

Fall 2004

Volume: 2004, Issue 8



Special Interest Articles:

Farewell Howard 2
BoardWords 3
An Award 3
IPGA Initiatives 6

Regular Features

Headline News 1

From the General Editor 2

An Analogy That Communicates 4

Hot Tip 5

From the CEO 7

PG on the Web, in the Press and in Print 8

New Members 8

General Editor:

Caroline Oliver
(905) 337 9412
coliver@policygovernan



International Policy Governance Association
Susan Mogensen, CEO
(613) 833-3644

info@policygovernanceassociation.org

Look out for our Winter Issue
December, 2004

Governing Excellence

The Voice of the International Policy Governance Association

News Headlines

(613) 833-2766 or by e-mail at info@policygovernanceassociation.org.

CHICAGO, CHICAGO!

If you weren't there, you really missed out. To see more about what went on at IPGA's first international users' conference see our website (just click on the conference logo). You won't want to miss out in 2005!



From left to right: Susan Mogensen, John Carver, Caroline Oliver, Linda Stier, Mike Conduff, Howard Stier, Jan Maas

ARIZONA, ARIZONA!

It's Sunny Arizona in 2005!

The next IPGA conference will be held at the Doubletree Paradise Valley Resort in Scottsdale, Arizona, on June 2-4, 2005. New for the 2005 are pre-conference workshops, a golf tournament, an awards banquet, an even more affordable room rate, and much more! To find out how your board can obtain free meeting space just before or after the conference, contact Susan Mogensen at

IPGA HAS A NEW CEO

IPGA has a new CEO. The IPGA Board has announced the appointment of Susan Mogensen to replace outgoing CEO Howard Stier as from the end of June 2004. See page 2 for Howard's farewell.

BOARD MEMBER ELECTIONS

Welcome to new board member Susan Rogers and returning board members Bill Charney, Jan Moore and Jim Weigel and a fond farewell to founding board member Linda Stier. Linda and her husband Howard Stier have been core creators of IPGA from the very first moment of its conception. Linda has also played the role of Board Secretary for the past two years. For more about new board member Susan Rogers, you can visit her website at <http://www.rogersleadership.ca/>

NEW LOOK NEWSLETTER

Never ones to rest on our laurels, IPGA is upgrading, revamping and generally improving its newsletter. So, now's your chance. Tell us what works and doesn't work about the newsletter now, tell us how it could do more. All feedback, ideas and suggestions should be sent to: coliver@policygovernanceassociation.org

The 19th century laid the foundations for the modern corporation, while the 20th century can be viewed as the century of management. According to Tricker, "The new century promises to become the era of corporate governance, as the focus swings to the way power over corporate entities is wielded, made effective and legitimised."

From 'Tribute to Bob Tricker', at CorpGov.Net

<http://www.corpgov.net/forums/commentary/TributeToBobTricker.html>



From the General Editor – Howard Stier

Our debt to Howard Stier who “stepped up to the plate” when we needed him is huge. By doing so he has got us further and faster towards our Ends than we could ever have travelled otherwise.

Leadership comes in all shapes and sizes and Howard’s comes quietly, modestly and generously.

Of course, for all the talk below of farewells and departures, Howard will always be an important part

of the fabric of IPGA and for that we are much the richer.

Thank you Howard
from us all

Farewell from Howard

Departing Is Rewarding

June 30 was my last day as CEO of the IPGA. Departing has been both sweet and freeing, and I am very optimistic about the future of IPGA. I leave knowing a solid foundation exists for IPGA to move strongly into the future. I also leave knowing IPGA has the leadership and energy at the CEO and board levels to take the next steps to effectively create this future.

I also leave with many fond memories and a new freedom to pursue personal goals. My wife Linda and I have already begun to move forward on business ideas we have long discussed, ideas that will have us working locally with government and corporate leaders, bringing the possibility of owner accountability to the state and local levels where we anticipate success will spill over and influence the governing styles of many other associated organizations. Linda and I are excited!

I leave with memories of past conversations and rewarding experiences that span from the original germination of the idea for a Think Tank which then spawned the formation of the Association which in turn led to IPGA’s first international conference in June of this year. That Friday evening long ago, we had wild dreams and planted a seed. We have learned that dreams, no matter how big, can come true – stay tuned, stay involved.

