



Board Level podcast
Australian Institute of Company Directors, powered by CommBank

Episode 1: Taking the first steps in your board career

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Interviewee: Sally Evans

Featuring:
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Sally Evans FAICD is on the boards of ASX200 Healthcare provider Healius, New Zealand retirement village operator Oceania Healthcare and chair of social enterprise LifeCircle Australia. In 2018, she was one of the Australian Financial Review's 100 Women of Influence.

Here Sally talks about how she got started in her director career, what she would have done differently and her advice for those looking to step up to the boardroom.

Rebecca [00:00:04] Hello and welcome to Board Level, the podcast that's changing the conversation around boardroom tables. Board diversity and gender balance makes sense and delivers better outcomes for shareholders, consumers, employees and the community. But with women holding under 30% of ASX 300 positions in 2019, having a seat at the boardroom table can still feel elusive. So we're here to challenge and change this. I'm Rebecca Warren, General Manager of CommBank's Women in Focus and we're proud to support the AICD in this valuable conversation. As a board member myself I know the challenges and the value of contributing at this level. We all have a role to play in improving board equality and diversity. So let's level up with your host Catherine Fox, award winning journalist author, presenter and leading commentator on women in the workforce.

Catherine [00:01:02] Welcome to Episode 1 of Board Level with experienced director Sally Evans who transitioned from full time executive life a few years ago and shares her experience, her insights, her top advice, in fact what she calls her playbook on taking that crucial first step into a board career. Sally, welcome to Board Level.

Sally [00:01:23] **Well thanks Catherine for inviting me, I'm delighted to be here.**

Catherine [00:01:26] Sally, can we start with actually examining why you decided to become a non-executive director in the first place?

Sally [00:01:33] **It was through my executive career I was given the opportunity to present strategies to boards and participate in those conversations and understand how those decisions were made. The more I did that the more I wanted to be on that side of the table making those decisions.**

Catherine [00:01:48] So Sally obviously you had an insight into how a board operated, the kinds of mechanics or most of what goes on. Did that help when you decided to then put your hat in the ring?

Sally [00:01:59] Oh very much so, I think I've always been interested in organisational structures, culture, processes and would always think deeply about why things were the way they were, why they needed to be different and how you would change those. I just thought about governance in that same way. Then I went off and did the company directors course so that gave me real insight into the more regulatory requirements of being a director.

Catherine [00:02:21] So at some point you obviously decided to make the transition to a full time N.E.D. career out of executive life, when did that happen and was there something that triggered that decision?

Sally [00:02:32] I made that decision probably 7 or 8 years ago but didn't have the confidence to back myself. It was that question about would I be good enough but really could I do this job. But I was already a director on two boards. One was a pro bono social enterprise. The other one was through my role as an investment director in aged care so I sat on the board of a very large operating entity. So the fact that I doubted myself in retrospect is really interesting but what I did as I went and spoke to some people who knew me well, who knew me as a director and asked them if they thought I should pursue this career because that's what I wanted to do. They not only affirmed that I should but also they offered to support me and be my referees.

Catherine [00:03:14] That's fantastic isn't it? So that really helped you to kind of make that next step.

Sally [00:03:20] Yes that was the point where I thought, "I can do this and I've got nothing to lose now it's what I want to do." I knew that I really wanted to be much more involved in managing the future of businesses that were associated with retirement, aging and dying. I felt like I made a very courageous decision to leave my executive career and pursue that.

Catherine [00:03:41] Always easy to be wise in hindsight, thinking back, were there perhaps things that you could have done before you went on to board, so right back, not into full time but that the first board that would have been helpful that perhaps you didn't know about or you just didn't understand would be useful.

Sally [00:03:59] Absolutely. I should have had a director mentor. So I've often had people who have mentors and coached me through my career. But when I was participating in those boards as a director, I never actually had someone mentor me in that role. In hindsight had I had that, I would have I think much more quickly become comfortable with that career choice and perhaps pursued it sooner with more confidence.

Catherine [00:04:27] Sally, when you think about making the transition from executive life to the N.E.D. path, are there things that you shouldn't do when you're just starting out on that trip?

