

# *Executing Excellence in Governance Structure*

*Petro-Canada Sport Leadership  
Conference  
November 8, 2008*

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**This morning's session  
is designed to address...**

- Choices and Trends in Governance Structure:
- *“Raising the Leadership Lid”*
- *“Good Fences Make Good Neighbours”*
- *“Who Chooses Who Decides?”*

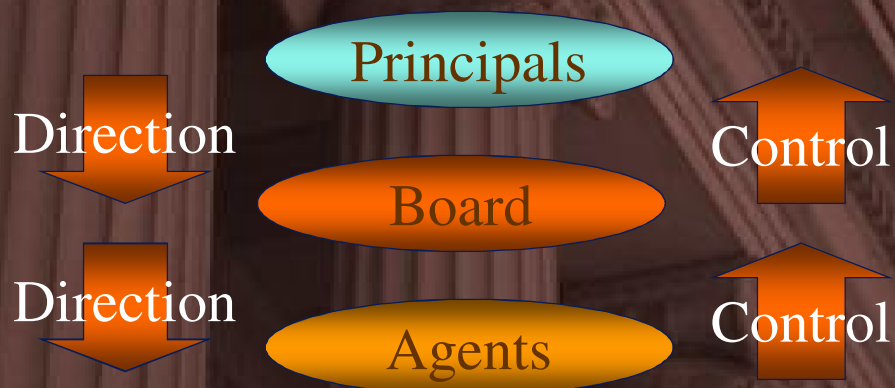
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## “Governance” Board: Agency Theory



## The Governance “Pendulum” and Leadership “Lid”

- 0 *Very Passive* (“Rubber Stamp Board?”)
- 1 “Advisory” board (management theory)
- 2
- 3 “Collaborative” board (stewardship theory)
- 4 *Moderate* (*Oversight not Direction?*)
- 5 “Governance” board (agency theory)
- 6 *Quite Active* (*Oversight, Direction, Control?*)
- 7 “Intervening” board (democratic theory)
- 8
- 9 “Operating” board (stakeholder theory)
- 10 *Very Active* (“Micro-managing Board?”)

## The Pendulum and Life Cycle

- Begin at a 10 ...
- Hire staff, move up to a 5 ...
- Things going well, move up to a 1 ...
- Crisis, move down to a 10 ... or a 5?



## The Trade-off

- 1 = maximum flexibility, management authority, nimbleness
- 10 = maximum consistency, consensus, reflection, hands-on, board and member comfort

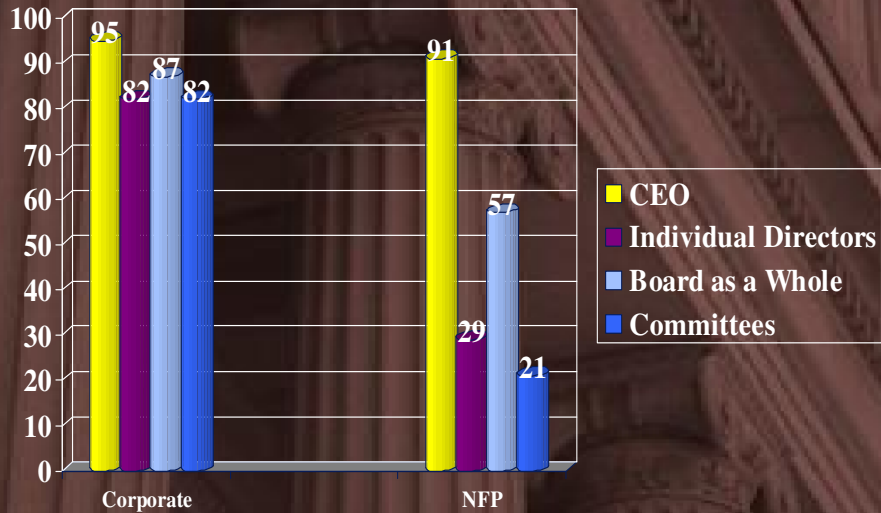


## Raising the Leadership Lid: Change Management

- Burning platform?
- Champion?
- Funding: priority and sources?
- Diagnostics: perception to reality, then reality to change?
- The “right” CEO is the most important choice



## Performance Evaluations



## Raising the Leadership Lid: Success

“Success” =

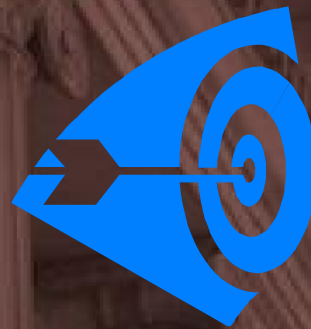
\$\$ Funding

↑↓

Results: medals,  
championships

↑↓

Programs, operations



## Raising the Leadership Lid: Planning

- Cascading plan: cascading capacity
- Sport – national – provinces – clubs
- Multiple linkages with funders, PSO's, clubs, stakeholders:
  - at board level for governance and funding,
  - at staff level for planning, programs, promotion (CEO's/ED's and capacity building)

## Implications for our Organization, our Board, our self?

Let's Talk ....



