



Non-executive Directors

Access and benefit from the intellectual capital resources of independent directors

January 2008

Introduction

Non-executive directors are a resource seriously under utilised by small and medium sized businesses in Northern Ireland.

There is evidence that businesses that access and exploit non-executive directors as an intellectual resources perform better in the long run than businesses that do not.

In the past, non-executive directors have been perceived as only being suitable for larger companies. Increasingly however, small and medium sized businesses are realising the possibilities.

Our Non-executive Directors programme is designed to address the under-utilisation of this valuable resource and help Northern Ireland businesses increase performance, profitability and competitiveness.

How will it help me?

Non-executive directors typically have a broad range of sectoral and functional experience. Their clearly demonstrated competencies can help you with:

- communicating;
- decision making;
- strategic thinking;
- commercial awareness;
- influencing and representing; and
- team working and self management.

Non-executive directors can also fulfil the role of a mentor by acting as a sounding board and giving advice and access to a network of contacts. Their independence allows non-executive directors to apply their experiences and competencies with fresh, objective input.

They can challenge existing management and decision-making processes with a view to refining strategic direction and operational performance. The additional strength and depth brought to the board enhances overall capability.

How does it work?

The programme is delivered through one-to-one consultations, specialist advice and financial assistance. You should submit a proposal to your Client Executive, setting out the person specification, outline job specification, the rationale for the appointment, current and proposed management structure, and expected outcomes.

Your proposal must be aligned to current business plans and objectives. Once the proposal is accepted by Invest NI, you are authorised to proceed with the appointment.

You have full responsibility for all aspects of recruitment, selection and appointment, including negotiating terms and conditions, making all payments and claiming the agreed reimbursement from Invest NI.

Invest NI does not maintain a register of prospective non-executive directors but will, if requested:

- assist in helping you draw up a job description and person specification; and
- refer your business to specialist recruiters or suppliers if you require further assistance.



How much does it cost?

The programme offers the following financial support:

- 49 per cent of the agreed annual fees of the non-executive director, subject to a maximum support of £15,000 over two years; and
- 49 per cent of agreed recruitment costs.

Financial support will not be available for the appointment of family members or current or past employees who have left the business within the previous two years.

Appointees must be able to demonstrate substantial board experience in either an executive or non-executive capacity, or undertake to complete the Institute of Directors, Non-Executive Director Programme within an agreed timescale.

Who is eligible?

The programme is available to all Invest NI clients that have first participated in our Business Health Check.

Support may be available for businesses that have not undertaken an Invest NI Business Health Check. However, businesses seeking support in such circumstances must undertake the check within six months following agreement.

Businesses most likely to benefit from this programme are:

- existing incorporated businesses with formal management and board structures in place, with typically a turnover of over £2 million per annum and 10 full-time employees
- start-up businesses lacking the necessary depth of management resources

Becoming an Invest NI client

To qualify as an Invest NI client company, your business must meet certain criteria.

You should typically be from the manufacturing or international tradeable sectors and be able to demonstrate that currently, or over the next three years, your business will have:

- total sales of over £100,000 a year;
- sales outside Northern Ireland of greater than 25 per cent of turnover **or** greater than £250,000 a year; and
- the capability and willingness to work with Invest NI.

If you are not an Invest NI client, but can satisfy the above criteria and would like to become one, please contact the Invest NI office in your area. Full details can be found at www.investni.com.

Contact

Please contact your Client Executive if you feel your business will benefit from this programme. Alternatively you can also contact:

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nibusinessinfo.co.uk

Invest NI has launched a new online information and support facility, **nibusinessinfo.co.uk**

This web site provides all Northern Ireland businesses and entrepreneurs with free access to an extensive source of essential business information.

nibusinessinfo.co.uk provides 24x7 advice, information, guidance and signposting, with over 5,000 fact sheets and over 70 interactive tools on offer. Every aspect of setting up and running a business is covered, from the earliest days of developing a business idea to the legal issues involved in selling a business concern.

nibusinessinfo.co.uk also features case studies showing how local businesses have handled particular business challenges.

nibusinessinfo.co.uk provides you with a single point of access for all your business information needs, freeing up time for to concentrate on running operations.