Lastly and most importantly, I leave with the honor and privilege to have been associated with such a wonderful group of dedicated, talented, skilled and generous people – IPGA’s members. People willing to give of themselves to make something happen. These experiences are priceless and will always remain with me.

These are the lasting memories I am taking with me. Memories I will always be able to access and fondly recall as new leadership takes IPGA to new levels, continually making a difference worldwide.

To IPGA’s members, thank you for who you are and for all your support. I wish you all the best of success in all that you do.

Howard

Board Words

IPGA's board has committed itself to a new ownership linkage drive over the forthcoming year, including a personal dialogue with every IPGA member. We are also educating ourselves by interviewing other similar but longer-lived organizations to see what we can learn from their experience. We're here for you - get in touch any time!

| | | | |
|-----------------|------------------------|--|---------------|
| Chair: | Caroline Oliver | Phone: 905-337-9412 Email: coliver@policygovernanceassociation.org | (Canada) |
| Members: | Jannice Moore | Phone: 780-465-4581 Email: jannicemoore@cs.com | (Canada) |
| | Bill Charney | Phone: 303-321-3190 Email: bill@bcharney.com | (USA) |
| | Mike Conduff | Phone: 940-382-3945 Email: Mike.Conduff@charter.net | (USA) |
| | Jan Maas | Phone: 31-348-443-183 Email: maasgovernance@nl.proximedia.com | (Netherlands) |
| | Jim Weigel | Phone: 303-356-7948 Email: jjweigelsprint@earthlink.net | (USA) |
| | Susan Rogers | Phone: 204-284-3388 Email: susanerogers@shaw.ca | (Canada) |

The Conference Board of Canada / Spencer Stuart 2005 National Awards in Governance

The Conference Board of Canada and Spencer Stuart, founding partner of the National Awards in Governance, are seeking entries of boards of directors that have demonstrated excellence in governance and have implemented successful innovations in their governance practices.

We are looking for examples of innovations in governance that:

- demonstrate enhanced governance practices (improvement)
- have yielded tangible results for their organization (measurable)
- can be applied by other organizations to good effect (transferable)

Their goal is to enhance governance practices in Canadian organizations by raising the profile of active and innovative boards and showcasing their accomplishments.

You are invited to share what your organization has implemented in the area of excellence in governance.

In addition to one overall award for innovation in governance, sector-specific awards in each of the public, private and not-for-profit sectors will be presented at a black-tie awards dinner to be held at the Four Seasons Hotel in Toronto on January 26, 2005.

The award-winning organizations will receive wide recognition from their National Award in Governance and will have the opportunity to present their innovations at the 2005 Corporate Governance Conference at the same location on January 27, 2005. Entries must be received by **October 15, 2004**.

ANALOGIES THAT COMMUNICATE

The Swimming Pool

By Phil Graybeal



When boards write policy within the Policy Governance® framework to limit executive action, they should say all they *must* not all they *can*; and what they must say should be expressed from the outside in—in other words, from the broadest expression of value toward the more narrow expression of value—only going as far as their values compel them to go.

This Carver principle of policy writing can be illustrated by asking listeners to picture a swimming pool; then ask, “Where do boards typically enter the pool of policy making?” Usually they will say either the shallow end or the deep end, but the more accurate answer is that **boards tend to enter the pool of policy making wherever they are pushed.**

Often a consumer of the organization will begin a call to a board member with the all-too-familiar question, “You are still on the board aren’t you?” followed by a request that something be done on his or her behalf. The consumer wants the board member to take action for his or her benefit regardless of whether the issue is a *deep* one or a *shallow* one.

When a board fails to write policy from the outside in and just starts writing policy wherever it was pushed, it generally finds itself with a two-handed policy manual of operational procedures rather than a two-finger policy manual of well-crafted governance policies.

The board should discipline itself to always enter the pool at the deepest end—the broadest expression of value to be offered—and walk only as far as its values compel it to go toward the shallow end of the pool. Once the board has reached the point that it satisfies itself that it has said all it wants to say and it is in fact willing to be content with any reasonable CEO interpretation of its words, then it puts a policy rope across the pool to clearly mark the spot. **Anything on the shallow side of the rope is “free swimming” for the CEO.**

In the free-swimming area the CEO may use any reasonable interpretation of what the board said to get the job done. It behooves the board, however, to stay on its side of the rope. Too often individual board members act like hammerhead sharks by swimming under the rope and beating the CEO in the head with the hammer of “how I would have done it differently.” In reality, it doesn’t matter if the activity or duty could have been done differently, but whether or not the CEO action was reasonable in light of board policy. It should also be pointed out that the CEO could dilute appropriate accountability if he or she holds the rope up in the air and invites board members to swim under in the guise of “advising.”

