

**EXECUTIVE**

Recruit

CAREER GUIDE

# **A COMPREHENSIVE GUIDE TO BUILDING A PORTFOLIO CAREER AS A NON-EXECUTIVE DIRECTOR**

*From Executive to Overseer: Strategy, Remuneration & Reputation*

A Practical Guide for Senior Executives Building a Board-Level Portfolio

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Prepared for Senior Executives Considering a Non-Executive Director Career

**Prepared by Executive Recruit**

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## Introduction: The New Professional Paradigm

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The traditional career model — a linear ascent within a single organisation culminating in a gold watch and pension — is being systematically dismantled. In its place, a new ethos has emerged, driven by ambition, technological enablement and a deep-seated desire for autonomy. This is the era of the portfolio career: a strategic approach where professionals build multiple income streams, not as a side curiosity, but as a deliberate path to financial security and professional fulfilment.

For senior executives, the Non-Executive Director (NED) role represents the pinnacle of this portfolio approach. A portfolio NED career allows leaders to work with multiple companies, leverage their experience and knowledge, and make a significant impact on businesses in a strategic capacity — all while enjoying the flexibility and freedom of a diversified professional life.

However, the selection of a NED is an exercise in surgical precision, far removed from generalised executive recruitment. Businesses are not merely looking to fill a seat or satisfy a governance checklist; they are undertaking a critical strategic intervention designed to fortify leadership, sharpen oversight and navigate an increasingly complex commercial landscape. Understanding this nuanced demand is the first and most essential step for any aspiring NED, requiring a fundamental re-evaluation of how one presents their value to a discerning nominations committee.

## Part I — Decoding What Businesses Truly Seek in a NED

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### The Governance Mindset: From Operator to Overseer

The most crucial distinction to grasp is that a NED is not hired to manage, but to govern. A NED's value lies in their ability to maintain a strategic altitude, observing the operational terrain without being drawn into the tactical skirmishes that consume executive management. The primary function is to provide robust oversight, ensuring the executive team operates within a framework of sound financial controls, effective risk management and rigorous accountability.

Interviews for NED roles are specifically designed to assess how a candidate thinks, their judgement and their independence, rather than simply what they have done in the past. The successful candidate demonstrates a clear understanding of the difference between executive and non-executive roles, focusing on questioning, oversight and enabling rather than controlling and directing.

*“It's not a part-time CEO role. The NED's function is to advise, support and enable the CEO / executive Board as well as challenging, supervising and controlling.”*

— A former CEO, on transitioning to a NED role. He advises writing “Stay out of the detail” on every board agenda to avoid the “detail trap” that plagues many former executives.

### The Functional Spike: Defining Your Unique Expertise

Within this governance framework, businesses search for candidates who possess a clearly defined and exceptional “functional spike” — a deep, vertical expertise aligned with the company's strategic challenges. This is the “T-shaped” NED concept: the vertical stroke represents profound knowledge in a specific domain, while the horizontal stroke represents the ability to engage broadly across the board's entire agenda.

This vertical expertise can manifest in various forms:

- Deep functional experience in finance, digital transformation, human resources or supply chains.
- Experience managing major business challenges such as turnarounds, M&A or international scaling.
- Specific geographic experience or sector knowledge.

For a fast-growing scale-up, a NED with a proven track record in professionalising founding teams is invaluable. For a private equity-backed business, a NED who can bring rigorous discipline to market sizing, sequencing of growth initiatives and honest assessment of management capability is paramount.

## **The “Critical Friend”: Temperament and Emotional Intelligence**

The modern business looks for a NED who embodies the ideal of a “critical friend” — a partner who provides unwavering support for the company's mission while retaining the independence and courage to offer constructive challenge when necessary. This requires a rare blend of humility, empathy and intellectual integrity.

Emotional intelligence is consistently cited by chairs as a non-negotiable attribute. Effective NEDs recognise that their influence comes not from directing executives, but from asking the right questions, applying their judgement and bringing external insight to the board's decision-making process. They are comfortable with the selfless pursuit of the company's goals, listening to problems and taking time to understand the business before offering solutions.

## **Building Your Personal Brand and Network**

The network a NED brings is often cited as one of the most concrete and quantifiable contributions they can make. A NED who has operated in their field for decades possesses a professional network that management of a scaling business cannot typically match. This network can unlock new opportunities, from potential enterprise customers to strategic partners and M&A intelligence.

