

FTSE-100 CROSS-COMPANY MENTORING PROGRAMME

The Programme Context

The lack of women directors in UK listed companies has been well-studied, from all sides: it is beyond argument that there are few women on UK's top corporate Boards. This has important implications, not the least being the waste of talent it implies. The strategic aim of the FTSE 100 Cross-Company Mentoring Programme is to help corporations and female executives by increasing the number of women directors in the UK's boardrooms.

Many Chairmen lament a lack of female contenders for Board positions - even where their corporations have recruited men and women equally for decades – and regret that the shortlists presented to them of candidates for non-executive directorships contain so few women. Meanwhile, large numbers of women struggle, typically in vain, to clear the hurdles to a Board appointment. There are many theories about the reasons for these circumstances but despite evident all-round goodwill, practicable ways to change them have not emerged.

The reason may be because the solutions offered have not fully engaged both the supply and demand sides. The FTSE 100 Cross-Company Mentoring Programme addresses this by linking able, ambitious senior women (those with career aspirations – the “supply side”) with corporate Chairmen and CEOs (the “demand side” – those with a need to select for senior appointments from the best candidates, regardless of gender). A mechanism now exists to help those with most to gain from the issue's resolution – Chairmen, on the one hand; senior women on the other – to engage directly in the search for practicable solutions. This is the unique strength of the FTSE 100 Cross-Company Mentoring Programme.

Female FTSE-100	2007	2006	2005	2004	2003	2002	2001	2000
Female-held directorships	123 (11.0%)	117 (10.35%)	121 (10.5%)	110 (9.7)	101 (8.6%)	84 (7.2%)	75 (6.4%)	69 (5.8%)
Female executive directorships	13 (3.6%)	15 (3.8%)	14 (3.4%)	17 (4.1%)	17 (3.7%)	15 (3.0%)	10 (2.0%)	11 (2.0%)
Female NEDS	110 (14.5%)	102 (13.7%)	107 (14.5%)	93 (13.06%)	84 (11.8%)	69 (10.0%)	65 (9.6%)	60 (9.1%)
Women holding FTSE directorships	100	97	99	96	88	75	68	60
Companies with female executive directors	11	13	11	13	13	12	8	10
Companies with at least one female director	76	77	78	69	68	61	57	58
Companies with multiple female directors	35	29	30	29	22	17	15	12
Companies with no female directors	24	23	22	31	32	39	43	42

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The Programme Objectives

The purpose of the FTSE 100 Cross-Company Mentoring Programme is to increase the pool of eligible senior female candidates for Board positions in major UK corporations and thus to “change the face of UK business”.

The objectives of the Programme are to:

- Draw the career challenges of senior women to the attention of Chairmen and Chief Executives of the UK’s top companies, so that, as leaders, they can bring their authority and influence to bear in introducing beneficial organisational change.
- Help women mentees, through the provision of advice and guidance, to manage their own careers so that they can attain an executive or a non-executive Board position.

- Bring different people to the attention of Chairmen and Chief Executives in order to facilitate the introduction of mentees to other decision-makers.
- Create a women’s network of potential directors, within which ideas and learning experiences may be shared.

In order not to lose track of the overall objective, a modest target has been set. This target, to be achieved by the end of 2010, is to increase the percentage of women executive directors on FTSE-100 boards to 10% (from 3.8% in 2006); and the percentage of women non-executive directors to 25% (from 13.7% in 2006).

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How the FTSE 100 Cross-Company Mentoring Programme works...

Women are under-represented on UK boards, in absolute terms and also by comparison with, for example, the USA. This is a potentially serious strategic weakness. One key cause of it lies in the handling of the recommendation and selection of new executive and non-executive directors (NEDs). For example, in the case of NEDs, recent research shows that >80% are appointed without a formalised selection process – so the importance of personal referrals cannot be overstated. More than a third of directors polled in submissions to the *Higgs Review* were appointed after personal referrals: so being known and respected by people who are already board members can be a decisive advantage.

The importance of being known means that – since women make up only one in six of FTSE directors – ambitious women are thus at a practical disadvantage. The Cross-Company Mentoring Programme addresses this issue. It is conceptually simple, linking decision-makers – those who appoint new directors, those who will be the recipients of referrals – in leading organisations with women in the ‘marzipan layer’¹ of other leading organisations. It is not too strictly confined to FTSE-100 membership and, since the start, Chairmen and CEOs of non-FTSE organisations (for example, private companies, public service, professional service firms, regulators) have been welcomed.

Praesta Partners LLP sponsor the FTSE 100 Cross-Company Mentoring Programme and they, and Brook Graham LLP, provide co-ordination, oversight and day-to-day management. Both organisations also provide support to participants, especially in the form of initial advice and practical tips, as required. Within the scheme potential mentors, principally company Chairmen and CEOs, are identified, briefed and invited to participate, as are potential ‘mentees’. Mentees are ‘matched’ to mentors and, once introductions have been made and ‘chemistry’ established, mentor and mentee meet regularly under conditions of strictest confidentiality. They review the mentee’s situation, with the mentor giving career advice and general guidance. The meeting frequency is left to them, but usually involves a commitment of about one to one-and-a-half hours every seven or eight weeks.

