



Considerations for Family Businesses recruiting a non-executive director

KPMG Family Enterprise Practice

May 2021



Why should a family business recruit non-family talent, and in particular a non-executive director?

The answer lies in three areas – fresh perspectives and breadth of experience, independent oversight and constructive challenge, and performance; independent research commissioned by the IoD found that the NED contribution added value to the firm with most believing the NED role improved profitability.

We have put together some questions to help you consider the type of non-executive director you need for your business and interview questions to help you recruit the right candidate.

Considerations before recruiting a non-executive director

- Will they bring the skills and experience needed to fill the gaps to help the business (and family members) make the leap from good to great?
- Will they bring an impartial and objective viewpoint that family members do not / cannot?
- Will they be a safe custodian of our values and our wealth?
- Will they be approachable?
- Are they comfortable communicating with family members (including different generations)?
- Will we get on with them? How adaptable are they to our ways?
- Will they seek too much independence from the family?
- Will they nurture and develop the “next generation”? Do they have the skills and experience to help facilitate their success?
- Will they proactively start potentially emotional conversations and assist with collaboration among the generations?
- Will they support both retiring family members and, crucially, the business for its evolution?
- Will they ensure values and principles are passed to the “next generation”?
- Will they stay vigilant for any potential signs that the “next generation” might have plans that could undermine the brand and risk jeopardising future prospects?
- Will this person be made to feel like a family member or will they always feel like an outsider?

- Will they be willing to stand up to the different interests in our family business and act with uncompromising independence when that’s needed in a way that helps us to balance the best interests of everyone with a stake in our enterprise?
- What might the career trajectory and the experience look like for this person coming in? Are we able to create the right environment for a non-family member to thrive?

Example interview questions for non-executive director candidates

- What is your experience of working with family businesses?
- What type of family business have you worked with; first generation or multi-generational; single business or diversified enterprise?
- By way of example, what type of non-financial performance measurements do you think could be included for the NED of a family business (and do these fit with the controlling family’s values)?
- What are some of the advantages and disadvantages of a family owned business compared to other businesses?
- Why would you recommend working for a family business?
- In what areas would you expect the governance of a family business to differ from other types of business?
- What is your experience of forums and policies that allow for representation of both families and their businesses?

Advertise your non-executive director roles for free on [KPMG Connect On Board](#), more details below:

KPMG Connect On Board

KPMG launched [Connect On Board](#) to encourage the business community to create greater diversity on boards.

Connect On Board is an online platform designed to help connect non-executive director (NEDs) candidates, many of whom have experience of working with Family Businesses, from a diverse talent pool with organisations seeking to build better boards.

If you are seeking a NED you can advertise a role with us for free.

Please contact Kirsty Ross at kirsty.ross@kpmg.co.uk

KPMG Connect On Board is part of the [KPMG Board Leadership Centre](#) programme.

Contact us



Kirsty Ross

Family Enterprise Practice

T: +44 07901 620772

E: kirsty.ross@kpmg.co.uk

kpmg.com/uk

Some or all of the services described herein may not be permissible for KPMG audited entities and their affiliates or related entities.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2021 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

Designed by CREATE | May 2021 | CRT136265A