

Keeping your governance alive & kicking

Ewan Hall
30th October 2024



Agenda

- Interactive activity
- Presentation covering:
 - ✓ Why review governance
 - ✓ Common Triggers
 - ✓ Key questions
 - ✓ Review scope (governance, reward & employee participation / ownership culture)
- Followed by Q&A

Activity

(10 minutes)

With the person next to you share whether you feel:

- the governance within your organisation is working well
- the governance in your organisation is well understood by everyone

Agree on one question you would most like the answers to from today's workshop



Why review governance?

- Initial structures are often the product of guesswork (even if educated guesses) as to what will work for the future – did you get that right?
- Initial structures often reflect the need to protect an exiting owner for a period that usually comes to an end
- Successful organisations usually need to change from time to time
- It's good practice

Common triggers

- Founder(s) stepping away
- Founder debt repayment period has ended
- Lack of real oversight of the board / management
- Decision making has become cumbersome
- Employees' / owners' skills and understanding have developed so that they approach ownership differently
- Employees not engaged
- Legal changes

Key questions to ask

- What are the objectives of your model?
- How will you measure success? On a day-to-day basis? On a year-to-year basis? In extremis?
- Who does (and who should) have the power to change / contribute to change in the model?
- Do you have the information to be able to make informed decisions?

Note: to be resilient, structures should not be reliant on particular individuals.

The Review Scope

- Governance
- Reward
- Employee participation / ownership culture



Governance

- Decision making
- Accountability
- Information



Reward

- Who are you trying to reward?
- What behaviours / outcomes are you trying to encourage / reward?
- Profit share vs capital growth

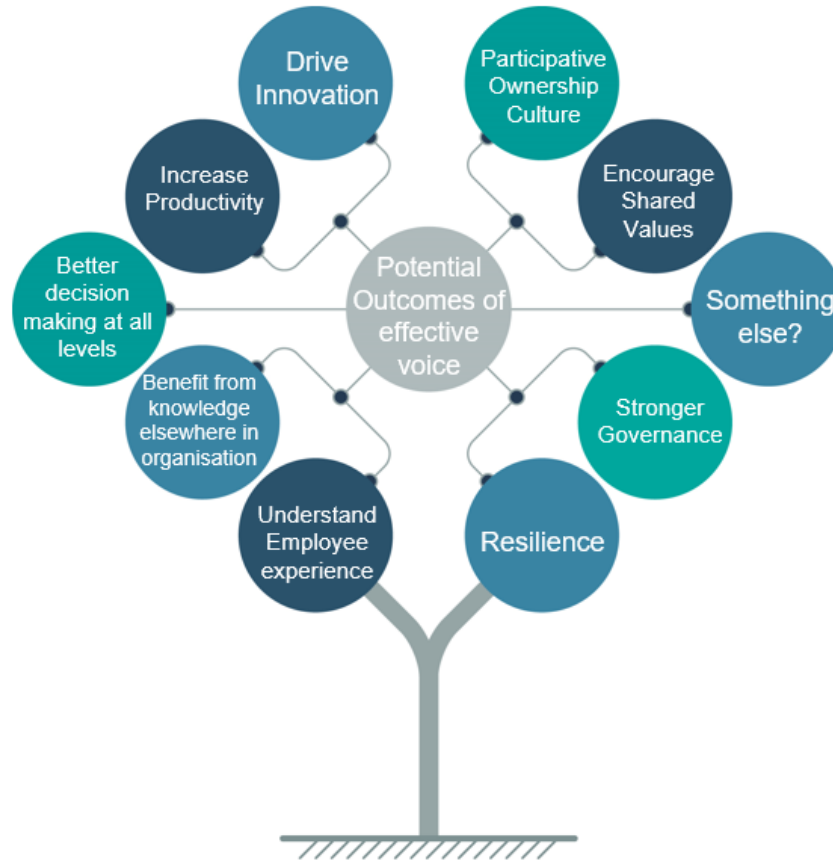
Note: be aware of tax implications, but don't let the tax tail wag the dog



Employee participation / ownership culture

- Communication
- Voice / opportunity to participate in decision making
- Values

Benefits of employee participation



- Inform?
- Consult?
- Consent?

- Re-invigorate?
- Re-purpose?
- Re-invent?

Question Time

co+operative
development
scotland

BAXENDALE

Employee Ownership



Key Takeaways

co+operative
development
scotland

BAXENDALE

Employee Ownership



Key Takeaways

- Understand your objectives
- Know what success would look like
- Involve the right people
- Seek good advice
- In partnership with the eoa, we deliver the “How to futureproof your EO Business: Reward and Governance eo Learn course, the next cohort starts 23rd January 2025