Sally [00:04:38] Oh absolutely because one of the most important thing is getting in front of chairmen or directors of boards you're interested in because it's not about who you know, it's who knows you. Although I was well networked I really had to be quite targeted and deliberate about who those people were. So I had to make sure I was ready for those meetings. You only get one opportunity. So being confident having myself in the right place being clear about why I was having that meeting and you never ask for that person to put you on their board, you never do that because it puts them in a dreadful position. But what you're doing is saying I'm really interested in this particular industry. I'd really appreciate the advice you would give me and then you absolutely must follow up take that advice and show them that you've done it even if you didn't quite agree with it because they've given you their time and they're busy people. So you never ever go into one of those meetings unless you're ready. That's the first thing you never ask anyone for a job on a board because it's just an awful position to put someone in. Also you never go there with an expectation that they are going to give you a job because you being offered a job is a privilege. It's not something that you can naturally expect. I've been surprised by the

attitude of some people around well I'm here now I've turned up. Why aren't you considering me? So it's a subtlety but it's around understanding that the job, when a chairman or a board are selecting a director, it's a big decision for them and you would never ever take it for granted.

Catherine [00:06:21] So I mean if you're thinking about that and giving advice to two younger women, what are the things that you say are really useful for them, if they're taking those steps towards that path.

Sally [00:06:31] It's absolutely about finding those right people who can give you honest feedback. The thing that I've always appreciated with the mentors who have helped me with both my exec and my non-exec career is that they would give me constructive feedback, which meant when they saw, heard or knew something that I needed to be stronger and they'd tell me. So you need to have that ability to be open, to be able to process that and then act on it. We've all got an ego so that takes a bit of getting used to sometimes. It's so important because there is a significant difference between exec and non-exec roles and helping someone get through your head into what being a non-exec director means, the sooner you can do that and the more successful you'll be.

Catherine [00:07:18] Tell us about that difference because I know from talking and interviewing a lot of directors over the years who've been in senior executive roles and most of them have, it is quite a different role. There are different demands, different skills that you need. Give us a little potted comparison and what you learned from actually making that transition.

Sally [00:07:37] Sure. So there's a simple answer and then I'll give you a bit more detail. So the simple answer is as a non-exec director you need to know the right questions to ask. Being the management team, you need to know the right answers. So there's a very different mindset and a very different way of preparing for those meetings because as the management, you're taking that recommendation. You've done all that work. You're there to answer questions but respond to that. So when you're that non-exec director, you're there representing all stakeholders. You're hearing a perspective and you'll have a view about the capability and competence of the people who are presenting that to you. But you have to have a really curious mind. So that ability to ask the right questions and if you're a person like me, I'll have 100 questions but you can only ask 2 or 3. So that ability to prepare really well and have the right questions so that you can get to the issues quickly that for me is the real art of being a director. If another director has already asked the question I think great because they've taken up some of my oxygen and now I can put mine to something else. But that's a very different mindset in terms of how you go into that boardroom.

Catherine [00:08:55] Have you got an example of that? Can you think of some time when you actually have been thinking I really need to ask this question and you got that timing right because it's always lovely to have something that that brings that to life?

Sally [00:09:07] One of the areas where there's a real difference between being an exec and a non-exec is when it comes to executive appointments. So obviously the CEO's building a team. They are really considered about the strategy, what skills and attitudes they want to align to that but of course you've got your own experience of recruiting people. These key management appointments are really important. You can't undermine the executives and the CEOs decision because this is their team. You really want to ask questions about have they thought about how that team comes together? What the challenges for the business are? How they're going to manage particular risks and the business with that team? Who is going to do particular parts of that role? So to get yourself comfortable with those really critical roles without stepping into the CEO's shoes you can't undermine them. You've got to support them but also you have an obligation to make sure that those appointments are right. So I find that's a very different experience being a non-exec and it's one where you have to use that sensitivity but still ask those really important questions.

Catherine [00:10:19] That is a real skill isn't it? I mean how long does it take do you think to become comfortable with doing that? I know everyone's different but did it take you a while to kind of did you learn from watching how other people around you were operating and of course you had your mentors. But I just wonder how long it took?

Sally [00:10:35] **Absolutely, people had said to me that first 12 months on a board you're not particularly effective. I was a bit bemused by that felt like a long time to me. I think it's probably about right. You need that whole board cycle to understand how all of those things happen through the course of a year understand the personalities of both the executive and the board and the interaction between the executive and the board. You really want to do your due diligence, attend to all the committee meetings and just often listen and listen to who was speaking, who was asking the really insightful questions. Once you get that understanding then you can be much more effective because you're working as part of a team. You're also working to a common purpose at that point. So it does take a while and I think that's the same if whatever board you go on. It doesn't matter how much experience you have because you can't assume that your experience on previous boards is necessarily going to be relevant for that next board.**

Catherine [00:11:38] So actually Sally listening to that it's about learning what to say and when to say it also what not to say so that overstepping the mark and interfering in something that is in fact a management or executive area, which you've just outlined in terms of appointments, that must take some practice as well.

