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BEYOND THE BUZZWORDS - ANSWERING YOUR QUESTIONS ON “GOVERNANCE 2.0.” AND “THE DAY THE BOARD WOKE UP”

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In the past few weeks, two of our recent articles -- GOVERNANCE 2.0: DIGITISED, DYNAMIC, DECISIVE (published on 17 June 2025) and THE DAY THE BOARD WOKE UP: A tale of two Company Secretaries (published on 08 July 2025) - have sparked significant interest and robust discussion among board directors, executives, and governance professionals globally.

While each article approaches governance from a different perspective, they converge on one powerful truth: governance cannot remain a static, compliance exercise in an era of relentless change and heightened stakeholder scrutiny. It must become a living, dynamic, and strategic practice - one that *empowers leadership to act with courage, integrity, and foresight*.

We highlight the most common questions raised, and how each article addresses them, presented side by side to emphasise their distinct perspectives and shared themes.

Note: The digitised governance framework described is developed for mid-tier organisations and upwards (including state-owned companies and large NPOs) and it is not intended for small businesses or startup organisations.

FREQUENTLY ASKED QUESTIONS

GOVERNANCE 2.0: DIGITISED, DYNAMIC, DECISIVE *(Published on 17 June 2025)*

- 1. What exactly is "Governance 2.0"?** Governance 2.0 is the shift from static, compliance-driven processes to a dynamic, real-time, evidence-based approach. It empowers leadership to see and respond to governance realities proactively, aligning oversight directly with strategy and performance.
- 2. Will we need to completely rebuild our governance structures?** No. Governance 2.0 builds on your existing governance foundation. It strengthens current frameworks and processes by providing live and actionable insights.

THE DAY THE BOARD WOKE UP - A tale of two Company Secretaries *(Published on 08 July 2025)*

- 1. Why focus so strongly on the Company Secretary (CS)?** The CS is the central bridge between the board and executive team, supporting compliance, strategy, and oversight. Empowering them with real-time tools elevates them from administrative coordinators to strategic navigators.
- 2. What does it mean for a board to "wake up"?** It means moving beyond passively approving carefully curated reports to actively engaging with real, sometimes uncomfortable governance realities. A progressive board embraces transparency and makes proactive, courageous decisions.

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3. **Does it conflict with national or global governance codes?** No. On the contrary, it reinforces them. Governance 2.0 embodies principles like transparency, accountability, and ethical leadership, moving them from aspirational statements to daily practice.
4. **Is it only for large corporations?** No. While primarily designed for mid-tier and large organisations, Governance 2.0 is about complexity, not size. It is most valuable where governance maturity and stakeholder trust are critical, and where fragmented data can (unintentionally) hide risks.
5. **Will this create extra work for our governance and risk teams?** No. It reduces manual, repetitive work and fragmented reporting. By creating a single, live source of truth, it frees governance teams to focus on strategic oversight and proactive intervention.
6. **Why should we invest in this if there are no immediate penalties for poor governance?** The absence of immediate penalties does not mean the absence of risk. Governance failures can cause severe reputational damage and operational crises, and result in regulatory action. Governance 2.0 is an investment in long-term value, resilience, and trust.
7. **How does a digitised governance framework create value for the organisation and stakeholders?** Good governance is not a cost centre; it is a strategic asset. A digitised governance framework clarifies purpose, strengthens accountability, and aligns performance with stakeholder expectations. It enhances trust, safeguards reputation, and supports sustained value creation. As Peter Drucker wisely said, *"What gets measured gets managed."*
3. **Won't live dashboards invoke more operational involvement by the board?** In the words of Professor Roy Shapiro, the dashboards encourage a *"nose in, hands out"* approach to oversight, enabling boards to move from crisis management to proactive stewardship. Whilst initially, the increased transparency may introduce some wariness between the board and management, over time, it builds trust, strengthens collective decision-making and acts as a mechanism to hold executives accountable - "blind trust" is no longer the norm.
4. **Will this technology replace human judgment?** No. The governance framework provides an evidential foundation for decision-making; human judgment, ethics, and leadership remain essential. Technology supports -- not replaces -- governance integrity.
5. **Does this make traditional board reports obsolete?** Over time, automated reports will erode the need for manual forms of documentation. The governance framework introduces a new dimension of monitoring governance across the organisation which will likely impact the content of traditional reports. Real-time dashboards ensure the board sees unfiltered, current data which it can use to positively challenge or validate information being presented in supplemental board reports.
6. **How does this approach improve stakeholder relationships?** Stakeholders expect transparency and responsiveness. A board that demonstrates awareness of both strengths and vulnerabilities --and shows how gaps are actively being addressed -- earns trust, attracts investment, and reduces regulatory risk and fines.
7. **How does a digitised governance framework clarify board purpose and connect governance to performance?** A digitised governance framework anchors governance in purpose and aligns it directly with strategic and operational performance. Policies, risks, and ethics are visibly linked to purpose and measured outcomes. As Drucker put it, *"What gets measured gets managed."* This approach shifts governance from passive compliance to value-driven leadership.

Combined assurance and integrated oversight

Digitised governance frameworks also strengthen combined assurance by integrating the work of management, risk, compliance, internal audit, and external audit into a unified, real-time view. This integration reduces duplication, clarifies accountability, and empowers the board with comprehensive, aligned oversight.

A shared call to action

Both articles -- *Governance 2.0* and *The Day the Board Woke Up* -- point to the same core message: governance is not a one-off event; it is a **continuous, dynamic process that must align purpose, performance, and assurance**. A strong, digitised governance framework clarifies roles, empowers those charged with governance, and ultimately creates sustainable value.

Closing invitation

If you'd like to explore how a digitised governance framework can strengthen your board, reinforce purpose, and unlock long-term value, reach out to us at info@praefectus.co.za or visit www.praefectus.co.za. We'd be delighted to start the conversation.

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