

‘I first look to see whether the  
company’s normal operations  
are running smoothly’

*André Olijslager*



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André Olijslager, who sits on the supervisory board of several major companies, describes himself as a hands-on supervisory board member, a 'doer' itching to get in there and help out. 'If things aren't going well in the company,' he says, 'they know that I'm there for them and that they can always count on me.' This active attitude was also amply apparent during his earlier career as CEO of the giant dairy cooperative Friesland Foods (now FrieslandCampina). So what makes a good supervisory board member? 'Success as a supervisory board member comes not so much from having bright ideas,' says Olijslager, 'but, above all, from making sure you supervise properly.'

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Sitting on boards of management, providing leadership – André Olijslager has known little else. ‘Ever since high school, I’ve been actively organising things. If this is what you do, you inevitably end up on all sorts of boards! When I did my national military service in my late teens, I was made an officer, despite being very young. Suddenly, those stripes on my arm meant I had to lead people who, only six months earlier, had been my equals. Some of them were also a good deal older than me. So the main challenge I faced back then – and still face today – is “How do I get people to support me in what I do as a leader?”’

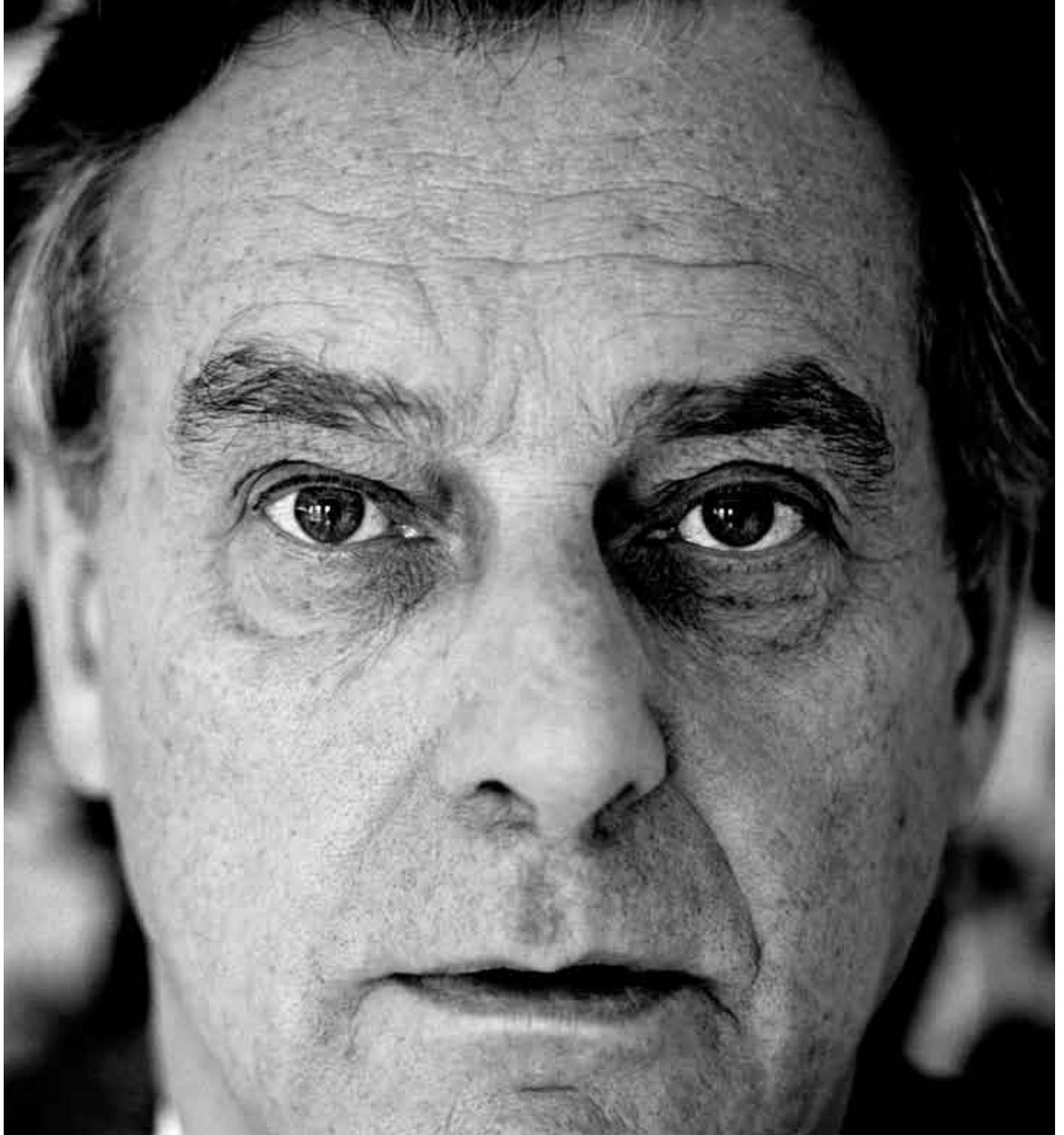
### Getting everyone behind you

‘People always say two things about me: that I’m very clear in what I say, and that I can explain difficult things in very simple terms,’ says Olijslager. ‘You create support by communicating with all sorts of people at all levels.

And, of course, they have to dare to talk to you, too; otherwise you remain stuck in a one-way street. In fact, the higher you get up the hierarchy, the more difficult it is to keep in touch with people at all levels. Being able to communicate with, as it were, “the man on the work floor” is a vital skill, but it has to come from within you. At the end of the day, it comes down to the fact that you want to get people to help you achieve what you want to achieve.’

### Dare to adjust

Olijslager believes that managers not only need to communicate clearly, they must also dare to put themselves in vulnerable positions, and be prepared to admit mistakes honestly. ‘Policy gets support if it’s open to discussion, and if people dare to question ridiculous directives or guidelines.’ Not enough people do that, says Olijslager. If it turns out that something has not been



