

Assessing your Governance Capability

...from processes to behaviours

enabling board members to

govern more effectively



Boardroom 360°

Shaping the World of Governance

Good boards strive to be 'great' boards

Having high performing individuals on a board does not necessarily translate into highly effective boards. How board members view their board's performance does not necessarily align with the way the board is perceived by management, shareholders and/or stakeholders. Boards that want to 'lift their game' need to understand not only how they are performing now but also the areas that require attention and where their governance practices could be at risk.

Many boards carry out a self assessment usually on an annual basis. But would a board allow its senior management to conduct its own self assessment and accept it without question? No, it would ensure the assessment process was conducted professionally and by an independent party. Given a key role of a board member is to ensure the organisation is optimising its performance, board members need to;

Be confident that:

The performance of the organisation is reaching its full potential

Information received is sufficient, timely and accurate

The composition of the board is diverse yet brings a balance of experience and wisdom that aligns with the organisation's strategic intent

Processes and procedures reflect best practice

The board will not be exposed to influences that could impact on the reputation of the board members and the organisation

Feel satisfied that:

The board can keep up with and manage the changing risks facing the organisation

The board is prioritising and assessing the effectiveness of its risk management and corporate governance procedures

The organisation is engaging with its shareholders and/or stakeholders

Appreciate:

Management's, shareholders' and stakeholders' perception of the board's performance

The level of respect and trust between board members, board and management, board and shareholders.

Understanding these requirements will assist a board in identifying areas for improvement.

After comprehensive academic and practical research we, at Boardroom360°, have created a diagnostic **Tool** for this specific purpose. In taking a wider perspective of governance the **Tool** comprises a number of components which allow a full 360° assessment of governance activities to be carried out. The **Tool** comprises a number of components which can all be applied to an organisation, providing the full 360 assessment. Alternatively if an organisation wishes it can select appropriate components from the component menu. Likewise the tool being based on a bank of critical questions each questionnaire can be tailored to your needs and/or additional questions inserted.

The **Tool** provides only the collective results, allowing participants to present their true perceptions assured of the confidentiality relating to the information they provide.

The results are presented in an easy to read report that provides an overall rating in addition to rating key activities, identifying the strengths, areas for improvement and exposure to risk in each key activity.

We are sure you will appreciate its simplicity yet comprehensive findings accompanied by a summary of results.

From the findings a board can begin to focus of changing perceptions by improving the way governance practices are conducted and how they communicate. We look forward to meeting with you.



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The Diagnostic Tool

FEATURES	BENEFITS
Confidential and Secure	On registering, a computer generated unique number is allocated to each user
Flexible components	An organisation can select which components it would like assessed, or may select to have a questionnaire tailor-made to its requirements
Reported outcomes generated quickly	Within three weeks of all data being completed and signed-off the Chair will receive an easy to follow report
Identifies areas of risk	Risk is assessed for the different components and reported against a standard. Risk and potential areas are highlighted
Identifies areas or improvement	Areas of concern are highlighted against a five point Likert scale
Allows a board to gauge the perception of others	Boards will discover where stakeholders hold varying perceptions of the board's ability to perform or deliver value – this assists in improving communications lines
Cost effective	The easy to use web-enabled tool provides results in a cost effective manner
Web-enabled	Easy to access A participant can stop and continue later and only submit when they are happy with their selection of responses
Only collective results are reported	As the data is entered it is combined with previous data and only collective results for each questionnaire are produced

The *Tool's* effectiveness

In essence, governance is about a decision-making group critically testing propositions proposed, who at the helm of the organisation accept the responsibility for ensuring the organisation is performing for the betterment of its stakeholders. Decisions made often have an immediate or long-term impact on the organisation so sound procedures and processes are vital, leadership is critical and the decision-making culture imperative. Good governance incorporates many aspects from processes to behaviours.

A board can be operating effectively but perceived as ineffective – why? Because what happens in a boardroom is often viewed as being mystic. And decisions made in boardrooms are not just made by board members. Management has a key role in providing appropriate information.

Our diagnostic *Tool* does not reveal topics raised and debated nor does it refer to the outcomes derived. Instead it goes behind the decisions and propositions by seeking responses to questions from various parties as to the perception of the capability of a number of functional activities. The *Tool* has been designed to provide only collective results through incorporating appropriate security mechanisms while at the same time having capability to assess functional activities across a wide range of organisations.

The process

Meet with a director from Boardroom 360° and define your Board's areas for assessment. Once these are agreed all participating parties are notified as to how they can access their assessment questionnaire.

A unique computer-generated identifier is provided to each to ensure confidentiality is retained throughout the process and allows each participant to complete the appropriate questionnaires in his/her own time.

At the same time Boardroom 360° conducts a confidential review of documentation produced by the organisation relating to the selected assessment.



Assessments available

The *Tool* offers a wide-range of assessments. These can be carried out as stand-alone or as a combination. We do however suggest that all boards complete a 360° assessment on a regularly basis to enable the board to measure its own progress. Assessments can be carried out for; Boards, Chairs, CEOs, Shareholders, Stakeholders, Leadership, Process and Procedure as well as 360° Assessments.

The Assessment framework built over a range of boardroom areas of activity and accountability is built around nine key sections:

Authority to Act, Roles and Responsibilities;
Monitoring the Organisation's Performance;
Composition of the Board – including competency mapping;
Risk Management;
Interaction;
Procedures and Processes;
Financial Health;
Ethics;
Leadership.

Reports show an overall performance and risk rating for each of the nine key sections listed. Graphical representations of each section quickly illuminates areas of strengths, areas where improvement is needed and where risk is evident.

The unique benefit of this diagnostic *Tool* is three fold:

- 1 Its ability to view how the board perceives it is performing compared with the perception other parties have of its performance.
- 2 Its capability to verify perceptions against governance related documentation including the organisation's constitution.
- 3 The risk assessment draws a board's attention to 'hot' spots.

Investment

The cost of each assessment is dependent on the needs of the organisation. Once our representative has met with you an agreed price will be provided.

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www.boardroom360.com

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