To build this network, aspiring NEDs should:

- Engage with professional bodies and attend industry events.
- Work with executive search firms to access a wider range of opportunities.
- Build a strong online presence with a professional website and LinkedIn profile.
- Maintain a modular NED CV from which relevant sections can be extracted for bespoke applications.

## **Part II — The Portfolio Career Strategy**

### **The Rise of Portfolio Careers**

The portfolio career is more than a trend; it is a fundamental reimagining of work. Driven by technological disruption, economic pressures and shifting cultural values, it offers a path to greater resilience, autonomy and a deeply personalised definition of professional success.

At the heart of this trend lies the drive to de-risk financial existence. In an economy marked by corporate restructuring and global uncertainty, relying on a single employer is perceived as increasingly precarious. The portfolio approach is a rational response — a form of personal diversification.

## Starting Your Journey

- 1. Identify Your Strengths and Areas of Expertise** — the first step is a comprehensive audit of your skills and passions. What are you genuinely expert in? What activities energise you? A portfolio career is not about being a dilettante; it is about being a specialist in multiple areas, where your unique combination of skills becomes your professional signature.
- 2. Start Small and Scale Up** — begin by seeking NED positions in smaller organisations, potentially in the not-for-profit sector. Charity trusteeships are often described as the “perfect first step” — they provide exposure to the full breadth of a board's responsibilities and agenda.

*Key opportunities for first-time NEDs include:*

- **Charities and trustee boards** — often unpaid, but provide invaluable experience.
- **NHS organisations** — remunerated at a set annual rate, often around £13,000.
- **Housing associations** — fees ranging from £1,000 to £50,000 depending on size.
- **Public sector boards** — modest but structured remuneration with rigorous selection processes.

- 3. Prepare for the Time Commitment** — NED roles require significant dedication. Typical commitments range from 15 to 30 days per year, though some appointments require significantly more involvement. A 2026 survey found that 80% of NEDs report the time commitment has increased over the past five years, with 95% believing fees do not reflect the time and accountability required.

## Managing the Transition

A successful transition from executive to NED requires both professional planning and personal introspection.

### Clarify Your Motivation Early

*“You can't do it just because everyone else does it.”*

Your decision should be rooted in a genuine desire to remain connected to the business world while potentially reducing intensity and regaining quality of life.

### Treat the NED Role as a Profession, Not a Hobby

Underestimating the intensity of the role is a common mistake, especially when working with private equity boards or family-owned businesses. The NED role requires serious commitment and continuous learning.

### Seek a Mentor or Role Model

A significant influence in many successful transitions is a chairman or experienced NED who mentors the candidate, helping them prepare for the structural and interpersonal shift of boardroom dynamics.

### Manage the Emotional Transition

Transitioning from CEO to NED brings unique emotional challenges:

- Reframe relationships with executive team members.
- Address CEO insecurity proactively — make it clear you have no intention of stepping back in.
- Manage emotional sensitivities when new strategies imply prior approaches were flawed.
- Invite feedback: “Tell me if I overstep the mark.”

## Part III — NED Remuneration: Understanding the Market

### The Structure of NED Pay

Non-Executive Directors typically receive a fixed annual fee rather than a salary. This is termed “director’s fees” since NEDs are not employees and therefore do not receive employee benefits, pensions or bonuses.

The UK Corporate Governance Code advises that NEDs should not receive share options or other performance-related compensation. However, share schemes may benefit early-stage startups with limited funds — most established UK companies avoid performance-based pay for NEDs.

### 2026 Fee Benchmarks

NED remuneration varies considerably across organisation types:

| Organisation Type              | Typical Annual NED Fee            |
|--------------------------------|-----------------------------------|
| Small private companies        | £10,000 – £25,000                 |
| Medium-sized private companies | £15,000 – £40,000                 |
| Large private companies        | £30,000 – £70,000+                |
| Private equity backed          | £30,000 – £70,000+                |
| SME and family-owned           | £5,000 – £30,000                  |
| AIM-listed companies           | £30,000 – £60,000+                |
| FTSE SmallCap                  | £35,000 – £60,000                 |
| FTSE 250                       | £55,000 – £80,000                 |
| FTSE 100                       | £75,000 – £130,000                |
| NHS organisations              | ~£13,000                          |
| Charities and trusteeships     | Often unpaid or modest honorarium |

### Committee and Chair Fees

Additional fees are commonly paid for committee responsibilities and chair roles:

| Role                         | Typical Additional Fee |
|------------------------------|------------------------|
| Audit Committee Chair        | £20,000 – £70,000      |
| Risk Committee Chair         | £20,000 – £70,000      |
| Remuneration Committee Chair | £15,000 – £55,000      |
| Nominations Committee Chair  | £15,000 – £30,000      |

