

Take on Board

Transcript – Helga Svendsen on why you should become an AICD Fellow



Helga Svendsen

This week on the Take on Board podcast, you're hearing from me in one of those questions that I get asked all the time. So, Helga! Should I become a fellow of the Australian Institute of Company Directors, brackets, or whatever your local one is? Their short answer is yes, yes, you should, if you're eligible. And what I'm going to take you through in this podcast is, well, firstly, what is the Australian Institute of Company Directors? If you're not from Australia, let me just give you a brief outline of what you should be looking for in your country. Secondly, what is a Fellow of the Australian Institute of Company Directors, or whatever it is in your country? What's the criteria? What's the process, and then I'll take you through my application. I was made a Fellow in late 2019. So I'll talk you through what I did. And I'll provide all of my application in the show notes so that when you're doing yours, it'll make it a little bit easier.

Firstly, what is the Australian Institute of Company Directors, the AICD, as it's known here, is a founding member of the Global Director Development Circle, now known as the global network of directors Institute's in your country, wherever you are, look for the GNDI, the Global Network of Director Institute's their membership organizations, for directors, and as far as I know, they're in Australia, the UK, the US, Canada, Malaysia, New Zealand, Brazil and South Africa, they may well be in other places as well. Or even if the organisation in your area is not a member of the Global Network of Director Institute's, there's probably something similar. It's basically the professional organization for company directors.

So wherever you are, I'm talking about Australia, if you're eligible, as I say, Yes, do it. What is a Fellow, again, for the Australian Institute of Company Directors, it's somebody who's a director, I'll take you through what that means in a moment. And then they have considerable experience, seniority, and good standing within the Australian director and governance community. That's first. And secondly, they consistently demonstrate the highest levels of integrity, wisdom and generosity of knowledge amongst peers. So what the AICD have done is provided some criteria to meet that kind of broad statement about what they consider to be a Fellow. That criteria.

So let's turn to that now, what's the criteria? So there's six, I guess, facets to the criteria. Firstly, you must be a member. I'll talk about that in a moment. Secondly, you must be a director. Thirdly, you must be a director of a board, fourthly, of an eligible organisation, fifthly for the required time, and six, you've got to provide some referees. Let me take you through each of those in turn. So firstly, to be a fellow of the Australian Institute of Company Directors, you must be a member of the Australian Institute of Company Directors, and trickily, not just a member now that you must have been a member for three consecutive years. So if you're not a member, join now they're pretty clever at getting your membership, I must say. And if you can see, once I've taken you through the rest of the criteria, that you're coming up for membership, you might like to join now. So by the time you're eligible, you have your three years. Okay? Secondly, you must be a director. Now, you would think that that's pretty clear. But I guess in some circumstances that might not be. So you're not an advisor, you're not a company secretary, unless the company secretary is also a director of the organisation. You're not a senior manager, you're not C Suite, you're a director as listed in the ASIC database. That's the Australian Securities and Investment Commission. And you are legally responsible for the governance of the organisation at law. So yeah, make sure you are actually a director. Now, thirdly, it must be a board. So it must be that is the group of individuals who are jointly responsible for the oversight of the organisation. So just like I said, a moment ago, you must be a director, not an advisor. In this instance, it must be the board, that governance board the board of governance, not an advisory board, not a committee. Although, in some instances, a committee of management would be considered a board. Anyway, go back to your governing documents and just make sure that it is a board that you are part of.

Fourthly, yes, fourthly, it must be an eligible organisation. Now here's where it gets a little bit interesting. And this is what you've really got to look at to make sure you are eligible for this FAICD post nominal. They define this in three different ways. So it's different if you're a corporation board member versus a not for profit board member versus a government board member. And there's different criteria for each. And the definitions are mostly around size. And they defined size in relation to revenue, or assets or employees. So let me take you through each of those. So for a corporation, the corporation must have consolidated gross revenue of Australian \$25 million or more, and assets, gross assets of \$12.5 million or more, and have at least 100 employees. So it's got to be of a reasonable size, revenue, \$25m assets, \$12.5m and 100 employees for a corporation. So if that's you go on, if you're a director of a not for profit organisation, so that organisation does not operate for profit, personal gain, or other benefit of particular people. And gross revenue of \$5 million or more. And at least one of the following either 25 employees, or 100. Volunteers. Yeah, so for not for profits, gross revenue, five mil, either at least 25 employees, or at least 100 volunteers. So again, if you're not for profit ticks, those boxes you can go on. Now, the third area of boards, government entities, so if you're on a government board, the consolidated revenue of that organisation needs to be \$25 million or more, and either gross assets of \$25 million, or more, or at least 100. Employees. I'll put some downloads in so you've got all of this in front of you. But yeah, just think about is it a corporation, \$25 mil in revenue, \$12.5 mil in assets and 100 employees, if it's a not for profit, gross revenue, \$5 mil, and either 25 employees or 100. Volunteers, if it's a government organisation, revenue, \$25 mil or more, and then either assets of \$25 mil or 100 employees.

