



The ultimate retail board

What mix of personalities and skills make up the perfect board, asks Charlotte Hardie

Ever sat in a board meeting and been inspired by the performance of every single person sitting around the table? If you have then you're lucky, because in reality, the perfect board probably doesn't exist. As trading pressures continue to hound retail boards up and down the country, every business will be constantly scrutinising the performance of their top team.

As Moira Benigson, managing partner of executive search firm MBS Group, says: "In tough trading you have an opportunity to make some interesting changes. It's a good time to reassess."

That doesn't necessarily mean wielding the axe, but identifying room for improvement is no bad thing. *Retail Week* has devised a summary of the ideal skillsets for each board member. While it depends to an extent on the nature of the retailer, it should help build a collective picture of what boardroom utopia might look like.

Is it difficult to bring about a truly cohesive board? In many cases, surprisingly so. As Steve Baggi, co-founder of Green Park Interim and Executive Resourcing, says: "A lot of retail boards have relatively low turnover and they can become stale."

Challenging questions need to be asked. Does your board have a balance of opinion? Benigson stresses the risks in having a board crammed full with 'yes' people. "You want someone who will think differently to you."

Baggi agrees that diversity of thought is essential: "The problem arises in ensuring there are different ways of thinking. Is there a blend of both skills sets and thought processes? What you want is healthy debate." He points to Northern Rock – did everyone at that bank simply go along with decisions simply because there was no one to challenge the accepted way of thinking?

Benigson says a retail board risks becoming something of an old boys' club. To that end, retailers need to consider whether they have a wide enough

spectrum of people on their board. "The internet is a major part of what we do. It belongs to young people. Might it be interesting to have a young person on the board?" she asks. And despite the fact women make most purchasing decisions, female board representation is still embarrassingly low.

The process of building a retail board can be too formulaic – recruitment focused on the same old suspects. Baggi says: "It comes back to the age-old issue of retail talent. If you haven't worked in retail it's hard to get into it."

The very task of finding the right people with the right skillsets can be challenging enough, which is why thinking more creatively about who you bring to the board could work in a retailer's favour. Sally Elliot, retail partner at headhunter Korn Ferry Whitehead Mann, says: "One problem is the size of the talent pool. A lot of board directors are process-driven. They haven't really understood how what they do relates to business strategy."

A report presented by Korn Ferry Whitehead Mann at the World Retail Congress last year – 'What's in store? The Forecast for Global Retail' – was based on the views of chief executives and board members in all key retail markets worldwide. One pressing concern that emerged was the need for innovation. "Chief executives are telling us the skillset that will make the biggest difference to their organisation right now is the ability to innovate," says Elliot. And yet their research showed that innovation is one of the most difficult competencies to develop in executives and also one of the least prevalent in retail board directors.

During the downturn most retail boards were preoccupied with operational skills and cost-cutting. Now it's about generating growth, international expansion and gaining market share from competitors. Trading will remain tough for some time, and a retail board that simply safeguards what it already has instead of challenging and innovating may well run into trouble.



"A LOT OF RETAIL BOARDS HAVE RELATIVELY LOW TURNOVER AND THEY CAN BECOME STALE"

Steve Baggi, Green Park Interim and Executive Resourcing



THE CHAIRMAN

"Needs to be an ambassador. The days where they could hide in the City are gone."

Steve Baggi, Green Park Interim and Executive Resourcing.

Some key responsibilities The person charged with leading the board, overseeing the development of strategy, and acting as the chief executive's sounding board.

Some leadership attributes As a public face of the company, the chairman should ooze charisma and gravitas – a strong character with top-notch communication and listening skills who can rally both the retailer's workforce and shareholders' confidence.

What should keep them awake at night?

The strength of their succession planning,



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executive. Aside from the number crunching – financial planning includes budgeting, reporting and ensuring necessary capital – they must manage investor relations superbly. **Some leadership attributes** The best have an umbrella view of the business, can make complex decisions quickly, can simplify the complex in a heartbeat and have an unswerving focus on the bottom line. **What should keep them awake at night?** Myriad factors that include the challenge of balancing the chief executive's ambitious plans with financial prudence, as well as capital-raising conundrums.

THE HR DIRECTOR
"A really good HR director understands strategy and looks at how to get people to implement that strategy," Steve Baggi, Green Park Interim and Executive Resourcing
Some key responsibilities Creating the people strategy, acting as coach and counsel for the board, and overseeing legal processes and compliance.
Some leadership attributes Too often dismissed as mere policy people, a top HR director is invaluable. The best know the business inside out and know exactly how to align the workforce with the chief executive's strategy. They are problem solvers, change managers and brilliant at inspiring others. They are the chief executive's confidante – the person the chief executive can talk to about the top team's performance.
What should keep them awake at night? Developing and retaining talent and ensuring the top team is cohesive. Union activity and employment law also provide much food for thought.

THE PROPERTY DIRECTOR
"A great property director will always be one step ahead, seeking opportunities to benefit from or mitigate the impact of the economic environment on the business," Sally Mouldsdale, Directorbank.
Some key responsibilities Negotiating leases, leading acquisitions and disposals, overseeing fit-outs, refurbishments and facilities management and managing landlord relationships.
Some leadership attributes Far more than just bricks-and-mortar people, the best have a strong financial head and first-class negotiation and people skills – vital in managing third-party relationships.
What should keep them awake at night? Ensuring a strong store portfolio in the best location for the right price. Managing international expansion challenges, store closures, store openings and the ubiquitous problem of tackling rents pervade their every thought.

the effectiveness of the board, and keeping the all-important shareholders happy.