To ensure that the Programme continues to meet the participants’ needs, a review process has been established to determine what general lessons may be learned. As these are identified, participants and other interested parties (including government) are briefed and the learning is incorporated into the Programme.

¹The ‘marzipan layer’ – a term used in the Tyson Report – is the population of senior managers one (or possibly two) level below the corporation’s main board.

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Rules of Engagement

The Programme is directed by Peninah Thomson at Praesta Partners LLP and Jacey Graham at Brook Graham LLP – please see the separate ‘contacts’ sheet for details.

The basic principles of the Programme are as follows:

- The mentoring is confidential and what passes in meetings is entirely the business of the mentee and her mentor. It is expected that both parties accept this absolutely.
- Effective mentoring requires some regularity of meetings between mentor and mentee – it is up to those involved to determine what this frequency should be but once every eight weeks seems to work well for most.
- Given the likely workload of both mentor and mentee it is important that meeting dates, once set, are respected. Although it is accepted that occasional cancellations may be inevitable, it is important that these are kept to a minimum.
- Some preparation ahead of meetings, especially on the part of the mentee, is important: it enables both parties to get the best out of the meetings, which for practical purposes will rarely exceed one to one-and-a-half hours’ duration. Some thought ahead of each meeting about topics to be raised, points to check, key events since the last meeting, etc. is therefore commended.
- The Programme is not a stealthy form of ‘executive search’ and it is vitally important for its continued good health and viability that ‘No Poaching’ strictures are observed in good faith.

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Mentors

Name	Title	Company
1. Sanjiv Ahuja	Chairman	Orange SA
2. Donald Brydon CBE	Chairman	Smiths Group plc
3. Roger Carr	Chairman	Mitchells & Butlers plc and Centrica plc
4. Dominic Casserley	Managing Partner	McKinsey UK & Ireland
5. Patrick Cescau	CEO	Unilever plc
6. Lord David Currie	Chairman	Ofcom
7. Mervyn Davies CBE	Chairman	Standard Chartered plc
8. Peter Erskine	Chairman and CEO	O2 Telefónica
9. Sir Richard Evans CBE	Chairman	United Utilities plc
10. Iain Ferguson CBE	Chief Executive	Tate & Lyle plc
11. Niall Fitzgerald KBE	Chairman	Reuters plc
12. Thomas Glocer	Chief Executive	Reuters plc
13. Stephen Green	Chairman	HSBC Holdings plc
14. Anthony Habgood	Chairman	Whitbread Group plc and Bunzl plc
15. Sir Philip Hampton	Chairman	J Sainsbury plc
16. Baroness Sarah Hogg	Chairman	3i Group plc
17. David Kappler	Chairman	Premier Foods plc
18. Sir David Lees	Chairman	Tate & Lyle plc
19. Sir Rob Margetts CBE	Chairman	Legal & General Group plc
20. Sir Tom McKillop	Chairman	RBS plc
21. Charles Miller Smith	Chairman	ScottishPower plc
22. Sir Mark Moody-Stuart KCMG	Chairman	Anglo American plc
23. Richard Olver FrEng	Chairman	BAE Systems plc
24. Mark Otty	Chairman	Ernst & Young LLP
25. Sir John Parker FrEng	Chairman	National Grid plc
26. David Reid	Chairman	Tesco plc
27. Paul Skinner	Chairman	Rio Tinto plc
28. James Smith	Chairman	Shell UK Ltd
29. Lord Dennis Stevenson	Chairman	HBOS plc
30. Peter Sutherland KCMG	Chairman	BP plc

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Becoming a Mentor...

The FTSE 100 Cross-Company Mentoring Programme has been designed to ensure that unrealistic demands are not placed on mentors, all of whom are busy and successful Chairmen or CEOs, to whom time is a very precious commodity.

Success as a mentor depends on the use of three key attributes – analytical listening, some degree of emotional intelligence and, of course, a willingness to share hard-won experience and a lifetime's learning. The aim of the mentoring is to help senior women develop further to the point where they will be real competitors for executive and non-executive directorships. Clearly, since each mentee will be an individual with individual needs, it is impossible to be prescriptive about the course the mentoring should take, but the principle is to use the mentee's perceptions of her current environment to build and develop the habits and attributes that would equip her for higher office, either as an executive director of the company in which she works, or as a non-executive director of another company.

The mentoring is conducted in a conversational format: there is no set agenda. Experience suggests that the Chairmen and Chief Executive mentors draw on their experience, insights and guidance to help their mentee improve her networking and self-profiling skills, as well as giving practical advice on leadership and what is required for the next major career step.

