

# NED Retreat 2017



## RESEARCH RESULTS

Navigating the Unknown – a Non-executive Director Perspective

“The results of our Non-executive Director Retreat Survey 2017 unveiled some concerning discrepancies between the outlook of boards and their management teams. Here at Criticaleye, we frequently discuss the relationship between CEOs and Chairmen, as well as the alignment of management teams with their boards.

Our data confirmed that more needs to be done to ensure executives and non-executives are working together to drive strategy and safeguard a business from disruption. It is also interesting that non-executives, like CEOs, recognise the importance of leadership development but the organisations they represent continue to spend more on headhunters. This report clearly demonstrates there is a huge opportunity for senior leadership teams and boards to develop the leaders they have and support business growth.”



**Matthew Blagg**  
CEO, Criticaleye



## Findings from Criticaleye's NED Retreat 2017 Survey

**67%** of non-executives said their organisations are facing business model disruption

Only **23%** are fully confident in the management team's ability to execute on strategy

**93%** of Chairs and non-executives said the management team is too inward-looking

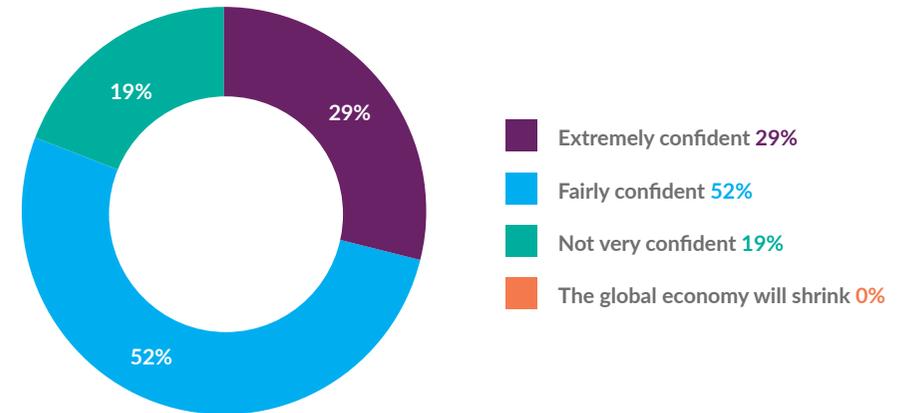
Nearly **60%** of Boards say their organisations unfortunately spend more on headhunters than leadership development

Almost a third (**29%**) of Chairs plan to replace their CEO in the next 12-18 months

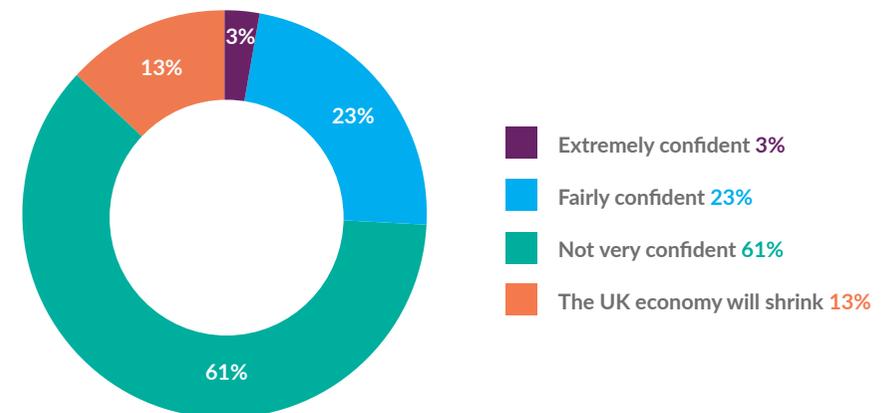
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NEDs are confident about growth in the global economy, but the UK remains a concern

How confident are you that the **global economy** will grow over the next 12 months?



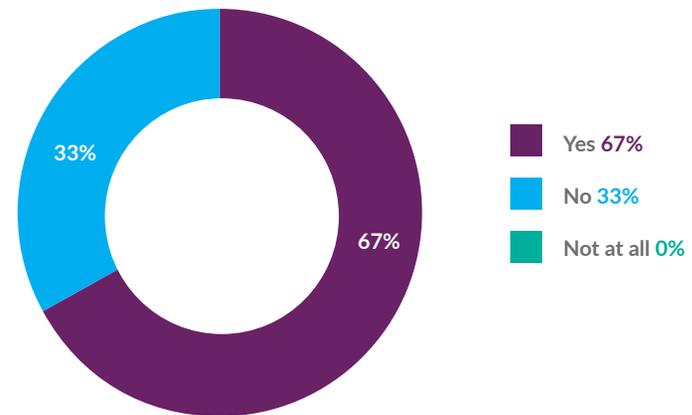
How confident are you that the **UK economy** will grow over the next 12 months?