THE CHIEF EXECUTIVE
"The best can pull the board together and create a culture that makes the team work together for the broader interests of the business. Easy to say, difficult to do," Sally Elliot, Korn Ferry Whitehead Mann.
Some key responsibilities An extensive remit that includes creating a vision for the brand, ensuring strategy is translated into meaningful actions for the whole business, and creating a positive culture.
Some leadership attributes A top chief executive needs to cut to the chase. They will

be exceptionally sharp, be a great communicator, have first-class business acumen and inspire others to achieve.
What should keep them awake at night? Delivering results as well as aligning the whole business to their brand vision. They need an unhealthy obsession with competitor activity – and external factors that could impact on their business.

THE FINANCE DIRECTOR
"They must be supportive but strong – a great number two and happy to hold back," Moira Benigson, MBS Group.
Some key responsibilities A strategic and commercial business partner to the chief

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Sally Elliot, Korn Ferry Whitehead Mann

ANALYSIS THE PERFECT BOARD



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THE IT DIRECTOR

"Good ones pay close attention to detail and can rapidly exploit new

emerging online technologies and channels. The outstanding ones are in demand from other sectors, so invest in developing capability in this function," Katie Thomas, Russell Reynolds.

Some key responsibilities Strategic technology investment, overseeing tech projects so they are on time and within budget.

Some leadership attributes They might talk a different language among themselves, but IT directors must have outstanding communication skills to translate tech-speak to everyone else. They must be driven by detail and be able to think creatively about new and cost-effective ways to employ technology for business improvement.

What should keep them awake at night?

Aside from securing budgets for new projects, the prospect of a system breakdown is every IT director's worst nightmare.



THE SUPPLY CHAIN DIRECTOR

"You need someone who's very tough, very strong and

very bright and very experienced. They will be like gold dust going forward," Moira Benigson, MBS Group.

Some key responsibilities An intricate overview of the end-to-end supply chain, from demand planning to management of third-party logistics providers. Ensuring strong supplier relationships and ethical trade is also essential.

Some leadership attributes The best must make complex decisions quickly, cope with extreme pressure, be politically skilled and manage the utterly unexpected so it has no impact on customers.

What should keep them awake at night?

Countless things; gaps on shelves, misjudged forecasting, unethical supplier working practices among others. The best constantly assess ways to improve efficiency and counter ever-rising costs.



THE MARKETING DIRECTOR

"They need a first-class consumer understanding and

be able translate consumer opinion into business strategy," Steve Baggi, Green Park Interim and Executive Resourcing

Some key responsibilities Owns and develops brand strategy, and harnesses customer insight to develop marketing objectives. They need a thorough grip on the retailer's international activity as well as the impact of ecommerce and social commerce on their brand message.

Some leadership attributes Those at the top



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WHAT TYPE OF BOARD MEMBER ARE YOU?

Getting a board right isn't just about skills but personalities too. Leadership consultancy Tyler Mangan developed a list of personality types every board should have. Director Jana Klimecki says: "They can be occupied by any board member, but sometimes you'll find you have three people with a certain skillset and none with another."

The Integrator Ensures the top team works effectively and collaboratively, establishing clear roles and responsibilities

The Checker Ensures transparency, probes issues and facts to minimise risk

The Business Processor Ensures the organisation establishes clear and effective processes to govern itself

The Operator Gets the job done. Highly experienced in handling the day-to-day operations and has a firm short- to medium-term focus to ensure milestones are met

The Innovator Takes a long-term approach to developing new products and propositions. The team's critical mind

The Seller Expert business developer with good customer management skills.

Ensures resources and structures are in place to market products/services effectively

The Strategic Visionary Takes a long-term approach to business building. Has good understanding of the external market and is skilled at creating and capitalising on opportunities

have an innate ability to get inside their customer's head, inspire others, are creative and receptive to ideas. They are business savvy and can relate marketing activity to commercial strategy.

What should keep them awake at night?

What will tomorrow's customer want?

How will they shop? Predicting trends is vital; the best marketing directors are innovative, not just responsive.



THE OPERATIONS DIRECTOR

"The best operations directors are those who work

closely with their fellow directors to ensure the whole customer proposition in terms of environment, product and service is coherent and of the highest quality," Sally Mouldsdale, Directorbank.

Some key responsibilities Driving store performance, creating a performance culture and gaining board support for the stores agenda.

Some leadership attributes A competitive streak – they need a drive for results while being approachable, inspirational, and personable. They must be good analysts to assess real reasons for store underperformance.

What should keep them awake at night?

Store performance is an obsession. Generating sales, ensuring top customer service, improving underperformance and bringing about a motivated store workforce are all challenges.



THE ECOMMERCE DIRECTOR

"A great leader who is tech-oriented and has an understanding of consumers. Hard to find

– it's a limited talent pool," Sally Elliott, Korn Ferry Whitehead Mann.

Some key responsibilities Developing and delivering ecommerce business strategy, managing the profit and loss, managing the interface between ecommerce and the rest of the business

Some leadership attributes A great one is more than just process-driven. They are both technical and creative, and understand how their role relates to business strategy. Given the relative newness of the role they must be top self-developers.

What should keep them awake at night?

Improving conversion rates, driving online traffic while avoiding website crashes. They need to constantly innovate to meet online shoppers' ever-evolving needs.



THE TRADING DIRECTOR

"They can have a huge and fast impact on a retail

business – it's vital this impact reflects and defines the retail brand and its identity," Sally Mouldsdale, Directorbank.

Some key responsibilities Shifting the best possible product, focusing on range development, product and pricing strategy. Good management of supplier relationships is crucial.

Some leadership attributes The top tier has an instinctive product knowledge that proves inspirational to colleagues. They must have top negotiation skills, strong sourcing ethics and build teams that share their product instinct.

What should keep them awake at night?

Piles of untouched product are a trading director's worst nightmare. Driving margin and getting the right product for the right price are other top concerns.

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