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FUTURE- PROOFING THE BOARD

Skills development, Succession & Strategic Fit

The Changing Shape of the Boardroom

NORMAN BROADBENT

With greater complexity and challenge and a shift toward the appointment of specialists to the board, what considerations do organisations need to be making?

Increasing Complexity & Demands of the Board Member Role

The [Institute of Directors \(IOD\) Code of Conduct for Directors](#) highlights the vital, complex, and challenging role of directors. They make decisions crucial to their organisations' success, affecting employees, customers, and stakeholders. The global risk landscape adds to this complexity, with economic and geopolitical turbulence creating a state of '[perma-crisis](#)'. Organisations must fight to grow and meet their strategic objectives (and in some cases survive!), putting boards under more strain and scrutiny from shareholders and stakeholders. The regulatory landscape also continues to evolve, and with it, governance expectations.

Adding to the challenge is the impact of rapid technological development including the widespread deployment of AI – and what that means in terms of competition, transformation programmes, increasing cyber risks, and AI governance challenges. Even organisations that don't consider "technology" to be central to their USP risk falling behind if they don't keep pace with new entrants to the market or organisations embracing technology.

'SME' NEDs: Do we need a specialist?

This backdrop has led to a trend in boardroom appointments, moving away from 'generalist' candidates to subject matter expert (SME) NEDs. The 'Technology INED' is a prime example. Our [survey of 200 board members with Norman Broadbent](#) found 'technology' to be the second most sought-after technical attribute after industry knowledge. People and culture, and marketing are also routinely coming up in discussions around boardroom composition and succession planning.

Whilst "SME NEDs" can undoubtedly be valuable, appointing a specialist NED might not be a viable option

(e.g., due to cost/recruitment challenges) or the best approach for every organisation.

For technology, consider what type of NED your organisation needs—customer journey digitalisation, cyber security, internal transformation, generative AI—and what knowledge and experience they should bring. Aligning an SME to your business needs is crucial. You should also consider that if there's one technical expert on the board, who challenges them? Over-reliance on one member poses risks.

Collective Effectiveness & The Importance of "Softer Skills"

A board is also more than a collection of SMEs, and whilst having a specialist area can be useful, members need to be well-versed on a variety of topics and be able to contribute meaningfully to wide-ranging discussions and decisions. Otherwise, boards risk members staying silent until 'their topic' comes up on the agenda. Boards also need to be effective as a collective.

Moreover, boards typically cap member numbers to encourage collaboration and streamline decision-making, with certain seats already allocated to executives, shareholders, and Private Equity representatives. An overly large board can impact culture, dynamics, decision-making, and overall effectiveness – and so balancing the right skillset with board composition practicalities is crucial.

Whilst technical skills are in the spotlight, 'softer skills' like communication, negotiation, problem-solving, and strategic thinking should not be overlooked. Technical expertise doesn't always translate into boardroom effectiveness.

Key Considerations

Before recruiting a specialist SME, boards should ask key questions:

- Do we need an SME in this area? What's the business case?
- Is our need temporary or long-term? If temporary, consider interim external expertise or training/upskilling sessions.
- If recruiting a specialist, who will challenge them? Is the board equipped to challenge them? If not, how can it be better equipped, e.g., tailored training/briefing?
- Will the specialist contribute across the board? If not, do the drawbacks outweigh the benefits?

Gaining Clarity on Composition Needs

Clarity is essential. Boards must be clear on what they need and why, considering strategy, external environment, and broader board composition. Taking a strategic approach is important in ensuring that appointments align with the company's goals and challenges. How do boards gain clarity on composition needs? Our next article will explore board composition and skills assessments, evaluating needs and ensuring the right expertise mix to navigate today's business complexities. Stay tuned via LinkedIn for insights on shaping a successful board.

If you want to optimise your board's performance, our team can help. Contact [Jennifer Cafferky](#) or visit our [webpage](#) for more information.

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What kind of boardroom do companies need to navigate an era of uncertainty, transformation and stakeholder scrutiny?

Skill-Specific NEDs: is this a trend?