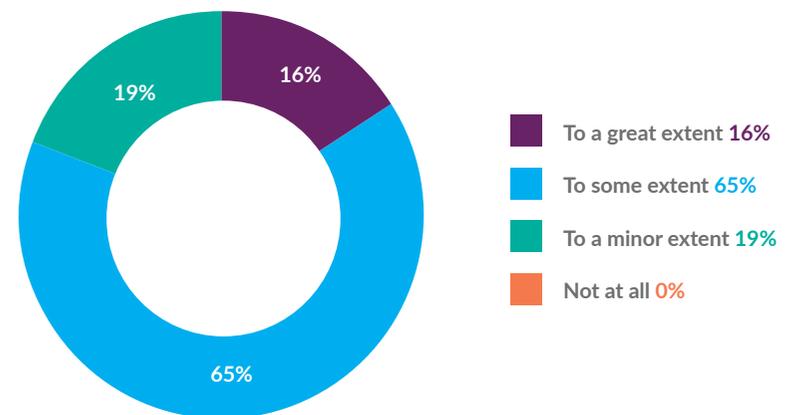
**67% of NEDs said they are facing business model disruption\* but only 16% are fully confident their organisation could withstand disruption**

\*93% of CEOs surveyed in May 2017 said they were facing business model disruption. Does this discrepancy indicate that Chairs/NEDs are too far removed from the operational side of their businesses? Do leadership teams and boards need to be more aligned on potential risks and threats?

Is your board currently grappling with business model disruption?



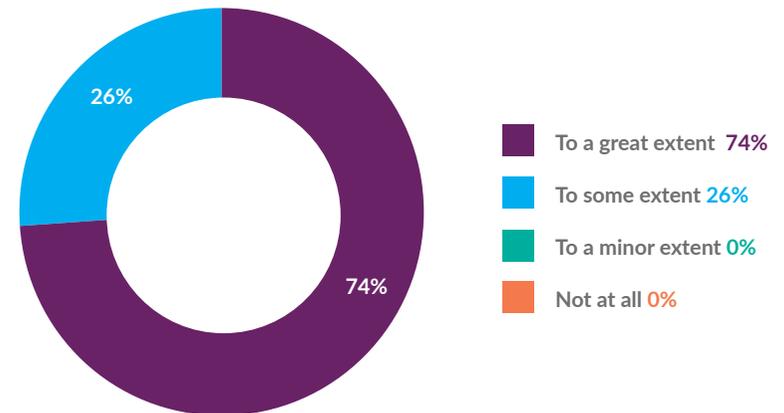
Do your senior executives have the ability to respond to business model disruption?



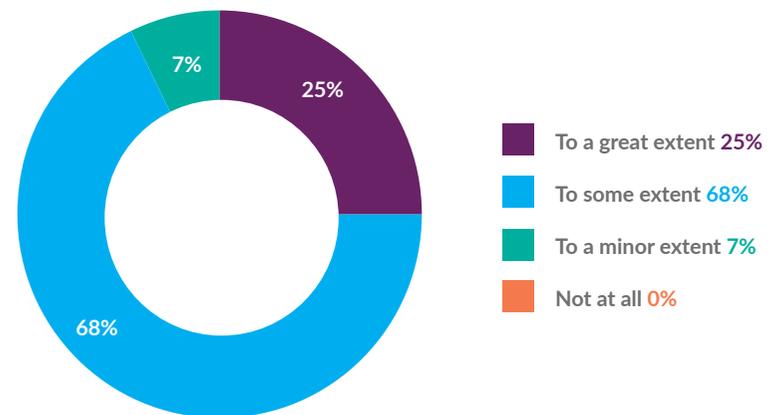
**74% of NEDs said the top team is aligned on strategy (compared to just 42% of CEOs\*). However, only 25% are fully confident in the management team's ability to execute on that strategy**

\*Statistic taken from the Criticaleye CEO Retreat 2017 Research

Are the chairman, CEO and CFO aligned on strategy?