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thought through well enough, the board should admit that and modify its policy accordingly. ‘You have to dare to change your course on occasion: it shows people that you’re not infallible and that you sometimes have doubts, too’ he says. In fact, constant adjustments are necessary in business, in response to what is a constant process of change. Olijslager gives an example from his time at Friesland Foods. The company made popular dairy desserts for supermarkets, and retailers were always looking for new desserts to offer shoppers, at the lowest possible price. ‘So you can’t allow a big, high wall to develop between your factory and the supermarkets: you have to listen very carefully to what they and their shoppers want. It’s the CEO’s job to explain to the workforce how this dynamic between producer and retailer works. They need to realise, for instance, that they themselves are also consumers who shop in supermarkets and have families who want delicious new desserts! They need to be able to say, “Ah, I see: so that’s how it works!” When they can do that, it really boosts their motivation.’

### **Working in a glass house**

Besides communicating with their people, managers need to lead them by example. They should not be satisfied with just following the rules, says Olijslager. ‘Rules are fine, but what’s much more important than the rules themselves is the way the board deals with them. The most important thing in organisations is the tone at the top, the attitude towards rules shown by the senior

executives. A higher standard of behaviour is required from those at the top. Sometimes people forget this, but the truth is that there aren’t fewer rules for people at the top, there are more! When you work in a glass house, you need to act accordingly – though without letting it drive you crazy, of course.’

### **Hands-on supervisory board member**

Olijslager has been a leader in many different contexts, but the transition from CEO to supervisory board member was in some ways quite difficult. ‘Indeed, my hands often itch to be active,’ he says. ‘Whenever I’ve been invited to join a supervisory board, I’ve always warned them that I’m a hands-on type. If anything goes wrong, I’ll be there, alongside the board of management. Of course, a great deal depends on who’s actually on the board of management. I prefer it when there are some really good people on it – people I can trust. When problems arise, I’m there to ask them all the questions I think I should ask, as well to talk to people below board level.’

