

A small yellow right-angled triangle pointing towards the top-left corner.

## WHY EVERY BUSINESS SHOULD CONSIDER A NED

You may believe that Non-Executive Directors (NEDs) are reserved for blue-chip firms, but the evidence tells a different story. When selected and activated well, NEDs can bring disproportionate value even to small and scaling organisations.

### What the Data Says

- A study of early-stage companies found that having a non-executive director is correlated with better funding outcomes, a higher likelihood of raising follow-on capital, and an increased probability of exit (e.g. IPO) relative to peers without NEDs. **[Bauer College of Business](#)**
- SMEs that engage NEDs often benefit from sharper governance, improved credibility, and better risk management, particularly as they pursue growth or investment. **[Ned Capital+1](#)**
- In the UK, private-sector NED roles typically average £15,000 per annum in fees (though this varies widely based on company size, responsibilities and time commitment) **[dynamicboards.co.uk](#)**
- The presence of independent directors in firms is linked in academic research to stronger oversight, better strategic decision making, and enhanced firm performance when those directors are sufficiently empowered and diverse. **[Erasmus University Thesis Repository+2articlegateway.com+2](#)**



## What This Means for You

- **Signal of maturity:** Even a modest NED appointment suggests your business takes governance and strategic discipline seriously a strong signal to investors, partners, and customers.
- **Access to networks and funding:** The right NED can bring connections to capital, market partners, or regulatory knowledge that you might not reach otherwise.
- **Risk mitigation and oversight:** With ‘eyes from outside’ on your business, blindspots are more likely to be detected before they become crises.
- **High-leverage investment:** You’re not paying for day-to-day execution but for strategic judgment, independent challenge, and leadership at board level.
- **This resource isn’t for decoration** it’s a practical decision tool. Use the checklist and guide to assess whether your business is ready for a NED, how to define what you need, and how to go about hiring one that truly adds value.

## QUICK-CHECK: DO YOU NEED A NED?

### Tick the boxes that apply:

- ☐ We’re scaling fast and need more strategic oversight.
- ☐ Investors or stakeholders are asking for stronger governance.
- ☐ Important decisions sometimes feel aspirational but not grounded in risk/return.
- ☐ The board lacks experience in an area critical to our next stage (finance, scaling, compliance, operations).
- ☐ We want to boost external credibility with funders, regulators, or partners.
- ☐ We’d benefit from industry networks and connections we don’t currently have.

3 or more ticks? A NED could add significant value.

# HOW TO HIRE THE RIGHT NED

## Step 1 – Define Needs

- What are the board’s blind spots?
- What outcomes do you want in the next 12–18 months?

## Step 2 – Map the Market

- Look beyond your immediate network.
- Identify individuals with proven track records.

## Step 3 – Assess Cultural Fit

- Will they constructively challenge the leadership team?
- Do they align with your values and pace?

## Step 4 – Shortlist & Select

- Prioritise those who bring both expertise and the ability to make a tangible impact.

# PRO TIPS FOR SMES

- Think of your NED as a “critical friend” supportive but unafraid to challenge.
- You’re paying for strategic time, not operational hours high leverage, not extra headcount.
- Even one well-chosen NED can transform how your board makes decisions.

# THE BOTTOM LINE

NEDs aren’t just for big corporates. For small and growing businesses, the right NED can be the difference between ambitious ideas and sustainable growth.

At Corvus People, we specialise in connecting ambitious SMEs with outstanding NED talent.