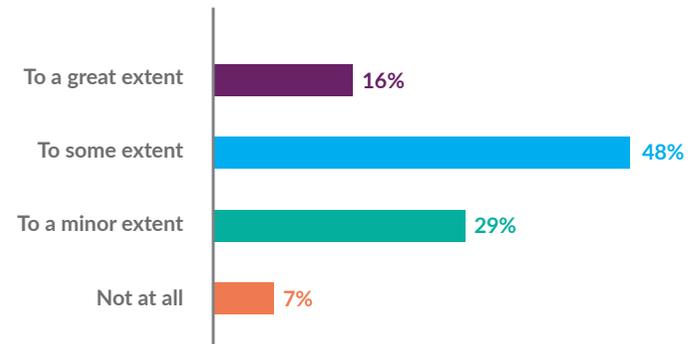


Does the executive team have the ability to execute on the medium to long-term strategy?

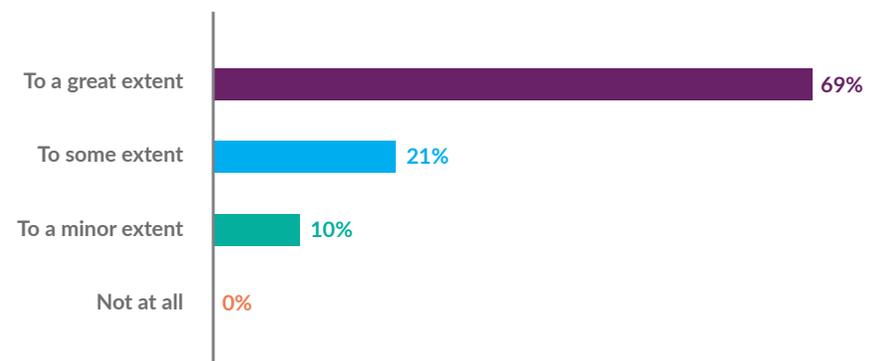


93% of NEDs said the management team is too inward-looking and all think business performance would be enhanced if executives had the opportunity to benchmark outside their sector

Is the management team too inward-looking and focused on the day-to-day?

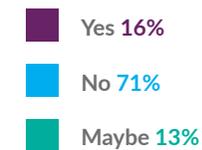
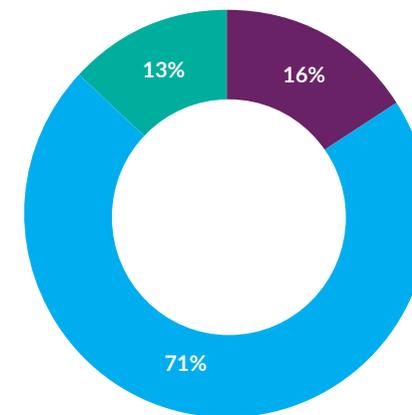


Is business performance enhanced if executives have access to reference points outside of their organisation / sector?



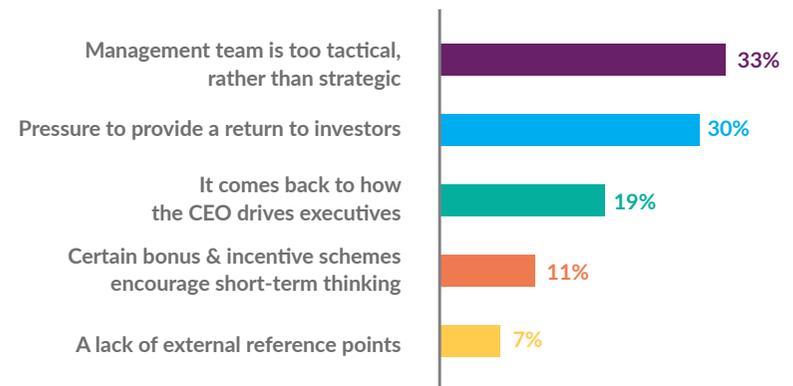
**Almost a third (29%) of Boards plan to replace their CEO in the next 12-18 months**

Do you expect to replace the CEO in the next 12 to 18 months?



**Being too focused on tactics over strategy, and pressure to deliver to investors were cited as the top reasons management teams become too focused on short-term goals**

Why do management teams become too focused on short-term goals?

