put this into practice? *(cont.)*

During meetings

- When in the boardroom use open-ended questions, this encourages answers to be more than 'yes' or 'no' answers and can help produce further discussion.
- Engage all your senses – watch for body language and interactions.
- A thank you goes a long way, give praise where appropriate.
- If there are areas which require re-working be mindful to not criticise but instead make it clear what is required to solve the problem.

Want to know more?

Find out how NEDs can stand out, be different and recognised in business today. Contact us now on +44 (0)20 3745 1916