GOVERNANCE IN A SURREAL WORLD

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HELLO!

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200 governance assignments!
MY EXPERIENCE
TALKING POINTS

• BOARD LEADERSHIP
• FINANCIAL MANAGEMENT
• VIRTUAL BOARD MEETINGS
• 5 AREAS OF FOCUS FOR DIRECTORS
• YOUR QUESTIONS
1. BOARD LEADERSHIP
Did your Board pass the CV test?
• Uncertainty is huge
• Morale needs to be maintained
• Governance needs to be maintained / improved
  • Business Continuity Plan
  • Crisis Management Plan
• Chair / Director / CEO engagement needs to be a priority
• Staff communication needs to be a constant
  • Open and honest
  • Frequent
  • Engaging
  • Provide back channels – Zoom / Hangouts
• New skills required – Digital
2.
FINANCIAL MATTERS
WHAT HAVE WE LEARNT SO FAR

Financial reporting systems – timely, accurate
  • Remote access
  • Reporting periods

Cost model – fixed vs variable
  • What would you change

Cash management
  • Adequacy of Reserves
  • Liquidity
  • Cash collection

Financial skills around the Boardroom table
  • Literacy
  • Reckless trading
WHAT DO YOU NEED TO CONSIDER MOVING FORWARD?

- Demand for your service or product
- Business model - Online / offline?
- Cost base
- Access to finance
  - Loan
  - Equity
- Adequacy of current skills, systems, policies and procedures
- Cash management
- Get more cash up front!
3. VIRTUAL BOARD MEETINGS
12 GOLDEN RULES FOR SUCCESSFUL BOARD MEETINGS

- **Rule 1**: Ensure your constitution facilitates virtual board meetings
- **Rule 2**: Communicate ground rules in advance and establish a formal system for intervention - ZOOM FEATURE
- **Rule 3**: Engage with participants before the meeting to understand their mental state and vested interests
- **Rule 4**: Test the meeting host technology 24 hours beforehand
- **Rule 5**: Ensure that all board members have quality technology access to the meeting
- **Rule 6**: Keep meeting agendas short to facilitate productive meetings
12 GOLDEN RULES FOR SUCCESSFUL BOARD MEETINGS

● **Rule 7:** Ensure that all participants are on video and not a mix of audio and video as this makes engagement more difficult

● **Rule 8:** Encourage participation by asking for views at the end of each topic

● **Rule 9:** Maintain momentum and stick to agenda timings to ensure no one loses interest

● **Rule 10:** Enable online feedback to chair to facilitate lesser comfortable participants

● **Rule 11:** Ask for anonymous feedback often and make use of online feedback channels to do

● **Rule 12:** Organise short break during the meeting to facilitate social interaction
4. DIRECTORS: 5 AREAS OF FOCUS
LOOK AT THE SEA, NOT THE WAVES!
1. KICK THE TYRES ON YOUR STRATEGY

- What elements of your strategy have stood the test of this pandemic?
- What have not … and do you know?
- What needs to change … and do you know?
- Can you pivot? – PUIG (Paco Rabanne) produced hand sanitizer
- How much time have you got?
- Will one of your competitors be quicker?

Most affected sectors
- Tourism
- Education
- Sports
- Entertainment
- Retail
- Hospitality

Coronavirus: universities face a harsh lesson

The pandemic is forcing a rethink of a business model built on overseas students who might now stay at home.
2. CHECK YOUR GOVERNANCE

- Is it fit for purpose?
- Does it have the right leadership?
- The right skills and experience around the Board room table?
- Is your board an attractive one to join?
- This world – real world?
3. FINANCIAL STRATEGY

- Strength of balance sheet
- Liquidity and access to financing
- Business model change and implications
- Accurate and timely financial and operational information
4. LEADERSHIP AND SKILLS AT EXECUTIVE LEVEL

- Good enough for the times ahead?
- Succession and development plans
- What new skills are needed – will depend on your strategy!
  - Digital
  - Managing at a distance
  - Hard skills vs soft skills – empathy
- Agile?
5. RISK

ORGANISATIONAL VS PERSONAL

Sample Risk Heat Map

Impact

Very High
High
Medium
Low
Very Low

Likelihood

Very Low Low Medium High Very High

Source: RiskLens
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Questions?