

Governance Decision Making Guide

This document should be used to determine who does what in an organization. Go through the points below and determine what level of the organization should be dealing with or making those decisions. I have separated the sections out to what a few organizations I work with have chosen as breaks between management levels. They are simply recommendations. The right answer for you is whatever you decide... and stick with it!

KEY DECISIONS AND RESPONSIBILITIES

- (Typical Ownership Board of Directors)
- Governance – Deciding on and approving governance.
- Member approval – who is in.
- Share Governance – how shares work, pricing, etc.
- Board level compensation (distributions and comp agreements for owners)
- Executive Board Member Assignment

(Typical Executive Level Board of Directors if different than ownership board)

- Business Plan Approval
- Executive Team Member Performance Management
- Executive Team Member hire/termination
- Budget Review
- Financial Decision Making (above a certain amount)
- Brand Direction
- Clarify Profit goals
- Revenue goals
- Budget Approval
- Balance Sheet Decisions
- Charity contributions

(Typical Executive Team – President, Ops, Sales Mgr, Finance, etc)

- Plan development, submission to Executive Board for approval, and execution
- Daily business activities
- Financial decision making below a certain amount
- Brand Execution
- Operational decisions
- Sales Process design and delivery
- Hiring and firing of employees
- Compensation of employees
- Upward communication items
- Work flow process and procedures
- HR decisions
- Employee discipline
- Marketing and sales decisions

To get assistance on making these decisions, please consult with your InCite Performance Group Advisor.

Guide to Executive team set up from a Board of Directors that are employees/owners;

- Set up of committee starts with clarification of the leadership positions on this Executive Team. CEO? President? COO? CSO? Or whatever.
- Determine performance expectations (detailed outcomes) expected of these positions.
- Get nominations or suggested candidates for each position based on skill sets required.
- Make decisions to put them in place and give them the clear expectations.
- Determine (as a Board) what framework of decision making they can make. Dollar amounts? Anything pre-determined in the plan that a board approves? Budgets?
- These members put plans together for the board to approve.
- They have freedom to execute those plans.
- Quarterly monitoring of performance (can be monthly). They get measured against the expectations.
- Board has authority to remove anyone from those positions if they are not meeting the desired results.
- Annual review of performance and individuals receive bonuses for good results and could be removed for poor results.