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## Drawing the “Bright Line”

- 0 *Very Passive (“Rubber Stamp Board?”)*
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## Good Fences Make Good Neighbours

- Members:
- Elect or appoint board
- Approve by-laws
- Engaged in long-term plan (approve 5 year plan?)

## Good Fences Make Good Neighbours

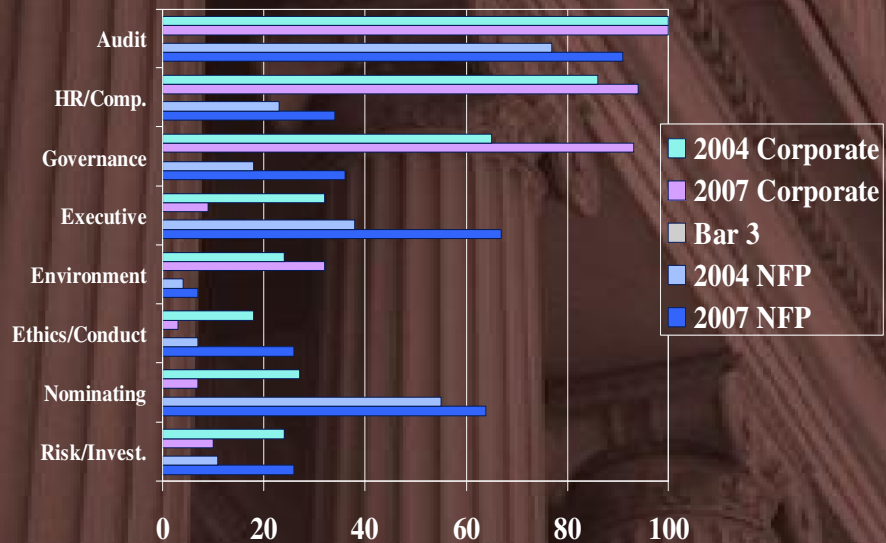
### Board responsibilities

- Strategic plan: input into (why, where), review and approve (“co-ownership”)
- Policies: sets, reviews, monitors against
- Budget: approves, monitors against
- Accountable to members

### Management responsibilities

- Strategic plan: develops, fleshes out (how, what, when), executes
- Operations: undertakes programs and activities under umbrella of plan, policy, budget
- Accountable to board through CEO

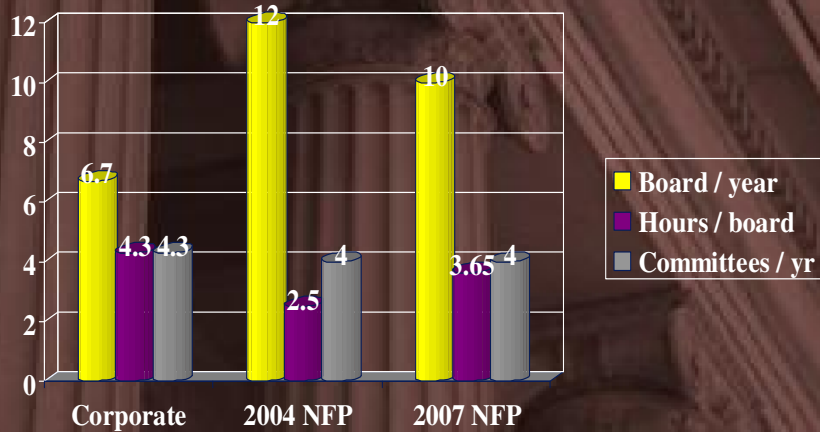
## Good Fences: Board Committees



## Good Fences: Committees

- Differentiate between committees of the board and of the organization:
- Board Committees focus on governance and policy: Audit, Governance, Policy, Risk ...
- Organization Committees (or Councils) focus on programs, etc: Program, Stakeholder Advisory, Members, Marketing, Technical ...