Sally [00:11:57] **Well it absolutely does and sometimes it's easier to see it in other directors than it is to see it in yourself but certainly I think I made that mistake in my early days as a director and was constantly calibrating where the line was. I'm much more comfortable with that now I think my experience has helped me to draw that line. I've had some good feedback from the chairman that I've worked for about where I was more effective and where I was less effective and that's been extremely helpful as well.**

Catherine [00:12:24] Yes that's such an interesting part of the process isn't it getting the feedback and clearly the chair is absolutely crucial.

Sally [00:12:32] **People had said to me when I was thinking about this career the most important person on that board is the chair and make sure you're really confident you're joining a board with the right chair. I understood that was important because you know intellectually that makes sense. Now that I'm a director I absolutely get that and I'm absolutely thrilled that all the chairs that I've had have been outstanding or very different but absolutely outstanding. So I've learned an enormous amount. They all give direct feedback in an appropriate way so that you feel that every director there is on their game and that they are working for the same purpose. So that point about the chair is I think absolutely right.**

Catherine [00:13:14] What about the whole area of when it's a good time for someone to make that transition because again everyone has very different experiences and career paths but I imagine women probably ask your advice quite frequently about whether this is good for them in the short term, medium perhaps longer term, what do you normally say to an aspiring woman about the timing, around taking in an N.E.D. role for example or indeed transitioning to a full time board career?

Sally [00:13:44] **There are two answers to that, the first is I really encourage people to find one N.E.D. while they're still in their executive career. I know that's a stock standard answer but it's absolutely true because you do need to get that experience. You do need to have that reference point that you know what you're bringing into a boardroom because boards are recruiting new directors. It's a big decision for a board to make. The more experience someone can bring to that the better. So I think that's important. I think also the executive piece is incredibly important when it's context-specific. So when you're looking for those first couple of boards your area of expertise is what you'll most likely going to be recruited for as opposed to your reputation as a great director. So you want to be able to leverage that**

executive expertise as well. So you absolutely want to do that. I think I left it too late. I think I could have done this five years earlier than I actually did and that was I made the comment before I just don't feel quite confident enough. So I would urge people to find those mentors, get that feedback and ask them to help them determine when the right time is to make the transition. One of the things I was told about transitions is it would take about 2 years from your exec to your non-exec and because I already had these two boards, one being a paid commercial board I thought, "Probably take me about 12 months." It was 2 years to the day and then it all happened very quickly then suddenly I had a full time portfolio. It does take time so if you are going to transition, it's helpful to have a board through that transition but also you need to be able to have time. So if there are issues around do you have the right support and structures around you to give yourself 2 years to actually transition that career?

Catherine [00:15:37] Yes and giving perhaps a woman mid-career the advice to take on another role while they're still in a pretty full on executive role, you do have to think about that very clearly don't you?

Sally [00:15:50] That's hard, you're busy and particularly if you travel most of my executive career, I was travelling as well. So I think it took me about 5 years to finish the company director's course because I was never in Sydney when the lecture were on. It was just hopeless. So your point is right. It's hard.

Catherine [00:16:07] Again it's also about that career building. I just wanted to ask you again that when you're giving advice to women and your saying to them, "Do get that expertise, so give yourself some time and also take on that role if you can while you're still in an executive role," what kinds of roles are available for women in that sort of area? I've heard some people say look you should go for a not for profit board that's a way of getting gaining that experience. Is there some other role these women could maybe look at within their own organisation that's going to give them some expertise around a decision making table?

Sally [00:16:41] I think so and I think when we start looking for them, they are there. Now I was lucky I worked for an investment manager so we had lots of assets, with lots of boards and lots of opportunity. You would have to put up your hand and you'd have to earn the right because those are fairly coveted opportunities for men and women to build those career options. So you'd need to have a really good case as to why you should be given those opportunities. Once you're clear about why you want to do this and that's the advice I do give people be really clear about what it is you want to achieve and why you want to do this because that's what people are buying essentially. Then you'll start to find those opportunities and I do advise people to go and talk to investment managers. Go and find out where all those assets are. We've got plenty of institutional money going into businesses in Australia today and find those unlisted boards because it's not about being on a listed board, it's about being on a commercial board and certainly one that has some fairly significant operating issues to deal with because that's where you get to really demonstrate your expertise as a director.

