

## GOVERNANCE AND STRATEGY: A KEY NEXUS FOR HIGH-PERFORMING COMPANIES

Much of the value we provide clients stems from the fact that we have deep expertise in two areas, strategic planning and governance. That expertise provides an important nexus upon which to build stronger, better performing organizations.

Governance is all about who makes what decisions. It looks at the role of the board of directors, the CEO, the executive staff, and others and asks:

- What decisions does the board make?
- What decisions are made by board committees?
- What's delegated to the CEO?

Knowing the answers to these questions is key to assuring that these various parts of the organization function well together and don't get involved in battles over authority and micro-management.

Strategic planning is all about where we are going as an organization.

- How is the future going to differ from the present?
- How do we need to position ourselves?
- Will our mission be the same or is it changing?
- What should be our goals and priorities in terms of serving our customers or beneficiaries?
- What should be our priorities in terms of developing the staffing and capacity to do our work more effectively?

As anyone who's wrestled with these questions knows, it's a lot easier to answer these questions if everyone understands their roles and their jobs (back to governance). And it's a lot easier for goals and priorities to be set responsibly and effectively if everyone appreciates the value of each other's perspectives.

To give a concrete example, we're helping one of our clients, a public agency, better understand and develop this nexus. In the past, the board did not engage in strategic-level thinking or play an active role in setting the goals. Instead, the CEO and executive team developed a strategic plan and asked the board to ratify it. That resulted in a sense among board members that they aren't doing their jobs effectively. Over the past year, the CEO cited numerous examples of board members micro-managing staff. We see that pattern occur whenever board members don't understand their roles or feel ownership for the strategic goals.

As a result, we've embarked on a process to help this organization align governance and strategic planning. It's critical to the organization's future effectiveness.