

# NON-EXECUTIVE DIRECTORSHIP: THE NEXT STEP?

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## Are you thinking about becoming a non-executive director? Here are our top tips for getting ready.

A non-executive directorship may be the next logical step in your career. To find out more about preparing for this role, we spoke with Nancy Milne OAM, a partner at Clayton Utz until 2003, she has sat on the boards of organisations in the public, private and not-for-profit sectors, including as Chair, and we spoke with Marcel Mol, General Manager, Education and International, Australian Institute of Company Directors (AICD).

For lawyers, a non-executive directorship can be a way to bring their expertise and know-how to a board and enhance their own business skills and credentials. The key to becoming a non-executive director is in the planning. But when should you start thinking about taking on such a role? How should you start planning?

### START THINKING NOW

A non-executive directorship can complement a legal career, or it can be the next step.

Nancy Milne says lawyers could consider a non-executive directorship fairly early in their legal career, and the not-for-profit sector is a good starting point for a first time non-executive director.

As people become more senior in their legal careers, Nancy says it is important for people to consider how long they can realistically continue at those senior levels. A non-executive directorship may be a natural transition from a partner or general counsel role.

### BE A SOLUTION-FINDER

To be attractive to a board, Nancy Milne says, lawyers should market their skill set. She says, “lawyers are often good at finding problems, but a good lawyer finds solutions.” To avoid the perception of being a “problem-finder”, it will be important to emphasise how your skills could benefit a business. Think about the skill matrix necessary for a board and how your skills can “fit”. For example, Nancy used her extensive experience in insurance, reinsurance and the finance regulatory environment, to craft her skill set in terms of risk management.

Nancy also said lawyers who become non-executive directors should avoid being a legal advisor to the board. It is vital for a board to receive independent external legal advice.

## **THINK LIKE A DIRECTOR**

Marcel Mol of the AICD says lawyers should consider how they can broaden their governance knowledge. Non-executive directors must be across their duties as directors and also have a deep understanding of the dynamics of the board.

He says, lawyers looking to make the shift should view the work they have done from another perspective—to that of the board. A lawyer who takes on this broader perspective will be far more effective in making a contribution to a board and sharing responsibility for the company.

## **GET READY**

Here are our top six tips for placing yourself in the best position for non-executive directorship roles:

**Know yourself:** think deeply about your strengths and weaknesses, and what you have to offer a board. Consider how to pitch your skill set and experience to a business, emphasising the benefit to the business and your business acumen.

**Join the AICD:** membership offers an extensive events program of approximately 700 events across the country per year, as well as courses and webinars. These will help you to connect with others who are also making the transition or who are already on boards.

**Do the course:** undertake the AICD 5-day “Company Directors Course” or, for international boards, the “International Company Directors Course”. This course is not about rote learning. Instead, the curriculum is based on two critical areas: judgement and decision making. The course is written and delivered by practising directors and discusses the practice of governance.

**Network:** Nancy Milne says, most board roles come through contacts, so networking is key. Some of the larger boards will hire through an extensive, formal application process, but even the lists for these roles are often culled on the basis of contacts.

**Get listed:** it is important to have your name listed with the recruitment companies that specifically hire for directorships. Nancy Milne says, this usually requires networking and contacts. She suggests informal mentoring because it can assist if other people put your name forward to these recruiters.

**Interview prep:** Nancy Milne also suggests working on your interview skills. To maximise your chances, it will be important that you are self-confident, have studied the company in depth and can clearly show what you can add to the board table.





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