



Operational Framework - Governance

Questionnaire

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1 Use of This Document

This document presents an overview of a questionnaire for information relating to the governance of a bodies, structures, committees or groups in an organisation as part of the Operational Framework for Board – Executive Relationships. The details on governance structures, decision making capability, issues management and feedback mechanisms are gathered using this document. Aimed at those participating, conducting, reporting on or auditing a Governance assessment, this document outlines what the process is, why it is required and what happens to the information collected. This document presents a questionnaire for guiding and recording the discussion for formulation of a report back to the participants.

Please collect business cards where possible. Conduct the interview in a relaxed and informal way, using open ended questions, in a conversation and let the participant talk. Empathise and share experiences as required.

N.B. All Results are Confidential.

2 About the Governance Process

Answers to common questions about the Operational Framework – Governance process are presented.

What is the Operational Framework?

The Operational Framework is a set of tools and techniques, (an Operational Framework) for use between Boards and Executive Leadership, or other groups, particular within Not for Profit (NFP) organisations.

What is the purpose of the Governance process?

The purpose of the Governance process is to establish the governance capability and effectiveness (structures, decision making capability, issues management and feedback mechanisms) of bodies, structures, committees or groups in an organisation.

How does the Governance process work?

The process works by having participants, e.g. a Board, share their views and opinions on the governance of various bodies, structures, committees or groups in an organisation. This includes the purpose of the entities and expected outcomes. The interviews are informal, confidential and results are presented back in a report and moderated discussion forum.

What is the outcome of the Governance process?

The outcome is informative information to help an organisation with its governance and engagement with stakeholders. The output is usually in the form of a value-adding report and workshop.

Who should partake in the Governance process?

Participants are those that want to be engaged and are looking to address issues in the operation and governance of bodies, structures, committees or groups in an organisation.

What is the confidentiality within the Governance process?

The process is in strictest confidence. Results are compiled without names being attached and a consolidated view is taken.

3 Recipe

A recipe for the process of looking at Governance of an entity, including the interview, results compilation and stakeholder engagement is as follows. Remember:

- It is the view of the participant that is important and NOT that of the facilitator.
- It is the outcomes that are important for the participant.



- The significance to the participant lies in transferring the tool and the expertise so that they can use it for themselves.

Ingredients

Briefed participants

Capable facilitator

Copy of Operational Framework – Governance Questionnaire

Informal atmosphere away from distractions

List of functions the entity is responsible for

Instructions

1) Facilitator to take participant(s) to an informal atmosphere away from distractions.

2) Facilitator put participant at ease and ensuring a non-threatening engagement.

3) With a focus on listening to the participant, facilitator asking open ended questions around the entity, its function and operation to complete the table in the Operational Framework – Governance Questionnaire.

4) Complete the document in plain English, with highly pragmatic focus looking towards the transfer of expertise to the participant.

4) Facilitator return questionnaire results as soon as possible to participant for peer review.

5) Facilitator to discuss issues and revisions with participants and advise of next step in the process. Remember it is the participants view that counts and NOT that of the facilitator.

4 Business Models

4.1 People Centric

Whilst many management styles and theories exist, many management frameworks come up short in their delivery because they hinge on an ideology rather than a pragmatic and practical approach. Based on a pragmatic approach the following are seen:

- People respond best when they are empowered and treated as professionals.
- People like guidance on what they are meant to be doing and to feel that they are contributing. Many people prefer an element of certainty without being told what to do.
- People respond positively to supportive environments.
- People often appreciate training that helps them and having frameworks to help them.
- People value having their opinions heard and most people are willing to help others.

If all of these attributes are pulled together then the following are seen:

- Having a clearly defined objective and strategy is important to people.
- Clear communication is required.
- Ownership and accountability is strongly favoured.
- The way in which management treats staff is very significant.

With these considerations and the generational differences seen in the application and use of technology an overall management framework can be seen.