## FTSE Chair Remuneration

| Index         | Chair Fee Range      | Time Commitment |
|---------------|----------------------|-----------------|
| FTSE SmallCap | £100,000 – £180,000  | 40–60 days      |
| FTSE 250      | £180,000 – £350,000  | 40–60 days      |
| FTSE 100      | £400,000 – £800,000+ | 60–90 days      |

## Key Considerations

- Transparency and governance — boards must justify NED remuneration to address concerns of conflicts of interest. Disclosure and transparency regarding NED remuneration is essential, with shareholders fully understanding the remuneration structure and guiding principles.
- Shareholding requirements — some companies may require NEDs to hold a minimum number of shares to align their interests with shareholders.
- Taxation — NED income is taxed, with most companies handling tax through PAYE, though some pay gross, requiring the NED to file a self-assessment tax return.
- Negotiation — NED fees are rarely negotiated, though occasional negotiations may occur upon appointment. Most fees are specified in the job advertisement.

## Part IV — Practical Steps to Building Your NED Portfolio

### Developing Your NED CV

The structure of a NED CV differs significantly from an executive CV:

- Lead with a strong profile paragraph — four or five sentences in the first person highlighting qualities you're valued for, such as providing balanced critique, tenacity, and asking value-adding questions.
- Start with non-executive experience — explain organisations, their reach, size (headcount) and turnover. For NED roles, draw out the structure of governance (e.g., “I was on a Board of six NEDs”).
- Evidence impact with metrics — use bullet points under each NED role held, using numbers to bring achievements to life.
- Keep the executive career section brief — executive experience typically appears on page 2 or 3.
- First-time applicants — draw out transferable experiences from executive life, such as board-level skills, team-building, stakeholder skills, or strategic work led or participated in.

### Personal Statement and Application

When applying for NED roles:

- State clearly why you are applying for this specific board role.
- Differentiate yourself by showing you've done your research — what excites you, what surprises you, what are their challenges?

- Be clear you can make the time commitment — explain your other commitments and how you will manage them.
- Give tangible examples of impact against the person specification, using the STAR model (Situation, Task, Action, Result).

## Once Appointed

### Manage Your Time Effectively

The best NEDs bring insight, integrity and influence between formal meetings. Schedule time for:

- Formal board meetings.
- Pre-reading and preparation.
- Informal relationship-building work.

### Find a Buddy

Consider finding a buddy on your new board to offer NED-to-NED support and insights.

### Set Boundaries

Balance the time you give to each role to avoid over-committing to a board you have particular passion for. Colour-coding different board roles in your diary can help define actions and meetings.

### Build Relationships

Building relationships with fellow board members and within the organisation is vital for depth of understanding of personalities, culture and operation. It will also help you stay motivated and engaged as you hear the stories of the organisation.

### Seek Regular Feedback

Effective NEDs proactively reach out to their chair, senior independent director and fellow NEDs after board meetings to invite feedback.

### Commit to Continuous Learning

The role of a NED involves continuous learning about new industries, regulations and challenges. Consider undertaking relevant training or qualifications if you're not already well-versed in governance areas.

## Conclusion: The Future of Professional Life

The trajectory of the modern workplace suggests the principles of the portfolio career will become increasingly mainstream. While not everyone will ultimately become a multi-hyphenate professional, the mindset it requires — adaptability, continuous learning, personal branding and financial acumen — will be essential for all.

The portfolio career offers a compelling promise: the opportunity to weave together financial independence, personal fulfilment and professional autonomy into a life that is not just lived but actively designed. For senior executives transitioning to NED roles, the rewards extend beyond financial compensation to include intellectual stimulation, strategic influence and the satisfaction of contributing to organisational success at the highest level.

*“Not just about changing titles, but redefining one's role, purpose and approach to leadership. It requires not only professional planning but also personal introspection, emotional agility and trusted partnerships.”*

— An experienced NED, reflecting on the transition from executive to non-executive.

For those willing to navigate its complexities, the portfolio NED career offers the opportunity to build a professional life of genuine resilience, autonomy and deeply personalised success.

## Considering hiring a Non-Executive?

Executive Recruit partners with organizations looking to appoint a Non-Executive Director, as well as senior executives building a strategic board-level portfolio. We work closely with nominations committees to identify NEDs who bring a sharp, relevant functional edge to the boardroom.

If your company is seeking its next board appointment, contact us for a discreet, no-obligation conversation.

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