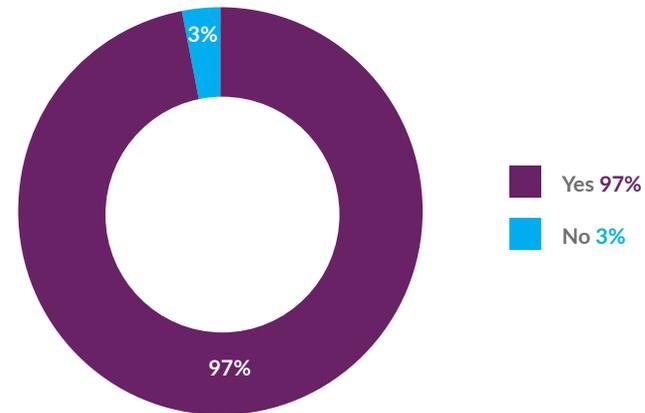


# Non-executive Directors ranked the primary reasons for failure in the management team

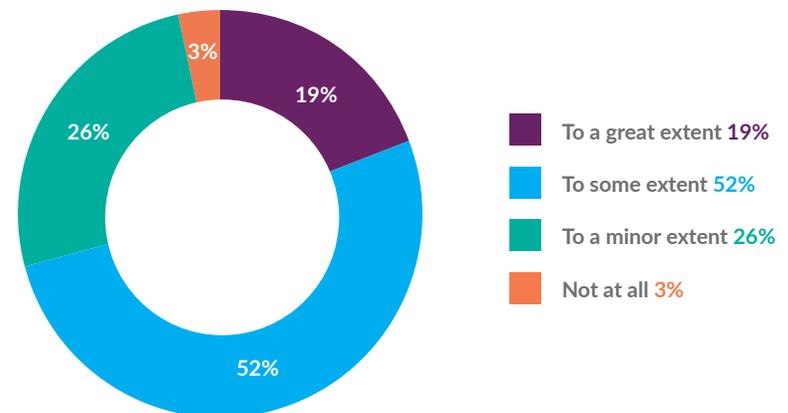


97% of NEDs said silos in a business have a negative impact on performance and 71% said the behaviour of executives can reinforce silos

Do silos within an organisation have a negative impact on business performance?

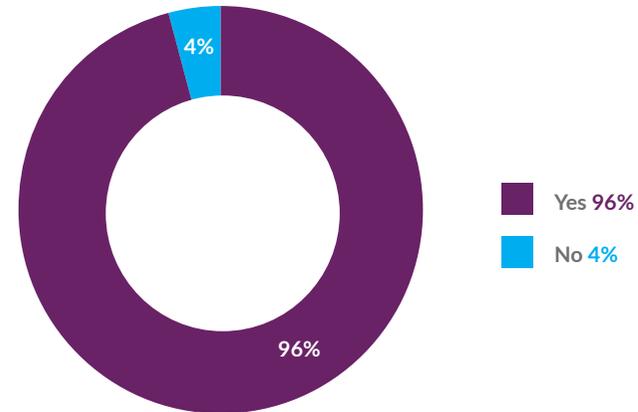


To what extent do the behaviours of the executive team reinforce silos within the business?

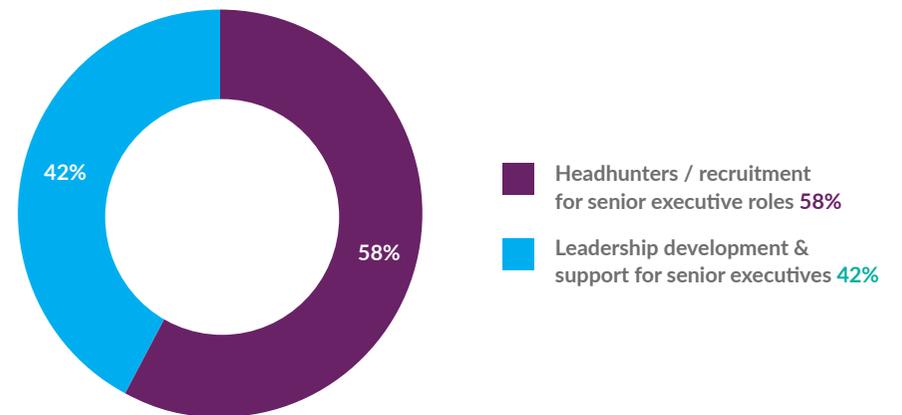


**Boards overwhelmingly agree (96%) that more budget should be allocated to leadership development than headhunters and yet, 58% say their organisations are still spending more on headhunters**

In your view, should more be spent on leadership development and support for senior executives, as opposed to headhunters?