Define and observe the policy rope and everyone has more fun swimming.

Phil can be contacted at phil@graybeal.org or www.graybeal.org

Hot Tip!!

Success is in the Details by Stacy Sjogren



After stretching the minds of board members with abstract concepts such as moral ownership, policy quadrants and prescription versus proscription, comes the humble task of deciding how to organize and manage board policy binders. While preparing for a joint consulting project with Dick Biery, Stacy Sjogren discovered some different assumptions and approaches to this seemingly simple issue.

Dr. Biery, with experience stemming from larger organizations, assumes those organizations will provide and maintain copies of policies and by-laws for each board member and make sets available at board meetings. I, from my experience with decidedly smaller nonprofit organizations, typically assume that individual members will be responsible for maintaining their binder and making sure it travels with them to board meetings. Once I stepped back from this seemingly petty detail, I could see that one approach emphasized the importance of accuracy and availability while the other approach emphasized personal responsibility. Which was the “right” approach, we questioned? In search of broader input, we agreed to pose the question to other consultants:

The feedback to our question threw up some interesting general comments and techniques. “The product and process must fit the culture”, said one consultant, making the point that the culture of some organizations can create the expectation that board documents be formally packaged and provided at board meetings. For other organizations, there can also be a demand for this service simply because traveling with a bulky binder is a nuisance! “It is for the board to decide how best to manage their governance material”, said another.

Encouraging boards to make their own thoughtful decision on how best to manage their governance materials is what this article ultimately offers for the reader’s consideration. In some cases, making this decision may be the first step a board takes in being responsible for itself! What are the group’s values about accuracy, constant availability, portability, and personal responsibility? The discussion fits into several policy areas including Board Members’ Code of Conduct (*Members will be properly prepared for board deliberation*), Communication and Support to the Board (*to the extent that the board is delegating the preparation of board binders to the CEO*) and the Role of Board Officers (*the Chair’s role to the extent the board is explicitly having the Chair be responsible or leaving it to the Chair’s reasonable interpretation, and the Board Secretary’s role if such exists*).

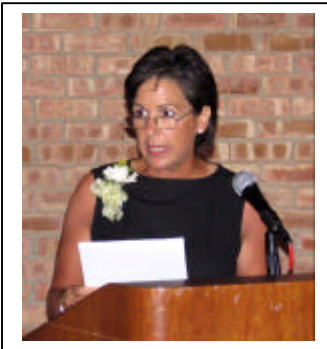
The following are techniques I gleaned from my conversations with other consultants:

- *Create binders with tabs marked for all aspects of governing responsibilities such as minutes, by-laws, policies, monitoring reports, ends development/owner linkage, committee or additional responsibilities and board training.*
- *Board members manage their own binders but occasionally turning them over to staff to be updated.*
- *Build in a 5-minute “manual update” time at the board meeting to accommodate members placing new material in their binders.*
- *Copy policies relevant to discussion and including them in the meeting packet.*
- *When members are responsible for maintaining their own policy copies, have the secretary label revised policies with “Please replace these policies in your manual.”*
- *Pre-punch materials so members can easily insert them into their binders.*
- *Schedule an annual “clean up your binder” session prior to a board meeting.*

The systems that boards put in place to support their work must speak to their own unique values and circumstances. With this in mind, a wise consultant will view this seemingly humble task as a necessary and thoughtful decision the board itself must make as it truly assumes the responsibilities of governance. After all, success is in the details.

You can contact Stacy at: ssjogren@astound.net or www.stacysjogren.co

MORE CHICAGO PICS!!



GET IN AT THE STARTof something BIG!!

Interested in Helping IPGA to Achieve its Ends?

You are invited to participate in the achievement of owner-accountable effective governance through the following initiatives taking place over the next year. Please contact IPGA CEO, Susan Mogensen (info@policygovernanceassociation.org) if you have any ideas, time or resources to contribute to one or more of the exciting projects listed below.

Owner-Accountable Effective Governance Awards Team

It's time to recognize boards that are achieving true governance excellence through their use of Policy Governance. Our goal is to create a series of IPGA awards for owner-accountable, effective governance, with the first set of winners to be announced at an Awards Banquet at the next IPGA conference. The Awards Team will help the CEO to develop a nomination and selection process leading to the awards presentation in June 2005.