4.2 Common Model

Irrespective of the size of operation or business market, a common model to business operations is seen (Figure 1). All of the components together can be duplicated across many companies within a corporation or the overall model adopted across a corporation.

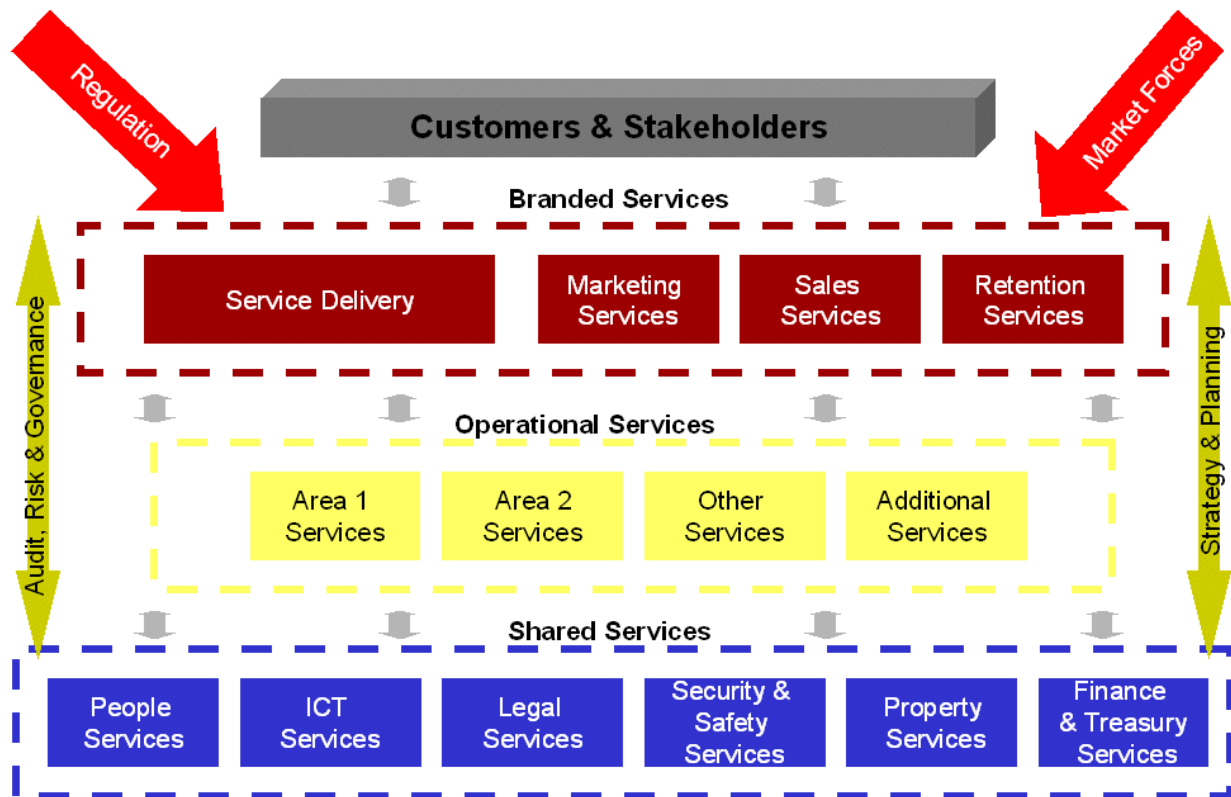


Figure 1. Common business model.

4.2.1 Shared Services

Underpinning the business are the Shared Services, the common infrastructure, that all areas of business use. This capability exists across the business and is highly standardised. Parts of the operation are embedded in the lines of business to service specific need but share the common infrastructure and capabilities that are provided.

Shared Services are provided to the areas of business on a cost recovery basis and if the in-house capability to deliver shared services to the level required by the business areas does not exist; then individual business areas should be free to source that capability elsewhere.

4.2.2 Operational Services

These are the areas of the business that produce everything that is needed for service delivery. Operational services leverage the shared services and interact with the branded services capabilities. These are the “bread and butter” of an organisation; they are the core service providers.

