

Sir David Hardy

Derek Higgs
Non-Executive Directors Review
Room 2142
1 Victoria Street
London SW1H 0ET

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Dear Derek,

I am sure that you have had an avalanche of responses, so I will confine myself to a couple of aspects that others may not have covered.

The first is historical, in that in 1970 the Civil Service asked me to advise on performance improvement of many of the nationalised industries. I was on secondment for a couple of years, and was able to start on the long process of proper accounting and asset registers coupled with quarterly reporting against benchmarks.

The performance of most of the nationalised industries, at that time, was very mixed. They all universally suffered, to varying degrees, from poor independent directors. Some were from other nationalised industries, some were retired Civil Servants, but few were current industrial hard hitters.

I met with headhunters and recruitment specialists - none were interested in worthwhile help because of the low fees paid. The then Secretary of State at the DTI, was previously at the CBI, and he recommended the DTI provide some good names. They gave me some but in fact some were already dead!

We did achieve some better Executive Chairmen, but I do not think by the time my 2 years were up, the Non-Execs much improved.

I did go to see many Chairmen and CEO's to get them interested in letting their better people serve, and I think that this did help in part.

The other concern I have is that over the years rather a lot of people have sought to talk to me when they have found themselves out of a job – many times, through no fault of their own, but not always. To many I have suggested they build up a Non-Executive portfolio and I have seen several of them do it very successfully. In retrospect I can see why many of them had been let go originally and they probably did not deserve consideration as Non-Execs, but with a shortage, they managed to find positions.

I have used various Government initiatives to find Non-Execs for development corporations and now a national museum. Only occasionally does one find people of quality so I would not recommend widening the search this way