Communications and Conversations Team

The truth about what Policy Governance principles are and how they work is not always apparent from what you hear and read in news articles, online and elsewhere. What can IPGA do to create better awareness and understanding of what Policy Governance is, and is not? Share with us your insights on a strategy for communicating and conversing with others about Policy Governance, owner-accountability, and IPGA.

Political and Regulatory Affairs Team
To govern an organization is a substantial enough challenge as it is, without the added level of difficulty created by layers of regulations, standards and legalities that fail to account for the advanced practices of boards using Policy Governance. IPGA must work to shape the opinions of political representatives about the Policy Governance approach and the importance of achieving true owner-accountability. Your ideas, energy, and contacts will all be valuable to IPGA in this effort.

Governance Makeover Project Team
What if a major, for-profit corporation were to undergo an "extreme makeover," governance-style, courtesy of IPGA? Having a major corporate board of directors experience first-hand the value of Policy Governance would create a win-win-win situation for the corporation, IPGA, and the consultants participating in this bold project. Additional mentoring opportunities are also available for anyone who would prefer to take on an assistant / observer / documentation role in this process.

Pictures from Chicago

– from the top:

1. Dr John Carver
2. Miriam Carver
3. Jeremy Booker, VP of Corporate Governance, BP (British Petroleum)
4. John Carver with Jan Maas, IPGA board member from the Netherlands
5. Presentation on behalf of IPGA to John of 'The Policy Circle' an abstract artwork by Lyn Estall from Caroline Oliver, IPGA Chair.

FROM THE CEO

Susan Mogensen writes in her first column as IPGA's CEO

Standing alone, the words “policy” and “governance” are not the most exciting words in the dictionary. They might evoke images of legalese-packed procedure manuals, complex organization charts, and stern people sitting around a board table.

Policy Governance[®], however, is a different story altogether. Those of us who know and understand this unique system for boards, can't help but feel a measure of excitement about the concept. It is not a passion for process that drives us so much as the results that Policy Governance[®] allows real people and organizations to achieve.

Results – imagine that! Many of us who have sat around board tables and worked for boards in our lifetimes know that several heads are not necessarily better than one when it comes to leading organizations. Or it seems that way, at least, when roles aren't

clear, conversations aren't focused, and frustration seems to find its way onto every board meeting agenda (usually somewhere between “Old Business” and “New Business”).

At the same time, we know and believe that the coming together of a diversity of viewpoints and backgrounds is highly valuable, and democratic principles are paramount. If boards are here to stay, then we must enable them to achieve their purpose, and do so in an owner-accountable, effective way.

Here enters the International Policy Governance[®] Association. We sympathize with the intelligent, well-intentioned board members who continually find themselves wading through stacks of administrative reports, staff recommendations and incomprehensible policy and procedure manuals. We empathize with the staff members who cross their fingers and hold their breath every time board approval is required to change the letterhead, to lease a new photocopy machine, or to amend the office hours. We understand the sense of disconnect that owners (moral or otherwise) feel when their organization is not producing the results for which it was created and intended.

And, we know we can help.

Through IPGA's efforts, owner-accountable effective governance no longer needs to be the exception it currently is. While we are a small and young organization now, our impact on the world can

be immensely important and far-reaching. Imagine if skillful use of Policy Governance[®] by boards and organizations around the world was the norm. Again, the exciting part is not so much the widespread use of a particular process, but rather the results achieved, the people fulfilled, and the dreams transformed into reality.

Of course, as IPGA CEO, I cannot achieve IPGA's Ends alone, and sincerely wish to include the ideas and assistance of as many members as possible in the pursuit of owner-accountable effective governance. I am thrilled to take on the challenge of achieving our Ends, and trust that there is no shortage of ways in which members wish to contribute. On page 6, I have outlined a few initiatives I wish to create right away, and invite your help in any way which is feasible and interesting for you to lend. Whether you enjoy brainstorming, thoughtful analysis or “getting down to brass tacks,” I encourage you to let me know if and how you wish to join forces with me and other members – to create results.

Thank you

As a final note, I would like to extend an enormous thank you to Howard Stier for all of the energy, time and wisdom he lent to IPGA since its inception! I felt quite lucky to have had the opportunity to work closely with Howard during the past year-and-a-half on the *Future of Boards* conference project, and look forward to continuing to work with him in other ways in the months and years ahead!

