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Mentoring in the boardroom. Part 1: The need to start at the top

Dina Medland on how mentoring can be seen as 'the best business school in the world' :

As it becomes clear that both business expectations and the regulators are looking to the boardrooms of UK plc to set the tone and standards of corporate conduct, mentoring of people at the top is of growing interest. And there is no shortage of providers ready to offer their services.

Andrew Dyckhoff is chief executive for Europe at Merryck & Co, which he describes as "globally the only organisation of its kind, mentoring CEOs and people at senior level". With 36 former CEOs as mentors, the firm operates from London, New York and Sydney.

"In the last 14 years it's been about one-to-one mentoring of business leaders from the CEO down, including the trajectory for the CEO," Mr Dyckhoff says. "Sometimes in working with a CEO we'll work with a chairman as well, or with non-executive directors."

To mentor a FTSE-100 chief executive, Merryck charges roughly £100,000 for the first year, and expects the mentoring relationship to last between one and two years.

On a smaller geographical scale, but with an impressive array of the UK's best chairmen as mentors, is CMi, run by Krister Svensson, a former headhunter. His impressive contacts book includes high-profile chairmen such as Sir John Parker, Sir John Egan, Sir Philip Hampton and Sir Roger Carr, all enthusiastic advocates for the mentoring they undertake.

Mr Svensson set up CMi in 2005. Spread across seven countries in Europe, it now has 34 mentors - with the number expected to rise to 36 this summer.

"We have some pretty strict criteria, but they are all chairmen and will have seen the board from three different perspectives: as an executive director - a CEO or CFO; through a number of non-executive positions and different board cultures; and as chairmen. They know about the dynamics of the boardroom."

CMi ensures all mentor and mentee partnerships are forged through personality and trust: "Personal chemistry is the starting point," explains Sir Roger Carr.

"In Krister's system, he encourages the mentee to meet a number of people, and there is no force-feeding. So if it's going to work, it works from the start. You start off with an agenda and work

through it, and typically just as the formal agenda starts to founder, the quality of the relationship has become such that it's maintained – they use you as a trusted sounding board."

A formal mentoring relationship lasting between 18 months and two years often turns into one that is life-long. Sir Roger has mentored "a mix of CEOs and chairmen in waiting, as well as aspiring NEDs from both the UK and Europe".

The considerable value of such a mentoring relationship is articulated by Sir Philip Hampton: "It's very difficult within a company to have a really true sounding board. People within an organisation just don't have that - there's always office politics involved." Of course, Sir Philip explains, that also means all conversations between mentor and mentee are "extremely confidential".

Gavin Patterson, chief executive at BT Retail, made the transition to joining the board of BT three years ago and the company sent him to CMI for help in adjusting to his new position.

Mr Patterson was mentored by Niall Fitzgerald and Lord Simon of Highbury and found the experience invaluable.

"From the very first session I felt that these two people - seasoned, experienced CEOs - cared about me and wanted to help me. I spent a lot of time preparing for the sessions.

"Once you're sitting on a plc board your responsibilities are fundamentally different - there's the board, and there's also your business unit. You have to conceptualise what is good for the company and also play a role that shows your colleagues - some of whom don't sit on the board – you are there to provide stewardship for the business. It's a big step."

Confidentiality, integrity and trust were crucial components to the success of this process for Mr Patterson, who stays close in an informal sense to both his mentors. He says: "They are both good friends with the BT chairman, and I knew that – but I fundamentally never had any concerns about whom they were supporting."

He believes mentoring should be about "meeting a genuine business need, and not as a reward for doing well", a sentiment echoed by others. Sandy Ogg, who was HR director at Unilever for eight years, put many senior executives through CMI's mentoring programme in pursuit of non-executive positions for them, until he realised that securing non-executive positions was the icing on the cake – even greater value lay to the extent to which the mentoring could develop an individual.

"Having a senior executive meet with someone as seasoned as these mentors is just amazing," he says. "If you have Sir Philip Hampton, it's a real 'gee whiz' moment. And from the mentors' perspective, the opportunity to work with the next generation of people is very rewarding."

Today Mr Ogg is operating partner in Blackstone's Portfolio Operations Group, based in New York. While at Unilever, he put himself through CMI's programme and was matched with Baroness Hogg as a mentor. Asked if it felt at all strange to be mentored by a woman, he says: "Actually I would always have preferred a woman, to help me discover how to develop seasoned women as a business issue in the company. The irony is that when I retired from Unilever and the Blackstone role came up, I could also ask Sarah Hogg about what she thought."

When it came to confidentiality, Mr Ogg never felt it to be an issue:

"These people are very high integrity and they don't get to these positions by being sloppy. I spoke about very sensitive issues around remuneration. But what gets said in the room stays in the room."

This level of mentoring provides specific help and advice on business issues as well as broader insights for many who want to make the transition to being a non-executive director. Sir John Egan is mostly working with potential non-executives for large European companies. Through his experience "you can always tell which ones are going to make very good non-execs and will get an opportunity very fast".

Working with CMI and mentoring at senior levels is also about "demystifying the boardroom", says Sir John Parker. "It's easier in some ways to prepare someone for a chief executive role as they are likely to face less of a challenge in bridging the gap from where they are – but it's tough to be a non-executive if they haven't been there yet."

"Many companies are now approaching CMI about the development of their senior executives," Sir John adds. "I'm a great believer that executives below board level should be given the opportunity to ready themselves for the boardroom or be groomed for non-executive experiences outside."

"As companies, we need to release the talent to do that or we will run short of non-executives." He likens mentoring to "sending them to the best business school in the world".