



## **THE ROLE OF THE M.D**

Firstly, no executive director need take up this role, there is no legal requirement for a company to have a Managing Director (MD) but this person sometimes called the Chief Executive Officer (CEO) does take on some extra responsibilities if you choose to make such an appointment.

The title initially designates them as a member of the Board in addition to a Senior Manager.

Their job is to design, develop and implement the strategic plan for his or her company in the most cost-effective and time-efficient manner.

The Managing Director is responsible for both the day-to-day running of the company and developing business plans for the long-term future of the organization. The Managing Director is accountable to the board and the shareholders of the company. It is the board that grants the Managing Director the authority to “run” the company.

The Managing Director is a leadership role for an organization as well as fulfilling a motivational role for staff in addition to more office-based work. MD's motivate and mentor members of the management team and chair management meetings. The MD leads the company and develops corporate culture for the organisation.

As the title suggests, the Managing Director needs to manage everything. This includes the staff, the customers, the budget, the company's assets and all other company resources to make the best use of them and increase the company's profitability.

The MD reports to the Board of Directors on a weekly, monthly, quarterly, semi-annual, annual or every decade! basis to keep them informed of how the company is doing. The Board will offer suggestions and ideas about how to improve the company to the Managing Director. It is the MD's responsibility to implement, improve upon or ignore these ideas!!

The MD is legally responsible for the Company's affairs, so he must comply with the appropriate rules and regulations set out in Corporate Law. These include following the proper audit procedure and not allowing the company to break any trade embargoes or deal in any illegal goods.

The MD reports to the Chairman of the Board. There are various other titles for this position including President and CEO

The role will vary from one company to another depending on its size and organization. In smaller companies the MD often has a much more hands-on role, making a lot of the business decisions, even lower-level ones such as hiring junior staff. However, in larger

companies the MD will often deal with only the higher-level strategy of the company and directing its overall growth with most other tasks delegated to managers and departments. Typically, an MD has several subordinate executives, each of whom has specific functional responsibilities.