Susan

International Policy Governance Association

1010 Bosque
Crescent
Cumberland,
Ontario
Canada K4C 1C3

PHONE:

(613) 833-3644

E-MAIL:

[info@policygovernance
association.org](mailto:info@policygovernanceassociation.org)

We're on the Web!

See us at:

www.

**policygovernance
association.org**

About The Association

The International Policy Governance Association was launched in June 2001. It is committed to 'Owner-Accountable Effective Governance' and is a 501c3 not-for-profit corporation.

New Members Welcome

New members since the May 2004 newsletter are:

Jane Adams - Sacramento, California
Debbie Bennett, Hillcroft Services, Inc. - Muncie, Indiana
Erv Brinker - Battle Creek, Michigan
Carrie Lou Berry - Dinuba, California
Jane E. Devries - Battle Creek, Michigan
Karen Fryday-Field - London, Ontario

PUT YOUR OAR IN!!

Submissions for Governance Excellence are welcome and should be emailed to coliver@policygovernanceassociation.org
We do not publish REPRINTS because we want to encourage NEW writing.

GIVE IT AWAY!

Feel free to give your fellow board members or clients a copy of this newsletter. You will be helping to spread the word and encouraging more new membership growth.

Remember there are membership categories for all supporters.

PG ON THE WEB, IN THE PRESS, AND IN PRINT

Articles:

"Rethinking Governance: An Operating System for Boards"

by Jannice Moore in *BoardRoom: Practical Guidance for Directors and Officers*, May/June 2004/Vol. 12, No.3. Published by Accountability Research Corporation (Toronto).

"Board Self-Evaluation" by Jannice Moore, *Fairs and Expos*, July 2004. Published by International Association of Fairs and Expositions (Springfield, MO).

"Getting Organized for Governance" by Caroline Oliver, *Canadian Gaming News*, May 2004

On the Web:

Want to see Policy Governance described in Spanish?! Go to: <http://www.austin.isd.tenet.edu/about/policy/boardgov/index.phtml>

Speeches:

Jan Moore reports lots of good questions resulting from her presentation on 'A Model Process for Accountable Corporate Governance' to about 30 people attending the **746th Wilton Park Conference** in the UK in May. Participants came from the UK, the Netherlands, Greece, Turkey, Spain, Hong Kong, Australia, Germany, Ireland, Russia, Nigeria - a mix of senior government advisors, academics, a few business people, and some large NGOs.

John Carver was a Keynote Speaker at the June 11, **14th Annual International Conference of the Greenleaf Center for Servant-Leadership**, Indianapolis

On June 16, John spoke to the **NACD Directors' College** co-sponsored by the University of Georgia, Terry College of Business and to the **Atlanta chapter of the National Institute of Corporate Directors**.

Miriam Carver addressed the **Transforming Local Government Conference on Redefining Excellence in Governance: Strategies For Successful Board**

Engagement. The conference took place June 10-12 in Reno, Nevada

Caroline Oliver has run six workshops in the UK so far this year. Four for the **Kings Fund Board Leadership Programme**: two for National Health Service (NHS) Non-Executives, one for NHS Chairs and one for both together. She has also run a seminar for NHS Chairs and Non-Executives with Complex Systems Associates at **Portland Place** and an open workshop for people from any sector at the **Royal Society of Medicine**. More private and public workshops are scheduled for September, October and November 2004 and January 2005

The first ever **UK Policy Governance Academy** will be presented by John and Miriam Carver in November. For details go to: www.goodtogovern.com

Jan Moore is speaking at **Queen's University Belfast** on September 21. A Governance "Operating System" for a Culture of Accountability at International Colloquium Institute of Governance, Public Policy and Social Research.

The Carvers are currently in the Far East. More news next time.

Carol Gabanna, - Charlottetown, Prince Edwards Island
Bob Hughes – Redmond, Washington
Sherry Jennings - East Olympia, Washington
Tom Kewan, Eau Claire, Wisconsin
Cathie Leimbach - Vermilion, Ohio
Edward Maier - Chicago, Illinois
Richard Miller - Columbia, South Carolina
Glen Peterson - Whittier, California
David Smith, Alberta Pensions Administration Corporation, Edmonton, Alberta
George Suess - Walton, New York
Walter Winshall - Weston, Massachusetts