Hmm. So, if you tick those, just be aware, again, it probably goes back to being a board member of an organisation. So it's not a sole trader, it's not a small consultancy, it's not a non trading trustee company. So it's got to be an organization. If you take all of those, yes, I'm a director of an organization, it's on a board of governance, it's an eligible organization. The next thing you need to think about is it needs to be of the required time, which is six years or more. And again, there's some definitions about how that works. So you need to have been a director of an eligible organisation for six years or more, which can either be this is the easiest one, one roll six years, easy. However, not everybody has that. Sometimes it's different roles. So it might be two roles, but they must be within an eight year period. Providing that one of those roles is at least for three years. And the second role for the balance of those six years. So I mean, basically, they don't want people to have been a director 30 years ago, and then using that now, or they're a director 30 years ago for a couple of years, and now in current times for a couple of years, or whatever it may be. So they want to make sure it's within basically the last 10 years or so that can get a little tricky. I'll talk you through my application at the end.

So once you've done all of that, yes, you're a director of a board eligible organisation for six years. Once you've ticked all of those boxes, then you need to provide three references from Fellows of the Australian Institute of Company Directors who have known you for a minimum of three years and is not related to you. And I'll talk through that in a moment. So one of the tricky things here is they don't tell you who's a member or sorry, who's a Fellow of the Australian Institute of Company Directors. So you need to find these three referees, but you might not know who the fellows are. Again, I'll talk you through mine in a minute but what I did was I just went into LinkedIn and popped FAICD in and then Now, that told me people that I knew who were FAICD. And that helped me to decide who to approach. Now, the references and again, I'll take you through my one in a moment, but they just need to say how long the Fellow has known you, the candidate, in what context, they know you the candidate. And they need to vouch for you in relation to your professional career, their ethical standing and good character. And they need to confirm that they've cited the candidate's application and supporting documentation and then provide all of their details.

That's the criteria. Note, and I think this is interesting, because a lot of people assume this to be the case, you do not need to be a graduate of the Australian Institute of Company Directors, you do not need to have done the company directors course, or the exam for the company directors course. So you don't need to have the post nominal GAICD. Before going for FAICD. However, I must say it makes it a little easier. But if you're not a graduate, then you just need to provide some additional information. So if you're not, you just need to show that you've got a minimum of 10 years experience as a director, or a senior government official. And they define all of this in the show notes. So yeah, if you've got more than 10 years experience, either as a director or a senior government official, then you can just leap straight to being a Fellow of the Australian Institute of Company Directors.

All righty, let me talk you through the process, then that's the criteria. If I've gone through all of that, and you go, I think I took a number of those boxes, what do I do with this? And I should say, this was on my list of things to do for probably 12 months before I got to it must do it must do it, you know, those things that are on your task list that you just move from week to week, or month to month, or whatever it may be, and you don't get to it. And then I finally got to it. And it was actually much easier than I thought it was going to be. So I just wish I'd done it sooner. So this is my encouragement to you to do it just to get on it because it's not as hard as you think.