4.2.3 Branded Services

Branded services are in essence the customer service capability of the business. This includes the marketing services (marketing, brand and communications), the sales capability, the customer retention activities and the actual delivery to the customer / client. The term branded services is used because within an organisation, the same operational services and shared services may be provided through one or more brands.



4.2.4 Administration Overhead

Supporting the business in all areas are the following capabilities Risk, Audit and Governance (including Compliance) and Strategy and Planning. These capabilities should exist in each area of the business and be embedded in the business as core activities and competencies. The overall corporate responsibility for these capabilities is not identified within shared services because the capability comes from within the business areas.

4.2.5 Outsourcing and Offshoring

Where outsourcing and offshoring come in to the business model is where they provide services to the business in one or more areas and whether or not a complete service is provided, e.g. the outsourcing of Information Communication Technology (ICT) services.

4.3 Organisational structure

The common model can be modified and adopted to meet specific business needs including:

4.3.1 Country Operations

To support operations in many countries variations of the model may be implemented:

- Country Duplication – The entire model or parts of the model may be duplicated in a country. Similar to the embedding of shared services into the other areas of business, parts of the capability may exist in a country.
- Cross Country Operation – The Branded Services capability may work across countries to reflect the needs of the customers, whilst the Operational Services function may be locally based to ensure delivery is close to source and required specialist expertise is present.

4.3.2 Company Operations

The common model can be applied to a given business area, a company or a group of companies. The difference lies in the implementation and service capabilities.

- Services - Consider the case of ICT services, where all three layers of the model may exist within one area of service.
- Group - Within a group of companies, each company may be structured as a stand alone entity capturing the essence of the common model but making it easier to separate off and sell the company if required. Alternatively, all of the companies in the group may use common Operational Services and Shared Services, only differing in the Branded Services. Whilst this approach can deliver significantly lower costs and benefits through tight integration, it is this same integration that can make it difficult to sell off companies in the group.

4.4 Cost Recovery

Cost recovery or having each area of business operate as its own profit and loss centre (not just a cost centre) has both its advantages and disadvantages. These include:

- Advantages:
 - Drives accountability and ownership.
 - Empowers innovation and change.
 - Agent of change.
- Disadvantages:
 - Larger administrative overhead can exist.
 - Delays service and collaboration because of the cost component.



- Some things do not blend themselves to cost recovery.

The issue is often the extent to which cost recovery is implemented and how it is done. Also consider whether it is worth implementing cost recovery for services or not. Often the accountability factor alone is sufficient to justify cost recovery. Cost recovery is about that, covering costs. Any profit made should be modest and re-invested in the area of business to improve service capability. Beyond that, any additional profit is returned to “shareholders” the overall business.

The guiding principle is that an area of business should approach the in-house capability first. If the in-house capability cannot deliver (for whatever reason), then that area of business is free to source the services externally.



Governance Questionnaire

Completed By:

Date:

Personal Details

Details of the person being interviewed include:

Name:	
Position Title:	
Business Area:	
Organisation:	

Entity Details

Details of the entity being reviewed include:

	Current capability	Opportunity for enhancement
Entity Name:		
Purpose:		
Composition:		
Expected Outcomes:		



	Current capability	Opportunity for enhancement
Meets:		
Reports To:		

Governance Capacity

The governance capacity of the entity includes:

	Current capability	Opportunity for enhancement
Issues and Exceptions:		
Reporting:		
Decision Making Capacity:		
Feedback to Stakeholders:		
Information Access:		

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Outcomes & Behaviours

The outcomes and behaviours of the entity to be seen include:

Function	Expected Outcomes	Assessment Criteria	Behaviours to Instil	Issues Impacting Outcomes
	•	•	•	•



Function	Expected Outcomes	Assessment Criteria	Behaviours to Instil	Issues Impacting Outcomes
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Comment:	
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