### **Always too late...**

An inclination to ask questions is, of course, an important characteristic for a supervisory board member. But asking questions is no good if the information you get in response is inaccurate or incomplete. The supervisory board is largely dependent on the board of management for the information it gets; and Olijslager acknowledges that this can occasionally lead to friction. ‘Since the supervisory board gets its information from the board of management, this almost always means that, if something goes wrong, we get to hear about it too late. Problems very often start with something very basic or ordinary. So, as a supervisory board member, I always

look to see whether the company's normal operations are running smoothly, and continually emphasise the importance of operational excellence. Has the company got its house in order internally – from the reception desk, right up to the executive suite? Our results, our cost pricing – are they in order? Quite often they're not.' According to Olijslager, many people fail to pay sufficient attention to what is going on in their own company, and only ever analyse acquisition targets or competitors. That's very dangerous. So if a long-term plan is being discussed, I always ask whether we've carried out a good internal analysis. If we haven't, I say: "OK, here's the plan: first we'll make that analysis; and then we'll look at things again in two years' time." End of story. I'm quite rigorous about that.'

### **ABN Amro**

Although much of the supervisory board's information comes from the board of management, there is actually no reason why that should be the case. In Olijslager's experience, supervisory board members can often find things out via other routes. 'As a supervisory board member at ABN Amro, for instance, I was never prevented from talking to people below the level of the board of management. It was all very open, and the board of management had no objection at all. The supervisory board at ABN Amro had (and still has) very easy access to the executive vice presidents. Whenever we came together for a supervisory board meeting, we also had an informal lunch, to which those people were also invited. That meant we could talk to them at length. That sort of thing didn't automatically mean that the supervisory board functioned perfectly, but it was a good idea, and one that you don't find everywhere.'

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## **'You have to keep asking questions to find out whether things are running well or not'**

### **Out of control**

Naturally, in any company there are times when things go wrong. 'If, over time, the ship has drifted off course, or if control has loosened, someone on the supervisory board will eventually become aware of it,' says Olijslager. Often, he reiterates, this happens too late, but sometimes it is the other way around. 'Sometimes I'm too early in saying, "Look, we need to step in here." Your fellow supervisory board members may not always agree with you. Then you can do one of two things: either try to get your own way, or simply walk away.' To date, Olijslager says, he has never walked away. He does, however, remember one occasion when other supervisory board members told him in an evaluation meeting that they felt my outspokenness was frustrating for the board of management. Perhaps I should have said, "Well, if that's the case, then maybe I should resign: unless I can say what I think, I won't be able to get things moving here.'"

### **Fighting the PowerPoint moments**

Whether you're taken seriously as a supervisory board member, and are able to add value to the company, is largely up to the individual, says Olijslager. 'You must take care that you don't just have ideas and nothing else.' The main task of a supervisory board, he says, is not to advise but to supervise. 'But how I behave depends in part on the quality of the board of management:



I can't stress this enough. That's why I first try to find out whether the board is really capable and critical, whether they're willing to talk about the sort of things I just mentioned, or whether they think, "I'll make a nice PowerPoint presentation with ten slides – that should keep Olijslager happy." But presentations will not keep Andre Olijslager happy. 'Because I want to be taken seriously as a supervisory board member, I tend to fight against those PowerPoint moments. Everyone's become addicted to them. I refuse to take a decision on the basis of a discussion over a PowerPoint presentation that we've only just seen for the first time in the meeting. I want to see the documents *before* the meeting; I want to be able to read them in peace and quiet, at my leisure. After that, I have no objection to people showing a few slides during the meeting. But it's so often taken to extremes. So when people send me 50 or 60 PowerPoint slides, I say, "First write down on a few sheets of A4 what the problem is, what you plan to do about it, and so on."

### Family businesses

Olijslager says that he would be hesitant about becoming a supervisory board member in a family firm. 'Ultimately, the family holds all the shares, and although as a supervisory board member you can say what you like, they'll still say, "Yes, that's all very well, but we're not going to do it." In such cases, they'd be better off having an advisory board.' However, Olijslager sees that family businesses have an advantage over public companies when it comes to transparency. Taking a company public, he says, provides a form of consumer protection for large numbers of small shareholders (based on consumers' right to information). In practice, this means giving a great deal of rather superficial information to very many

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people, most of whom can still make no substantial contribution to the discussion. In a private firm, by contrast, things are easier, he says, because shareholders can't sell their shares. 'If, over a cup of coffee, I tell more to one shareholder than to another, no great harm is done. That's an essential difference: in a private company you can share more information, and more substantial information, and there's no danger that anything untoward will happen as a result. I believe transparency is important, but I always ask, "Important to whom? Who needs my organisation to be transparent?" Those recent calls for transparency about remuneration, for instance, are plain, ordinary curiosity. It doesn't serve any purpose, either in business or politics.'