In your experience, on which of the following do organisations spend more?





## Is leadership development enough of a priority for senior teams?

**63%** said they need to focus on this more and make it a priority

All NEDs surveyed said business performance is enhanced when executives have access to external reference points

CEOs value peer to peer learning opportunities more highly than their board

Retaining key talent and developing skills, innovation and digital disruption are the top three priorities for boards over the next 12-18 months

**87%** said that mentoring improves the performance of senior executives

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# Non-executive Directors revealed key areas where individuals in the C-suite need to improve

## CFOs

1. PEOPLE SKILLS & COMMUNICATION
2. BUILDING ALIGNMENT IN THE SENIOR LEADERSHIP TEAM
3. STRATEGIC THINKING

## CEOs

1. BUILDING ALIGNMENT IN THE SENIOR LEADERSHIP TEAM
2. SUPPORTING INNOVATION
3. PEOPLE SKILLS & COMMUNICATION

## HRDs

1. BUILDING ALIGNMENT IN THE SENIOR LEADERSHIP TEAM
2. STRATEGIC THINKING
3. SUPPORTING LEADERSHIP DEVELOPMENT



“At Criticaleye we believe that great leadership creates positive outcomes and enables powerful legacies. Whatever the strategic direction of your business, it’s essential to have an effective, cohesive leadership team in which there is complete trust and alignment.”

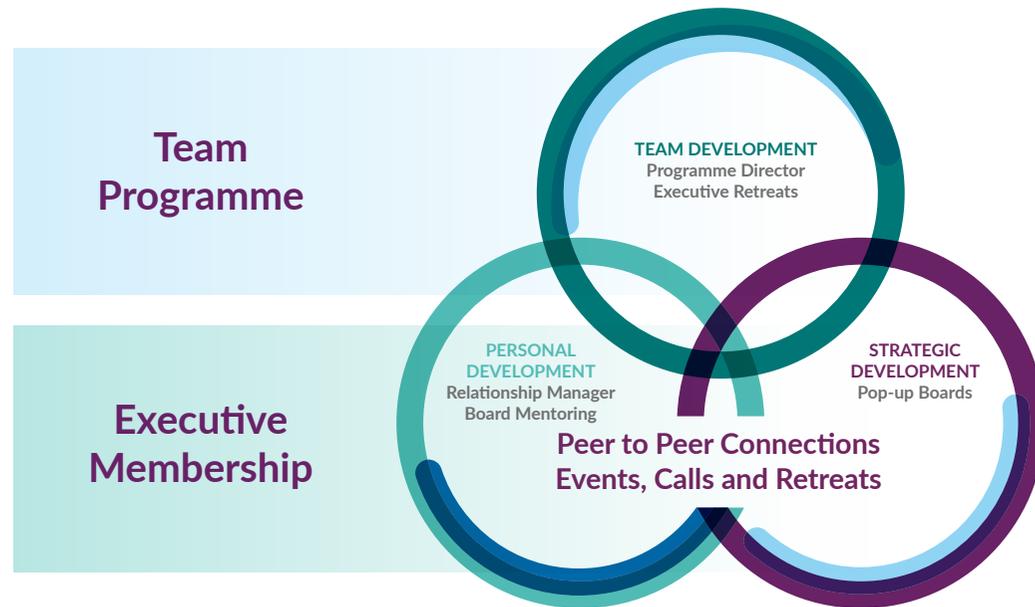


**Charlie Wagstaff**

Managing Director, Criticaleye

# We Inspire Leaders to Succeed

Our bespoke solution supports leaders with personal, strategic and team development



Our unique strength lies in our ability to bring together a wide range of leadership and industry experience.

We invite leaders into a trusted environment, where executives and their teams get access to the insight they need to enhance their performance.

We enable senior executives to achieve alignment, remove silos and build trust at the senior level.



Achieve  
**Better**  
Performance



## Inspiring Leaders to Succeed

### Our Values

**Respect:** an appreciation for diverse and varied views and experiences is crucial to high-performance leadership

**Collaboration:** working together to share knowledge and expertise is a defining characteristic of effective executive teams

**Challenge:** strategies and ideas need to be constructively challenged to reach the best outcome

**Trust:** leaders need to trust their colleagues and peers in order to work effectively and drive results

**Integrity:** we inspire leaders to succeed by providing a closed and confidential environment where Members can share openly

To discuss in more detail, please contact:

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