

## **Janine Smith**

### **Professional Director**

Ten years ago Smith went on the Institute of Directors five-day course as part of her CEO development. At the time she was Executive Director and CEO of Arnott's NZ Ltd and had previously been Executive Director of Telecom Directories Ltd. Smith then responded to a Crown Company Monitoring Advisory Unit advertisement calling for directors and was given an interview which resulted in her being registered on the CCMAU database and then later being offered a position on the board of Airways Corporation which was Smith's first non executive director appointment.

Now Smith is the Chairman and first independent director of McLarens Young (NZ), one of the major loss adjusting companies in the country. She had been with the company in an advisory capacity over the past five years. Smith is also a director of the BNZ, The Warehouse Group, a director of Kordia Group Ltd (formerly Transmission Holdings and previously TVNZ Broadcasting), a trustee of Venture Taranaki, Taranaki's economic development agency, and a principal of The Boardroom Practice Ltd. Smith was previously Deputy Chair of Airways Corporation, a director of Auckland Philharmonia Orchestra and Chair of Custom Fleet NZ. Smith is also involved in Tertiary Education in an advisory capacity.

### **Questions and Answers**

Q. How did you get into your current career?

A. It has been an interesting journey. I started with New Zealand Certificate of Engineering (Civil) as I was planning to follow the same path as my father. I realised early on that engineering did not suit me so I ended up completing a Bachelor of Commerce with a Major in Marketing and Finance. This led me down a career path in marketing in the food and manufacturing industry for ten years until I moved into the services industry – Telecom Directories to start – and spent seven years in this environment in operations and general management. I then returned to the food industry as CEO of Arnotts Biscuits where I managed the closure of the factory and reintegration back into Australia. It was from here that I then moved to focus more on directorships and senior advisory work.

Q. It must be a full time job spreading your time around so many companies?

A. My current directorships take about 50% of my time. The rest of my time is spent undertaking advisory work through two different companies – governance through The Boardroom Practice Ltd and strategy and performance management through Corporate & Strategic InterAction Ltd. The total time I spend on directorships and advising is similar to when I was a CEO. I have learnt to be disciplined in my focus with the various boards and advising companies and spend a half day to a day per board or project as opposed to "hour bites" when I was a CEO which one can more easily do when working for only one company.

Q. What advice do you have for other women aspiring to join a board directors and what skills do you need.

A. The board skills required are the same whether a director is male or female. However, there is literature around that suggests that diversity around the board table improves the overall board output. Part of that diversity includes women.

The Government is focused on endeavoring to gain diversity on their boards and, for women, this is sometimes the first and best entry point for directorships. Government currently has approximately 35% women on boards whereas PLC's are less than 5%.

Some of the general key requirements for a director are: integrity; wisdom; vision; the ability to overview; the ability to absorb large amounts of information; and, independence of thought.

Depending on the board, there could be specific expertise that a person could bring to that board. I also think that a director should have some financial understanding.

Q. How does the insurance business compare, say with banking and tourism from the boardroom view?

A. The insurance industry is similar to most other industries where the impact of globalization is being felt, where there is excess capital in the market, both of which lead to company mergers. The industry does appear to have greater people challenges, including succession and training. Insurance industry trends are similar to what I have experienced in other industries, for example, food manufacturing where one saw globalization trends occurring in the late 1980's and 1990's.

Q. What are positive things about a director's career?

A. It gives one the opportunity to be involved in a wide variety of industries. It is intellectually challenging. There is involvement with a wide variety of different people with different experience and expertise around the board table. There is also the opportunity to observe the different management expertise and styles and best practice across industries.

Q. And what can turn you off about the job?

A. Not a lot. Sometimes management do not listen to the board. It can, at times, be frustrating but this happens infrequently.

Q. Is there a limit to how many directorships you can handle?

A. There is a limit to the number of directorships you can handle, but this can not be stated as a number. A director's time is based on the types of boards, the number of subcommittees and whether you are the Chair. However, in general, a director needs to devote between 2-4 days a month on board work – whether this be attending board meetings, pre reading board papers or reading other industry information associated with the company. There is also extra time on an annual basis to devote to "off-site" strategy

sessions for each of the boards. And, of course, if there is anything unusual or a crisis then this can take as long as is required to resolve.

Q. If you weren't a professional director what other career options would you have liked to have pursued?

A. None at this stage. Interestingly enough, I identified early in my career when preparing information to attend London Business School, that I would like to be a director. I had a good overall breadth of industry experience, a combination of both finance and marketing as part of my degree and having been involved, through my family at a young age in business, which was "part of my life", I felt comfortable in the environment and felt I could add value.

Q. Do large corporate board meetings have any humour?

A. Like any team, the make-up of the team dictates the level of humour. The chair also has an influence on this. I have not found boards humour any different to any of the management teams I have been involved in. Fundamentally, the board is just larger management team made up with a series of people who have skills to contribute. The more balanced the team, the greater effectiveness – that is the same with management.

Q. Any tricks you have learnt about chairing a board meeting you are prepared to divulge?

A. The challenge in chairing a board meeting is balancing between allowing and ensuring all the directors have input, whilst at the same time balancing the amount of time spent on a particular topic.

Ensuring that the agenda is structured so that significant items are at the early stage of the board meeting where the board is most focused is an important aspect of a productive board meeting.

Q. What's the longest board meeting you have had to sit through?

A. When reflecting on this question I realised that all the board meetings seem to have a similar time frame which is about six hours including a brief lunch and morning and afternoon tea.

Q. Don't you get bored constantly stuck in the presence of corporate suits?

A. No, I find the environment intellectually stimulating and interesting from both the industry and human aspect.

Q. Have corporate fashions (as in attire) become any more casual in recent years - or are suits the only way to go?

A. Generally boards are still wearing business dress, however depending on the board, industry and chair, this does impact slightly on the extent of business dress.

**Ends**