The Seven Disciplines of Governance Effectiveness

AHCA-NCAL
A Webinar for Board Members & Senior Staff - December 2008
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Objectives

By the end of the session, you will be able to:

✦ List the 7 disciplines of governance excellence
✦ Briefly explain each discipline
✦ Consider 2 policies in each discipline for your organization
✦ State one insight that you can consider applying in your organization
The Governance Excellence Model

The Seven Disciplines of Governance Excellence

The GEM
The GEM
Reflect . . . on Organizational Results

The GEM
“there seems to be a tendency for boards to look at the numbers and act from them. It’s kind of like they’re driving a car with both hands on the rearview mirror rather than holding onto the steering wheel where the real direction is determined. … Boards are to reflect on what’s in the mirror—the past, but they’re to lead by what they see out the front window—the present and future.”

The Imperfect Board Member, p. 123
Every quarter the board will compare organizational results against goals.
Reflect - Policy Sample #2

The board will reflect on the business environment at least annually and consider implications to the organization.
The GEM

Select . . .
Prominent Leadership
The GEM Assessment – a board self-evaluation

The board proactively recruits prospective board members and officers to create a team with diverse and complementary experience and skills.

<table>
<thead>
<tr>
<th>Never</th>
<th>Sometimes</th>
<th>Always</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
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</table>

Select - Policy Sample #1

The board is responsible for the organization having a CEO who ably leads the operations of the organization.
Select - Policy Sample #2

When individual board members do not meet the shared expectations of the board, steps will be taken to encourage improved performance.
The GEM

Respect . . .
Owner
Expectations
Respect - Policy Sample #1

The board is responsible to make decisions in the best interests of the ownership as a whole. The accountability to the owners supersedes any conflicting loyalty.
Respect - Policy Sample #2

Board members will communicate directly and proactively with owners in an effort to understand and represent the interests of owners.
The GEM
The GEM
The Power of Simple Principles

The role of the board in two words: Direct and Protect

In the Interests of the Owners
The GEM
How the Board Directs & Protects

The board sets policies that guide the organization.

The board does NOT make single issue or day-to-day decisions.
The GEM

Direct . . .
Organizational Performance
Direct - Policy Sample #1

The board is responsible for the organization having a current, relevant strategic plan.
By December 20XX, more than 40% of 40 to 70 year olds in our community will name us when asked to list local senior care facilities.
The GEM

Protect . . .
the Interests of the Owners
The CEO will not fail to ensure that all full-time and management staff have an annual performance review.
Protect - Policy Sample #2

The CEO will not allow funds to be spent beyond budget.
Expect . . .
great Board-Mgmt Interaction

The GEM
CEO performance will be considered to be organizational performance. The CEO is responsible to achieve the organization’s strategic plan and follow board policies.
Expect - Policy Sample #2

The board will monitor the organization’s performance according to the following monitoring schedule.

<table>
<thead>
<tr>
<th>Issue</th>
<th>Method</th>
<th>Frequency</th>
<th>Schedule</th>
<th>Policy Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Condition</td>
<td>Third Party</td>
<td>Annually</td>
<td>1st Quarter of subsequent year</td>
<td>Pro-2.4</td>
</tr>
</tbody>
</table>
The GEM

Connect . . .
for healthy Board Relations

your next step to a healthy board.
… Can we really hold volunteers accountable? …

“Once you volunteer for a responsibility, you have made a commitment. People are counting on you to fulfill a function and you must take the role as seriously as if you are being paid or resign your position.”

Non-Profit CEO
Board GEMs

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Make sure everyone on your board is subscribed to our FREE monthly e-zine Board GEMs.

It will take you only a minute to advance your knowledge about governance and other organizational leadership issues.

The board will speak with one voice. All board members will support all board decisions outside of board meetings.
Board members will be provided with a draft meeting agenda and adequate background information on every agenda item at least 7 days in advance of the meeting.
The Governance Excellence Model

The GEM
Reflect

Think of 1 idea or insight that resonated for you.
Products from STRIVE!

The Imperfect Board Member

GEM Governance Excellence Model
Principles and Foundations  Audio

The GEM Assessment for Boards

Board GEMs - Free Governance E-zine

Governance Policy Sample

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The Governance Excellence Model

The GEM