So the AICD provide a fellow application cover sheet. And they suggest to you that you just do that at the outset, it's kind of a pre check, I guess. And in that, you just need to either say you've completed the company directors course, or that other evidence that I was talking about before, so listing out your 10 years experience as a director or senior government official. And then you just need to list your experience as a director of an eligible organization for six years. So you just list them out. Now, mine was a little tricky. So I actually provided a letter. And then I provided all of the annual reports for the organizations. So once you've done the cover sheet, they then will come back to you I can't remember how long it took not long, they come back and say yes, you've got an initial tick. And then you go and get your referees, your three referee letters from fellows of the institute that attest to your, you know, ethics, and so on. Once I put the referees letter in again, I just had to wait. Again, I can't exactly remember how long it took. But I don't think it was too long. And I was advised I was successful. I think it was early 2020. So I didn't get to go to the ceremony to get my certificate. It was sent to me and hopefully at some stage, we'll all get to do that. So yeah, so that's what I did. So let me take you through my application because that might bring it to light for you. So I'll look at even gives me the dates now, although I can't tell you exactly when I got it. So on the first of October was when I submitted my cover sheet. To them, I had completed the company directors call so that was easy. So I just had to list out the six years experience that I had. Let me maybe read your letter. And again, it's part of the downloads that are in the show notes so you can get all of this and tailor it to what you had. Here's my letter I write to apply for my FAICD membership.

Remembering this is 2019. So some of my board roles now are not reflected here. I've been a non Executive Director for 10 years as follows: YWCA Victoria 2009 to 2015, Social Housing Victoria 2013 to 2016 the Royal Women's Hospital 2015 to present, Center for Sustainability Leadership 2016 to present and The Accident Compensation Conciliation Service 2019 To present I'm a graduate of the Australian Institute of company directors completed 2015 awarded 2016 I have been a member of the Australian Institute of Company Directors since 2000. and 15. Now here's where I have to outline my six years. I've been a member of an eligible organisation for six years within an eight year period. So that was The Royal Women's Hospital 2015 2016 2017. And the YWCA 2010 2011 2012 2013. I was actually also a member of the YWCA board for 2015. But at that stage, it wasn't an eligible organisation. So this is where it got a bit confusing.

So the YWCA had owned a hotel for a period, we sold it. So whilst we owned that hotel, we had the assets and we had the staff but once we sold it, we didn't anyway. So I then went on to say I'd also been a director from 2009 for the YWCA, but it wasn't eligible. And I included all of the annual reports or a link to all of the annual reports for that. Popped that in. And as I say, they came back and said, Yep, you're in basically provide your referees. So the other thing I will include in the downloads is my template. So for my referees, I provided them a dropbox link, which had all of this information because they need to attest that they have cited the information. And I provided them a template because I wanted to make it easy for them to tick all the boxes that were required by the Institute of company directors. So it's just name, title, company name, address, telephone number, email address, because they're required. First paragraph, I've known Helga Svendsen for X number of years, so they could fill that in through brackets context of how we know each other. So they prompted them to put that in. I then wrote in there, I've cited her application for FAICD and the supporting documentation. And to the best of my knowledge and belief, I consider that information to be accurate and true. Further, I can vouch for her in terms of her professional career, her ethical standing and who could character. I then just wrote in there anything else you like, although there's no obligation, and most of them very kindly did, which was nice. And then I popped those three referees in. And again, as I say, I then just had to sit back and wait.

Here's the summary. Firstly, if you're eligible to be a Fellow of the Australian Institute of Company Directors, you should put in the application, it's easier than you think. To become a Fellow you need to be a member for three years, you need to be a director of a board of an eligible organisation for six years or more. And you need to provide three referees of people who are Fellows of the institute. You put your cover sheet in first, which just ticks off all of those things except the referees, once they take you off, then you put your three referees in.

So Take on Board community, that is the answer and or one of my frequently asked questions should I put in for FAICD? If so how do I do it? And what's the criteria, I really encourage you to do it. And if you can see that you're coming up to meeting that criteria. Maybe you're in you've year four of your directorship of ineligible organisation and you're not a member of the AICD, get in and join now. So by the time you hit your six years, you've got your three years membership. I would love it. If you let me know a if you're a fellow B, if you're about to put in for now, because you now know you meet the criteria. Or see if you know you're coming up for it. I would love it and let me know how you go following this process. Let me know if some of the downloads that I'm providing in the show notes are useful for you. And let me know when you become a Fellow because as I understand it, there's an annual dinner and I would love nothing more than a Take on Board table or two at that FAICD dinner.

Okay folks off and do it. And thanks once again for being part of the take on board community