Catherine [00:17:48] Sally you've mentioned a 2-year timeframe to actually really feel that you were contributing at that optimum level, why do you think it's 2 years?

Sally [00:17:58] To actually build that board portfolio? The numbers are pretty simple. Most boards will appoint a new director about 1 every 2 years. If you've got sort of the usual turnover and so in any given year so I had about 20 boards on my wish list. I worked on the basis that half of them would appoint a director in this 1 year and they may be 2 of those roles would be for a person like me with my skills, that's what they would be closing. I might get one of those. So out of my list of 20 I might get 1 and that 1 might be this year or next year but that's the 2 years thing. It's a numbers game actually that there aren't that many roles that come up in any 1 year that you are a fit for. So you just have to be realistic about how long it takes.

Catherine [00:18:46] We've talked about the learning curve, the steep learning curve and the 2 years, what about other challenges in your board career? Nothing's perfect, just how have you overcome them? In hindsight was there anything that you could have done that could have helped you with them?

Sally [00:19:05] So there are a couple but the first one which is the easy one is when you're in an exec career, everything's organised for your diaries organised, everything's organised. When you're a non-exec director, you're essentially a business of one. So making that transition and having to be self managing was a real challenge for me and I ended up having to put some real disciplines around it because I could easily spend a day and achieve nothing. So because I had a list of about 100 miles long of all the things I've wanted to do. So putting those disciplines around yourself and I became very good at that and those disciplines still hold particularly because you need white space to prepare for board meetings. So it's not just the preparation but if I'm looking at a specific issue, I'm going to go on research it. I'm going to look at glass door and see what people think about that business and I'm going to go on Google and see what comes up. I do lots of little sidelines to find out what's going on. So you need to have white space in your diary to do that as well so that took me a while to actually understand how to use time differently. Now that I'm in that groove I feel really good about it because I know how to be productive and use my time well. But then the harder transition was actually not answering the questions I talked about that shift from exec to non-exec. As an exec, you have to have the answers, I was used to be the person who went and can answer any question to the third decimal point or whatever the question was. As a director you have to listen, be curious, absorb things and so just keeping quiet long enough to really understand what management was saying. That actually was a skill I needed to learn because it was a shift. It was a change and I really love that now. I love the fact that I just listen, most of the time.

Catherine [00:20:58] Again it's something that it sounds so obvious doesn't it. You have to listen but really actively listening is a different skill isn't it?

Sally [00:21:05] You've probably hit the nail on the head. I listen differently. I'm listening for different things now. I'm listening for what is the real issue here. So we might be discussing one thing but what is it that is either going to create the success of this opportunity or perhaps derail it. What is this person saying? Do they really know what they are talking about? You know that lovely adage, "If I had more time, I'd have sent you a shorter letter?" You get a bit of that in the boardroom. You get a lot of noise in your thinking, "Do you really, have you really got to the essence of this matter?" So you can only do that through that very active listening and asking some good questions.

Catherine [00:21:47] And having a few psychological insights potentially with your fellow directors. I just wanted to ask you the one about time I think is fascinating. I suspect there are quite a lot of misconceptions about what a board career would be like in terms of your time. So ostensibly this is the set number of meetings we have. You get the board papers. You go through them. Do you think that people don't understand the amount of time that is required?

Sally [00:22:14] Absolutely, in fact people don't understand what directors do. If we go back to that question of time, no one has any idea how much time that takes and that your habit, you're always switched on. I mean I talked about getting on a bus today, I'm thinking about these particular customers of some of the boards I'm on. What's their life experience? Where are they going? How would they get there? So you're almost always switched on. It's incredibly time consuming though because the diligence that you're putting around these issues. This is shareholders money. This is your members or your customers' lives. So you take that very seriously. Many people would say to me, "Sally you've retired." I'm saying, "No, I've transitioned my career from an executive career to a non-executive career." When people ask me what I do, I say I'm a company director, which took a bit of getting used to myself. The point is, this is my career. I work full time. This is what I do and that isn't understood. So I do explain that to people.