## Good Fences: Meetings



## Good Fences: Other Choices

- Executive Committee?
- CEO performance targets, evaluation, compensation
- Board and committee line ... so rhythm
- Strategic planning cycle and process
- Management reporting frequency and format
- Keeper of Governance Policy



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## Who Chooses Who Decides?

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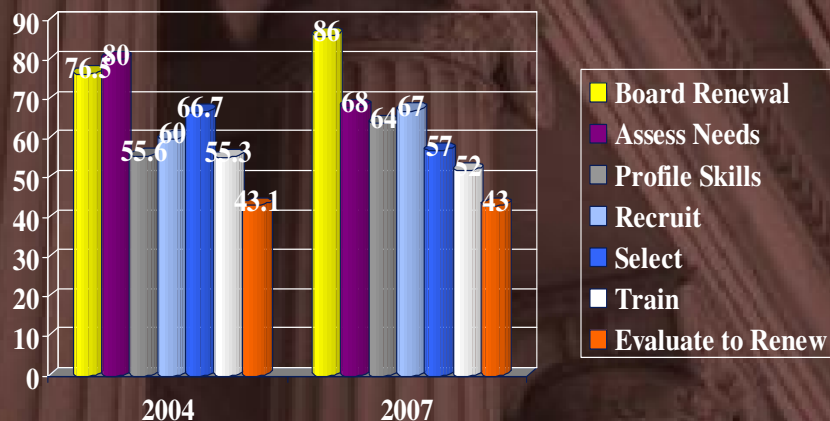
## Who Chooses Who Decides?

- Board size
- Board responsibilities: where is it expected to add value?
- Board structure: committees, workload
- Key constituencies in forging success: the size of the "tent"
- Quality vs. quantity

## Who Chooses Who Decides?

- Representative board vs. Portfolio mix
  - Members: mix of PSO's, clubs
  - Sports: mix of athletes, officials, experts
  - At large: lawyer, financial, governance, community
  - Funders?
- Appointments vs. elections
- Establish Nominating Committee – may be combined with Governance

## Who Chooses Who Decides: Steps in Board Renewal



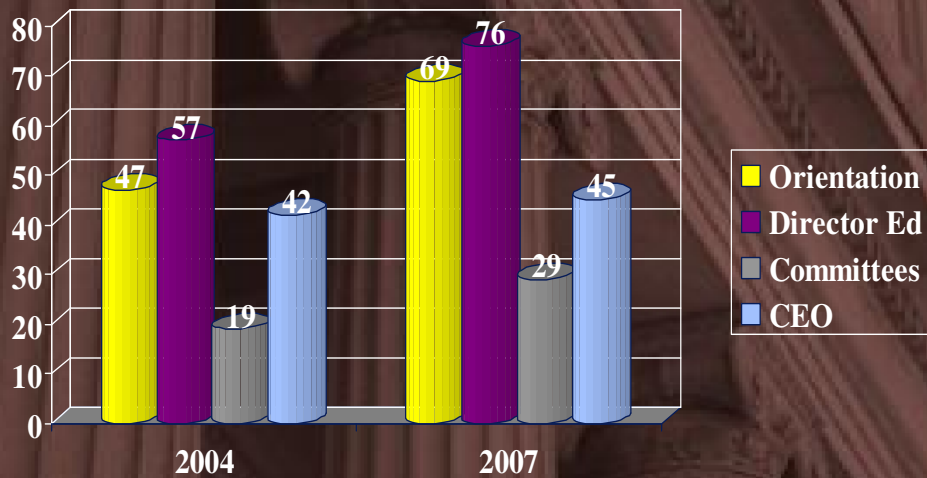
## Who Chooses Who Decides: Nominating Committee

- Needs assessment
- Profile of attributes: experience (where been), skills (what know), representation (diversity), character
- Inventory existing – identify gaps
- Call for nominations, communicate with members

## Who Chooses Who Decides: Nominating Committee

- Recruit for gaps
- Election vs. acclamation?
- Program, advisory committees to groom potential board members
- Mentor new board members
- Orient, educate, communicate ...
- Evaluate!

## Training and Development (% of NFP boards)



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## For more help ...

[www.browngovernance.com](http://www.browngovernance.com)

Best Practices and Benchmark Research  
Board Evaluation  
Financial Literacy  
Risk Management

[www.cica.ca](http://www.cica.ca)

20 Questions series

[www.ccg.ca](http://www.ccg.ca)

Best Practices and Self-Assessment

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