### Listed companies

Olijslager says he sometimes asks small listed companies why they are listed. The answer he gets is usually that there was once a reason for it, but if they could choose again, they would choose differently. 'I think that many companies go public for reasons other than to simply attract capital to increase their equity,' he says. 'TomTom, for instance, went public because its owners wanted to become rich. The company didn't actually need any money at all. They just wanted cash. And in PR terms, they managed it brilliantly. There's nothing wrong with that – there have been similar cases over the past few

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years. But the stock market exists to provide companies with capital; people have rather lost sight of that.’

### **Everything has to be done yesterday**

Olijslager is very much in favour of ‘dynamism’ in a company; but by dynamism, he doesn’t mean that everything should be done hurriedly or fast. ‘These days, everything has to be done yesterday. Everyone’s under continuous pressure – and that’s a problem. I’m a great advocate of dynamism, but I believe that, too often, it becomes haste and hurry. Of course, modern technology is partly responsible for this. Not that I want to go back to the old days: I think dynamism, internationalisation and change are all wonderful, but I want to keep a firm grip on what’s being done, so that it’s done with due care.’

### **Focused on the figures**

Speed is only one of the factors pressuring business today, says Olijslager. Investor relations departments and analysts also add to the problem. ‘Analysts dictate what the figures should be, and consequently the management becomes overly focused on those figures. They’re afraid to deviate from the analysts’ consensus by so much as a tenth of a percent.’ Olijslager suggests that it is time boards of

management started looking into this, asking questions such as ‘How can we grow slowly and steadily in a fast-paced world?’ One solution might be to move from quarterly results to half-yearly results, says Olijslager. ‘I notice that this has happened in at least one company already.’

### **IFRS**

The credit crunch has cast a bad light on the pursuit of quick results and very high returns; and this, in turn, has consequences for how bookkeeping is done, says Olijslager. ‘I’m one of those who, over the past few years, have been trying to do something about the bookkeeping, especially in non-listed companies. But we’re only now seeing a debate developing about how things can be valued differently. People have, I hope, learned from this experience and have recognised that things need to change. We’re moving, I think, towards fewer banks; and those we keep will be run in a more “old-fashioned” or traditional way. The “off-balance-sheet” option is clearly becoming less prevalent. The trend will be towards a more conservative style of bookkeeping. I think that we’re going to get period of serious analysis: people will ask themselves what can be learned from the crisis.’

### Too much about limits

Although the Tabaksblat Code has helped to improve bookkeeping, it also has its drawbacks, says Olijslager. 'As a result of Tabaksblat, members of supervisory boards have to look harder and longer at what they're doing,' he says. 'And that's certainly led to an improvement in the performance of supervisory board members. But at the same time, we're increasingly talking about rules, more about fence posts and less about business. On top of that, there's a lot of talk about liability. In the old days, accountants were never sued. Today, as a result of developments in the USA, people are covering themselves. I've had a lot of discussions with accountants about letters of comfort, for instance. I always say to the board of management, "Don't sign them, or at least look at them first, and modify them if you wish." That is a very concrete example of the things that arise as a result of that covering behaviour.'

### Counterpart

Olijslager certainly does seem to be a supervisory board member who likes to roll up his sleeves and get down to work. However, that driven personality also has its downside. Who puts the brakes on when braking is necessary? 'If you're a member of all the various boards

I'm on, you work with all kinds of different people. I'm an extrovert and rather pushy, so I seek out someone who is not like me but rather complementary – someone who can slow me down if necessary. I've always had a preference for someone more conservative, a controlled type, an old-fashioned bookkeeper who exudes stability. My counterpart is someone who is calm, careful and analytical, someone who, in the old days, would have smoked a pipe. It's someone who calmly tells me that I've got it all wrong, that it should be the other way round. A perfectionist. But most of all, I always look for people who dare to speak their minds to the rest of the team.'

*André Olijslager is Vice Chairman of the Supervisory Board of ABN Amro. He is also on the supervisory and advisory boards of a number of other Dutch companies and institutions, including Heijmans NV. André Olijslager was formerly CEO of Friesland Foods.*