Catherine [00:23:19] So just on that, how many directorships do you think, everyone again would have different capacity but is there some sort of rule of thumb, if you're fortunate enough to actually embark on this career? Is it a good idea to have more than 2 or 3 or what do you think?

Sally [00:23:33] **The difficulty is that they are all different. So you can have some boards or advisory committees, which meet 4 times a year and there's 2 days of preparation and a day of meetings. So it's much more about how can you coordinate them. So at the moment I have 3 commercial boards in a social enterprise and 2 advisory committees. So that's a full time workload but 2 days a week I'm working at home so I love the flexibility of it. I love the fact that I don't have to blow dry my hair, put on makeup, all of those good things so that saves me some time. You have to have capacity for when things crop up. Things are always cropping up, hopefully not on all your boards at the same time but you need to have flexibility to be able to do that teleconference at 5:00 at night, which is usually when they are because it's the only time everyone's available or 7:00 in the morning. You need to be able to have flexibility because otherwise the other directors will start to get a disadvantage because then those teleconferences are at 8:00 at night. So there is a balance about having enough capacity to deal with those unexpected things. I feel that I've got it about right at the moment. I am coming off the social enterprise that I'm on because I've been there 9 years and it's time for me to step down so I might have some capacity but I'm going to wait and see.**

Catherine [00:24:58] Well that's the other thing of course you have a certain term on boards and obviously that can be renewed but there is a point where it seems to me a lot of people will say I felt that it was time to move on. So you build up your skills. You contribute and then you actually have to make a decision. You know they always say the most important decision is when to leave.

Sally [00:25:16] **I think that's really important and it does given that advice by someone saying you need to think about your portfolio construction about when you're come off certain boards. So you'd want to have something to replace that. At that time I'm trying to find boards and thinking I can't even imagine having that problem. But of course now I'm at that point, I am really thinking about it. You have takeovers. So my very first ASX board I was appointed to it in March and I had a takeover offer about 4 weeks later and it was all sold, done and dusted by October. I've built this reputation as if I go on boards; we get takeover offers now but the point being that you aren't always in control of that tenure.**

Catherine [00:25:59] Exactly, now Sally, we go back over some of this, your advice to women obviously get as much expertise as you can before you actually do the full transition. Think about the time factors. Think about the actual skills that you need. Are you finding that more women do have an appetite to move into a board career? Are you getting asked for advice more often? What kinds of women do approach you?

Sally [00:26:26] **I get approaches all the time and I always spend time with people because so many people spend time with me. I just feel I owe so many people for the help they gave me, very happy to help others. There are plenty of exceptional women and many of them are women I don't know because there will be some intermediary who says, "You should speak to Sally because she's done this recently." I've been meeting the most extraordinary women from different backgrounds to myself and I often think about what they would bring to the boardroom. What I find is I've got a bit of a playbook. So I share that with them but then I talk. Help them think about where they would add the most value, how they would pitch for that because I think that's the thing I learnt over the 2 years I was looking for roles that's how to be really clear about what I brought to the board and why I would be a good candidate for a particular board.**

Catherine [00:27:17] I have no doubt that given your story about confidence that what you're also giving them is some confidence that they can actually go ahead and pursue this as a viable option.

Sally [00:27:27] Absolutely, and I tell them all I left it far too long. I should have done this much sooner so as a way of giving them confidence that you won't know if you don't try. So until you put yourself out there and be really clear and the most important thing it's been clear about why you're doing it. Once you've got the why sorted everything else starts to flow. So if you're not really committed and passionate to this, it'll come out pretty quickly and most of the chairmen I met worked that out in the first 15 minutes of meeting me.

Catherine [00:27:58] That's so important isn't it. Thank you so much Sally.

Sally [00:28:01] Well it's a pleasure.

Rhian [00:28:04] Thanks for listening to Board Level, hosted by Catherine Fox, for the AICD and powered by CommBank's Women in Focus. As we change the conversation around boardroom tables. I'm Rhian Richardson, Board Diversity Manager at the AICD inviting you to visit aicd.companydirectors.com.au where you can join the conversation, access show notes with all the links mentioned in today's show and discover valuable resources. Subscribe to the Board Level wherever you get your podcasts so you don't miss an episode. There is so much to be gained by shifting the balance. So let's level up together and keep the conversation flowing.