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Generic Organization Governance and Operating Framework

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Organization governance occurs through layered leadership



The Board of Directors provides governance and support to the CEO and her/his leadership team.

Board of Directors Meetings		
Members	Frequency	Responsibilities
<p>Internal Members Chairman CEO COO CFO CTO Secretary</p> <p>External Members Investor Senior Advisor Investor Managing Director Seasoned successful past CEO</p> <p>Inside Observers Key functional leaders Key market leaders</p> <p>Outside Observers Banker Investor analysts</p>	<p>Every 2-3 Months and as needed</p>	<ul style="list-style-type: none"> • Hires/Fires the CEO • Reviews and approves annual financial plan, option program, compensation program, and incentive program • Provides a consistent point of accountability for performance against plan and goals • Approves performance goals, compensation, incentives for firm's C-level executives • Reviews performance annually and guides the development of the CEO • Reviews and provides guidance with respect to what the firm and its top executives are doing individually and collectively, how it is going, what they are learning, and what they will do next • Provides guidance with respect to individual and collective executive focus • Reviews resources (people, clients, time, training, connections, money, etc.) needed to achieve plans and takes steps to help the firm meet its needs • Gets clear about what is most important, and ensures that enough attention is being paid to it • Reviews the firm's strategy and key initiatives to be sure they make sense and that they are in synch with what the firm is doing and learning • Provides direct advice and council in all communications and affairs relating to bankers and financiers

Executive Operating Committee meets to set Management Operating Team Meeting agenda

Executive Operating Committee Meetings

Members	Frequency	Topics
CEO (Chair) COO CTO CFO CxO(s)	Bi-Weekly and as needed	<ul style="list-style-type: none"> • Sets and manages the management operating team agenda • Outlines and guides the evolution and adoption of the firm's target vision, culture, strategy, annual plan, policies and core processes • Identifies key areas needing attention and drives to be sure they are addressed • Sets operating priorities • Sets intent and key parameters to guide core processes (e.g., assignments, incentive compensation, goals, performance reviews, promotions, salary reviews, etc.) • Prepares and communicates goals, direction and status to the stakeholders including employees, investors, lenders, clients, and partners • Considers and acts on recommendations from Board of Directors and advisors including investment decisions

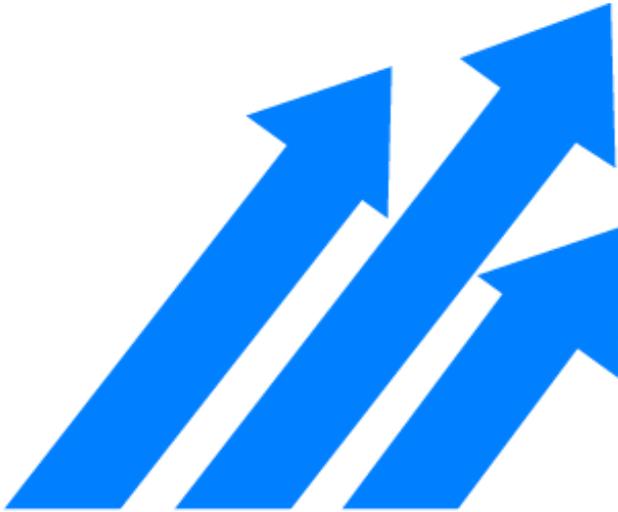
Management Operating Team Meeting updates, reports on, coordinates, and reviews key operating activity and policy matters

Management Operating Team Meeting

Members	Frequency	Topics
<p>Those who lead significant parts of the organization's do/sell/grow functions and markets</p>	<p>2-4-hour monthly; Offsite 1X/year in October</p>	<ul style="list-style-type: none"> • Participates in the leadership of the firm as member of a collective and collaborative whole and not as a representative of a constituency • Studies, analyzes, advances, refines, sets, implements, and achieves company: vision, culture, strategy, operating plans, and policies • Models target culture and communicates important messages • Orchestrates and administers core processes including performance reviews, salary reviews, goal setting, promotions, etc. • Fosters the development of relationships across the company • Identifies cross-company issues and opportunities for improvement • Identifies and advocates potential cross-company synergies • Identifies key areas needing attention and drives to be sure they are addressed • Prioritizes and allocates resources to key opportunities and initiatives • Draws attention to and promotes personnel development, best practices, and important initiatives • Fosters the development of leadership community and its members as individual and collective leaders • Prepares and communicates company goals, direction and status to stakeholders including employees, investors, clients and partners • Oversees: <ul style="list-style-type: none"> ➢ Company-wide Strategic Initiatives ➢ Ad hoc action teams ➢ Communities of Practice

Coordinating success

- No one does anything much alone .
- The best results come through win-win synergy from a few strong players working together towards a common goal.
- The most effective organizations of any size (i.e. 20 to 200,000) have a small group of leaders all pulling hard in the same direction for an extended period.



All of them:

- Seek to accomplish the same thing
- Have immense desire, drive, capacity, and competence
- Complementary skills and compatible orientations
- An instinct and innate drive to work with the others
- Always give all the credit for any success to everyone else in the organization

Organization evolves in accordance with three key principles

There Is No One Right Organization

The organization that will work is the one a group decides to make work, after much study and debate, despite its flaws. It is easy to make any organization fail. It is harder to make one work. The group that bands together to design its own future and that then signs up to make it work every day in the field of play is the one that is most on track to success.

Organizations Change Slowly

It is often better to make small moves than to make wholesale changes. Organization change is hard on people. It helps to go slow, and to keep everyone clear about what is going on, why it is going on, and what is needed from them to succeed.

No Organization Is Forever

Each organization is just one step along the way to the next. When an organization is put in place, it is a good time to also think about what might be next because it won't be long before adjustments will be needed to stay on track to success.

Thank you.

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