Leading View from Robert Swannell (Marks & Spencer)

What would you do to make boards more effective?

I would insist that all boards carve out time to define their priorities for the year ahead and how they intend to fulfil them. Once you’re clear what you’re trying to achieve, the next challenge is to stick to it. The best boards are adept at shutting out the peripheral noise, owning their agenda and staying focused on what matters. But that’s not to suggest that plans should be rigid.

At M&S we agree a provisional board calendar at the start of each year and at the end of every board meeting we’ll discuss whether anything has changed and whether the calendar should be revised. No plan should be impervious to the evolving needs of the business.

In your experience, where can a board add most value?

Boards need to accept that there are limits to what they can achieve. With that in mind, there are three themes that I focus my boards around:

1) Strategy and its execution
2) People and succession
3) The company’s values and culture

To do any of this well, you need an atmosphere in the boardroom that’s conducive to open and honest discussion. There must be a collective willingness to confront the difficult issues and management must be able to talk openly about their challenges as well as their triumphs. You don’t achieve success without a few knockbacks along the way and it’s important that the board acknowledge this. Perfection is not realistic!

Do the shareholders of a plc help or hinder the board in putting long-termism ahead of short-term results?

Shareholders should pay more attention to the values and behaviours of the businesses they invest in. Of course, there are a number of enlightened investors who are concerned with more than just short term sales performance, but there are still some for whom this is just not the case. It’s also important for shareholders to be able to evaluate progress against a long term strategy – and it’s up to management to explain convincingly why investment is required in pursuit of that strategy. The horsemeat scandal brought home the hidden costs of behaving in the wrong way. And this will help to reinforce

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1 Robert Swannell is Chairman of Marks & Spencer and Chairman of the Governing Body of Rugby School. He was formerly Chairman of HMV, Vice-Chairman of Citigroup Europe, and SID of British Land and 3i.
that ‘doing the right thing’ is often the most commercially sensible thing to do, at least in the long term. But that shouldn’t be the only motivation. The board should be guided by its conscience too.

**How do you see the role of the Company Secretary?**

It’s a tremendously important role and a difficult one too. There’s an element of ambiguity that comes with being both a member of the executive and the point person for the Chairman and non-executives. And it’s the Company Secretary’s responsibility to ensure the conscience of the board is properly exercised. They need the strength of character to raise reservations fearlessly. At M&S we set a high bar and our Company Secretary, Amanda Mellor, is also on the board of a FTSE 250 company so she brings the invaluable experience of being a non-executive director herself.

**How important do you consider information to be in the boardroom?**

High quality information is critical. The information the board receives from management should align with the strategic priorities of the organisation, so it must be thought about carefully and regularly refreshed. Done well, it will enable the board to focus on debating the issues, instead of challenging the facts. At M&S, we have made significant changes to the information the board receives to align it to our strategy.

Although there are many contributors to a board pack, it’s up to the Chief Executive to take responsibility for the quality of the information that goes to the board. I’ve seen this done particularly well over the last 10 years at the school where I’m Chairman of the Governing Body. The Headmaster’s report is a great read. It gets under the skin of the school and I feel I’m getting a clear account of the key issues.

**What is your golden rule?**

Be considerate. Be trustworthy. Be determined.