Ideally, mentor and mentee will meet about once every seven or eight weeks at the outset, though over time this interval often increases, as the pair become more used to using their time effectively. Praesta Partners LLP offers useful tips and advice to mentors at the outset – and indeed in the event of issues arising later on – though it has become clear that most Chairmen and CEOs who undertake this form of mentoring already possess the necessary skills to do it extremely well. We liaise with both mentors and mentees as the mentoring process continues, making available the experience we have built up over the two years that the Programme has been in operation.

Any Chairman or CEO interested in discussing the FTSE 100 Cross-Company Mentoring Programme, and/or becoming a mentor, should contact Peninah Thomson at Praesta Partners LLP, or Jacey Graham at Brook Graham LLP to discuss it further¹.

¹Please see separate 'Contact' sheet for full details.

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Becoming a Mentee...

A mentee is nominated by her Chairman (or in some cases, Chief Executive) as a woman having the highest potential, from what the Tyson Report called the “marzipan layer” of a FTSE 100 company – just below board level. The Programme is in addition to the primary development processes provided by the sponsoring company.

There is no formal list of qualities for entry, but there are some requirements of which potential mentees should be aware. The first is a willingness to share, to be able to talk freely and openly about their working environment, their ambitions – and what gets in the way of those – and about what they find easy or more difficult in their current role. The second is a willingness to listen to good advice – and to be prepared to try it and discuss the outcomes. Finally, mentor and mentee need to meet regularly. Once a meeting is fixed, the appointment should be honoured. Nothing destroys confidence in the mentoring process faster than failure to attend meetings – which may well have been tricky to schedule in the first place!

Conversations between mentor and mentee are absolutely confidential: for the process to work effectively, the environment of the mentoring must be entirely ‘safe’ for both participants. Beyond that, it is impossible to prescribe the course mentoring should take – though the principle is to use the mentee’s experience in her current environment to build and develop habits and attributes that would equip her better for higher office, either as an executive director in the company in which she works, or as a non-executive director in another company.

The mentoring works in a conversational format. Experience suggests that the mentors share with their mentee their experience, insights and guidance, helping her improve her networking and self-profiling skills as well as providing practical advice on her leadership and on what is required for the next major career step.

Given an understanding of these basic points, mentees find the FTSE 100 Cross-Company Mentoring Programme both an enjoyable and very useful experience. To become a mentee, the first step is to make contact with Peninah Thomson at Praesta Partners LLP or Jacey Graham at Brook Graham LLP – please see the separate ‘contacts’ sheet for details of how to do this.

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Key Contacts for the FTSE 100 Cross-Company Mentoring Programme

Peninah Thomson is co-founder of the FTSE 100 Cross-Company Mentoring Programme, which she co-directs on behalf of Praesta Partners LLP. Praesta, of which Peninah is a Partner, is the UK's leading executive coaching firm and has sponsored the Programme since its inception.

Peninah's career began in the UK Foreign Office. Based in Paris, she worked direct to the Board of National Delegates of NATO in Rome, Paris, The Hague, Munich and Washington. After Doctoral Studies at Oxford she joined the Government Services & Economics Division of PricewaterhouseCoopers. In the following eight years she was seconded to the European Investment Bank for a year; to the UK Cabinet Office for two years, and worked at Cabinet Office level in fourteen countries. She subsequently served as a Director in the Corporate Transformation Practice, working for four years at Board level in UK FTSE 100 companies. She has published four books and several refereed articles on leadership, executive women's development, corporate governance, business ethics and organisational change and is an experienced conference speaker. For the last eight years Peninah has worked exclusively as a Board level executive coach, working with senior executives of FTSE 100 companies. She is co-author, with Jacey Graham and Tom Lloyd, of *A Woman's Place is in the Boardroom* (Palgrave Macmillan, 2005)

Peninah can be contacted at:
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 T: +44 (0)20 7478 3128

Or contact Peninah's Personal Assistant, Danielle Perez at:
 Danielle.perez@praesta.com
 T: +44 (0)20 7478 3126

Jacey Graham is co-founder of the FTSE 100 Cross-Company Mentoring Programme, which she co-directs on behalf of Praesta Partners LLP.

Jacey is a partner of Brook Graham LLP, a strategic diversity and inclusion consultancy which is a valued partner of Praesta on the broad diversity issues faced by global companies. Jacey was formerly head of Diversity Strategy for Shell and head of Executive Succession for the Lloyds TSB Group. She has many years' experience of working on high potential women's career progression, including organisational interventions. Jacey is co-author, with Peninah Thomson and Tom Lloyd, of *A Woman's Place is in the Boardroom* (Palgrave Macmillan, 2005).

Jacey can be contacted at:
 Jacey.graham@brookgraham.com
 T: +44 (0)1277 636213

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