As BDO notes in their companion article, the rise of Subject Matter Expert NEDs (for example NEDs with a specific skillset such as Cyber, AI, ESG...) reflects a response to business complexity. But the reality is more nuanced. While this trend is visible in larger companies, it's rarely viable for SME boards operating under tighter constraints. For smaller firms, there simply isn't the room for a board expert in all areas: training and/or external advisors can often deliver more impact than a board appointment.

Where there is room for more skills depth, or there are specific reasons for particular expertise (such as a digital transformation or a business lean), caution also needs to be exercised about where so-called "expert NEDs" can take the board's dynamics.

From T-shaped to π-shaped

According to the Harvard Business Review, "effective board members need to develop five types of intelligence: financial, strategic, relational, role clarity and cultural."¹ A NED with a narrow remit and little relational dexterity may offer depth but won't always shift the needle. Equally, the presence of an "expert NED" may deter other board members from contributing a broader perspective.

NEDs should offer multiplicative value: vertical depth and horizontal agility enables NEDs to contribute across agenda items: not just in their 'zone'. There is also much to be said for the strategic value of the generalist skillset: those that have a 'systems-oriented' perspective or cross-functional skills².

Perhaps NEDs be more 'pi-shaped' than 'T-shaped' - with at least two areas of deep functional expertise (e.g., digital and

transformation, or finance and ESG), combined with broad commercial and strategic capability.

Younger Voices, Executive Currency and Boardroom Balance

One of the most noticeable (and debated) shifts is the emergence of younger NEDs, often still in, or newly out of, executive life. Their appeal is clear: they may bring digital fluency, market proximity and contemporary insight into culture, customers, and ways of working.

However, Boards that lean too heavily on first-time or concurrently serving executives may face challenges around availability and difficulty stepping away from a too hands-on approach. Not to mention, those with longer life spans have often seen cyclical events before.

The key, as always, is balance, and this is where succession planning is so vital. It's not just about assembling a list of impressive CVs. It's about designing the board as a cohesive, constructive unit, where varied experiences enrich debate rather than dilute it and this includes a multi-generational approach³.

Industry Knowledge & Growth Experience Still Top the List

Despite the rise of skills-based buzzwords, sector knowledge and growth experience remain the top ask in most board searches we see at Norman Broadbent. Especially in small-cap, mid-cap and PE-backed businesses, lived experience of scaling, regulatory environments, or customer dynamics often trumps technical specialism.

We should also be honest: deep governance knowledge is no longer a competitive advantage, it's the entry ticket, as is financial fluency and a keen understanding of risk. And as the

IOD recently pointed out, companies need to adopt a "governance for growth"⁴ approach, with the board not acting as a police force but utilising strong governance as a driver.

Composition as a Strategic Conversation

Ultimately, every board appointment should be an opportunity to re-energise, rebalance, and refocus. That's only possible when composition is treated not as a compliance exercise, but a strategic tool. Who do we need to realise our vision? What mix of perspectives, intelligences, and experience will get us there?

As we'll explore in the next article, getting this right depends on more than gut feel or a simple skills matrix exercise. It requires rigorous, ongoing assessment of boardroom capability, with a future-facing lens and a clear link to business ambition.

If you are looking to add to your board, our Board Practice can help. To talk about this further, please get in touch with the Norman Broadbent Board Practice at BoardPractice@NormanBroadbent.com

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Tanya is a Partner in the Board Practice. She assists companies of all types and across all sectors with their chair and non-executive director recruitment needs, frequently partnering with sector specialists in the Norman Broadbent team. She also undertakes Board Effectiveness Reviews and is known for her insightful yet practical approach.

Prior to joining Norman Broadbent, Tanya was the NED Recruitment Lead at Women on Boards UK. Tanya comes from a legal and corporate governance background: she qualified as a corporate and equity capital markets solicitor at a magic circle law firm, before spending nearly two decades providing training and consultancy services around corporate law, good governance, board effectiveness, stakeholder voice and equity capital markets.

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Jennifer specialises in governance and board effectiveness and leads on FS Advisory's board effectiveness proposition. She also takes a leading role in the team's culture-focused work. Jennifer is a Chartered Psychologist having obtained a Doctorate in Counselling Psychology in 2018.

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