Governance checklist

NEW ZEALAND TRADE & ENTERPRISE
Te Taurapa Tūhono

TASK	WHY?	THINGS TO IDENTIFY	ACTION
Identify the intent and purpose of your business.	Having clarity of what your business is doing (purpose) and why (intent) will act as your ‘north star’.	Is the business clear on what the shareholders want (rate of return, expectations on growth, how long will they retain ownership)? Make sure these needs can be met by the market. Bringing in a third party or facilitator to help you through this process can be helpful.	**Create your statement of intent. Meet once a year to review and re-set expectations.**
Choose the right governance structure for your business.	Make sure the structure you decide on reflects the specific needs of the business.	Your business may need different things at times of rapid growth or when a market entry or technology project is underway. You may require a very formal board, an advisory framework, or an independent chair who acts as mentor. Whichever structure you go with, having an independent voice is key. Remember you can start small with a view to grow over time.	**Decide on the type of governance structure that suits the needs of the business.**
Agree what your governance team will do.	Any governance team, big or small, should be clear on what it’s expected to deliver.	Look for things like what skills the team needs to have, what behaviours it will exhibit, what the outcomes will be, how you get a director in and out, what happens if there is conflict etc.	**Write the ‘rules of engagement’ of what the team will do.**
Agree on the make-up of the governance team.	Make sure you have the right person or mix of people, with the right skills, to meet the needs of the business.	How can individual members provide impact when it comes to the intent and purpose of the business? Think about the characteristics you’re looking for (curiosity, experience, strategy development) and the specific skills (knowledge of markets or technology). Diversity is important. Who represents the customer, are you all the same age and gender, where is the voice of the future?	**Decide on the number and make-up of people on the governance team.**
Clarify what a member does.	Every individual works better when they know what’s expected of them.	This should relate to the description of the governance team, but tailored for each member. Follow the standard format you use for job descriptions and make sure you reflect the needs of the business.	**Write a job description for a each governance team member.**
Decide how often governance should meet to have impact.	Having more impact will help prove the value of governance to the business.	As with everything, this should reflect the needs of the business. Because **governance is not operational**, there’s no reason to meet any more than 6 times a year.	**Agree how many meetings to have.**
Decide what should be discussed to have optimal impact.	With focus comes impact.	Start by looking at the themes of the business. These could be budgets, strategy, risk assessment, resource management, succession planning, growth initiatives, etc.	**Plot out the yearly cycle of the board using the themes.**
Create an agenda to drive behaviour.	The better planned the agenda, the more chance you’ll stick to the real purpose and deliver greater impact.	Remember this group is **not operational**. Plan an agenda using the structure of 10% looking back, 40% medium term, 40% big picture and 10% what next. This will help you make best use of your time. In the ‘big picture’ space, you may spend a lot of time developing greater awareness of future trends etc.	**Decide on meeting length and what the agenda will look like.**