



عقيدة
الحوكمة

GOVERNANCE
CREED

CASE STUDIES

PRIVATE INVESTMENT FIRM SUBSIDIARY GOVERNANCE FRAMEWORK

A MIDDLE EAST PRIVATE INVESTMENT FIRM REQUIRING A SUBSIDIARY GOVERNANCE FRAMEWORK FOR ITS INVESTMENTS.

THE CHALLENGE

A relatively young but successful Investment Firm had built up a global portfolio of corporate investments, holding both minority and majority shareholding positions, in both venture capital and private equity size positions. Their challenge was to design and implement a subsidiary governance framework to generate a higher return on investments without stifling entrepreneurship in their investment subsidiaries.

THE SOLUTION

Governance Creed helped design and implement a subsidiary governance framework capable of adapting to investment sizes from VC to pre-IPO. Business planning and budgeting processes, clear authority matrices, roles of subsidiary boards and management committees, group reporting requirements and a group wide repository of governance policies, procedures and governance guides were created and rolled-out to investment subsidiaries. For larger investments, this included designing the subsidiary Boards and their skill sets requirements.

THE BENEFITS

The clarity generated with a clear subsidiary governance framework has helped resolve “who does what at what level” and has allowed the holding Investment Firm to obtain better oversight on its current portfolio and expand its investments without compounding governance complexities.



STATE OWNED ENTERPRISE DISCREET BOARD ASSESSMENT

A STATE-OWNED ENTERPRISE IN THE MIDDLE EAST REQUIRED A DISCREET BOARD ASSESSMENT TO IDENTIFY AND IMPLEMENT SUBSTANTIAL IMPROVEMENT OPPORTUNITIES FOR ITSELF, WITHOUT PUBLIC EXPOSURE.

THE CHALLENGE

The Board of a state-owned enterprise wanted to substantially improve its governance oversight so as to better contribute towards the creation of long term sustainable shareholder value. The approach needed to ensure the contribution and buy-in of all Board Members to the majority of recommendations and all recommendations needed to be practical and implementable. entrepreneurship in their investment subsidiaries.

THE SOLUTION

Governance Creed used its BoardRoom Advance Diagnostic Tool to carry out a collective quantitative diagnostic of the Board and followed this with confidential individual one-to-one Board Member discussions. The method ensures the anonymity of individual Board Member contributions whilst the Board benefited from the collective input of all.

The diagnostic and Board interviews led to the clear identification of numerous challenges including:

- Board packs were too large, contained unnecessary details and distracted from the real issues.
- Whilst the Board had Board Committees, all Committee discussions were entirely repeated at the Board level, creating time inefficiencies and frustrations.
- The Board considered it spent a lot of time on firefighting and not enough time on Strategy.
- The Board felt that there was a lack of alignment between its skills and the skills needed to develop and supervise the implementation of the organisation's strategy for the next 3 years.
- The Board lacked a strong relationship with the Executive and felt that they may be perceived as "an ivory tower"

THE BENEFITS

Over the next 6 months the Board implemented a series of practical recommendations, each targeting one of the numerous challenges identified, and witnessed a direct improvement in its performance. Clarified delegations of authority, Board strategy retreats and numerous other recommendations were implemented.

PUBLICLY LISTED COMPANY (PLC) STRUCTURED BOARD ROTATION

A PUBLICLY LISTED COMPANY (PLC) IN THE MIDDLE EAST NEEDS A STRUCTURED APPROACH TO APPOINTING THE RIGHT SKILLS TO THE PROPOSED BOARD FOR ELECTION AT THE NEXT ANNUAL GENERAL MEETING (AGM) OF SHAREHOLDERS.

THE CHALLENGE

The Chairman of the Board, with the active support of the Chairman of the Governance and Nominations Committee, require a structured board rotation process to ensure that the newly appointed Board comprises the right skills for the next 3 years and that current Board Members who may leave the Board can do so without any loss of face.

THE SOLUTION

Governance Creed adopted a structured Board Rotation process, comparing the organisation to its “best in class” industry leaders and mapped out the required skills the Board would need over the next 3 years. A skills gap was subsequently carried out with the profile of new Board Members’ skills being identified and document. Excess or redundant skills were collectively recognised in return for the new skills required.

THE BENEFITS

The Board was able to propose a Board for election at the next AGM that not only met all the local requirements (governance rules, laws and regulations) but was also comprised of the right industry skills set and experience to support the organisation in the implementation of its new strategy over the next 3 years. With a culturally cautious and sensitive approach, departing Board Members suffered no loss of face and remained active supporters of the organisation.



MIDDLE EAST FAMILY CONGLOMERATE GOVERNANCE RESTRUCTURING

DUE TO THE RECENT AND RAPID CHANGE IN ECONOMIC CLIMATE ACROSS THE GCC, A FAMILY CONGLOMERATE IN THE REGION RECOGNISES THE NEED TO RESTRUCTURE ITS GOVERNANCE.

THE CHALLENGE

The recent drop in oil prices has impacted the top line revenues of a large Family Conglomerate in the GCC. The drop-in revenue has been further exasperated by the Group's historical operational inefficiencies and the arrival of international competition, due to the recent drop in both legal and cultural barriers to entry. The Family now realises that a "do nothing" approach will only degrade the situation further.

THE SOLUTION

Governance Creed has supported the Family in developing a clear objective, concise road map and a restructuring approach to the Group's Governance requirements so as to survive the new market pressures. The Road Map has highlighted the core businesses for retention and strengthening and has identified all loss leaders for swift closure. The creation of a Family Holding Structure (so as to resolve inheritance challenges) and a Family Holding Board (so as to develop investment strategies and oversee performance) have help resolve most Family Governance questions. The creation of industry and sector specific Boards of Directors, staffed with industry experienced, independent and professional Board Members has led to the development of new strategies for the Groups business sectors. The recruitment of non-family and industry experienced Chief Executives to each of the major business sectors has allowed clear KPIs to be established.

THE BENEFITS

The buy-in of all Family members to the restructuring approach and a clear road map forward has allowed the alignment of individual Family members and a common objective and approach to be adopted. The implementation of the new experienced Boards has led to the development of new Strategies. Other benefits are ongoing or in development at this time.

