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Yes, Neds can change the world

Non-executive directors can make things better, says one of our award winners, but attitudes need to change too



In 1987, Gillian Wilmot was appointed marketing director of Next. Over the following four years she helped to transform the retailer's fortunes and spearheaded the launch of Next Directory, its profitable catalogue arm.

Yet when Wilmot said she worked for Next, people would ask: "Which store?". It didn't occur to them that a woman might be part of the executive team.

"I would rather mischievously say I worked only part-time, and [I would] see how long I could play along before someone blew my cover," said Wilmot, now an independent non-executive director and chairwoman of the remuneration committee at Nisa, the £1.6bn convenience store chain.

Wilmot overcame discrimination — both subtle and not so subtle — to secure a series of high-profile jobs. After stints at Boots, Avon and Littlewoods, she began "the big, chunky job" as managing director of Royal Mail in 2001.

"We had a crisis on our hands as not only were we starting to be regulated, but my predecessor had dropped the price of postage, which meant we had a big, gaping hole in the [profit and loss account]," she said.

There were also challenges with the workforce, Wilmot added: "Royal Mail, at the time, had two powerful unions. One in particular, the Communication Workers Union, was the biggest and most powerful union in the country."

As if all that wasn't enough to be going on with, Wilmot was unable to rely on the support of all of her colleagues as she set about trying to resolve Royal Mail's problems. "A number of people were quite sceptical that this woman out of retail would be able to run a big logistics

distribution business. There was an attitude among some of the more traditional people: ‘What does she know about what we do?’.”

Wilmot, the winner of the unquoted/private equity category at the recent Non-Executive Director Awards, backed by the broker Peel Hunt and The Sunday Times, proved the naysayers wrong. Through the introduction of a new management team, cost-reduction measures and increased focus on efficiency, she was able to turn a £180m loss into a £36m profit.

Having restored Royal Mail’s fortunes, she left in January 2003. It was her last executive role. “I wanted to go out in the world and be a Ned and rainmaker — and I have been in that phase ever since.”

Wilmot began non-executive life at Admiral, the insurer, while also working on company turnarounds. She is drawn to the challenge of breathing new life into struggling businesses. The latest is Nisa, which she joined in January 2013.

At the time of her appointment, the Nisa boardroom had been through a period of upheaval. The chairman, Mark Pullen, and non-executive directors John Cleland and Shena Winning had stepped down in the previous November. The chief executive, Neil Turton, cited “different views on the future strategy of the business”.

The departure of the three directors meant the search for their replacements had to be speeded up. “They made some quick decisions because you couldn’t have a board operating without independent directors on it,” said Wilmot. “You know it’s going to be a quick process when someone rings you up between November and new year trying to arrange a meeting. It’s usually a quiet time.”

When she was offered the role of independent non-executive, she decided it was a worthwhile challenge. “I thought what we had was a good business that had, for whatever reason, got some disharmony at the board level and that could be sorted. That was my judgment — which thankfully proved to be right.”

Wilmot was one of three new board recruits. Peter Hartley, former operations director at the serviced office provider Regus and finance director at the outdoor clothing company Blacks, had been appointed as an independent Ned in November 2012. Christopher Baker, a portfolio non-executive in the public and private sector, was announced as chairman at the beginning of February 2013.

“The three of us, with the help of the executives, set about sorting things out,” said Wilmot. She was given the brief of finding a chief operating officer — Nisa had been without one for three years — and chairing the remuneration committee.

Making the board more cohesive was a priority too, she said. “There had been a lot of strife, a lot of division, and it was building that trust between people which is critical to successful governance. You must have high levels of trust between all board members, but particularly between the exec and the non-exec because you are holding people to account.”

Building trust, however, takes time, Wilmot added. “It’s a combination of one-to-one and teamwork. A lot of it is about trying to understand where the other people are coming from and reaching an understanding about values. Values don’t get talked about a lot but are at the core of how people make decisions.”

Under Wilmot's stewardship, the decision was taken to appoint the retail executive Amanda Jones to the role of chief operating officer in April 2013.

"I designed the competency matrix and scoring system and led my colleagues through it," said Wilmot. "I've done some work in the past with the public sector, which means I'm used to running very robust processes."

Wilmot had been very keen to ensure there was a diverse mix of candidates. "The first list from the search firm had no women on it, so I had to insist they found at least one."

Outside Nisa, she spends much of her time working to get women on boards, either through her own company, Board Mentoring, or through her work with the International Women's Forum (IWF), where she is vice-chairwoman.

While she bristles at the word "quota", Wilmot said targets are the only way to solve the diversity issues at the top of Britain's biggest companies.

"We've tried all the logic, we've tried the business case for diversity, but there has been little or no change. At this point, I have to say that I think businesses should have targets. I don't know who thought up the word quota and they should be shot at dawn. It's a terrible word and it has all sorts of terrible connotations. But businesses live and breathe targets. They understand objectives and targets. Why shouldn't we have them here too?"

This is only one part of the picture. Appointments and search processes need to be updated too, she said. "There is a tendency for men to overstate their achievements and women to understate them. Therefore we have to account for that discrepancy. Don't try to fix the women, change the process."

Effecting change is what drives Wilmot, so being a non-executive suits her. "The great advantage of Ned life is you can change things; you can have a very big impact across a number of organisations. "One day I'm mentoring executives at organisations, then I'm on the boards of others. You just don't get that if you're in only one company."