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THE LINK BETWEEN YOUR GOVERNANCE FRAMEWORK AND STRATEGIC DEXTERITY

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Too many board members only view their organisation's governance framework as a means to assess compliance. The opportunity to leverage the outcomes of governance assessments to drive innovation and strategic change are often missed because organisational leaders do not measure the dexterity of their strategic processes.

It starts with assessing the vision and mission of the organisation and their effectiveness in defining expectations while underpinning the organisation's sense of purpose. Confirming the extent to which these expectations are clearly articulated in the strategic goals is an important next step in driving value creation. Making sure that the right stakeholders engage in the strategy setting processes, identifying risks and opportunities as well as future resource requirements are all part of the process. Of course, assessing continuous alignment between the corporate values and business activities is also fundamental to the realisation of long-term goals.

The challenge for board directors is: *how do you know that the agreed strategy is building the social trust necessary to succeed?* In this complex and turbulent business arena, which is increasingly emphasising sustainable and ethical development, board members must have a much more in-depth view and a measurable understanding of how the vision and the mission of the organisation is being systematically crystalised and what its impact has on the organisation's license to operate.

Governance frameworks have evolved from static organograms to broad narratives about the organisation's governance structures to interactive information systems which have transformed governance. Having access to accurate and reliable information determines response times and the quality of decision-making. Being able to see the "big picture" and to proactively delve into the nuances of any anomalies is strategically invaluable.

Undeniably, the benefits of the Fourth Industrial Revolution's scope and technology systems has already delivered significant changes in consumer behaviour, product development and distribution, as well as improved efficiencies and productivity. However, the unintended consequences of growing inequality, erosion of privacy and the disruption to the labour force cannot be ignored. Indeed, these externalities have the capability of undermining the organisation's strategy. As such, being able to assess cross-functional/departmental understanding and cohesion is critical to identifying areas of risk or opportunities for growth. However, balancing short-term performance with the longer-term value creation is challenging given that diverse stakeholder-groupings want to impose different priorities on the organisation (and therefore the board). Governance responsibilities must consequently provide for routinely reviewing and revising materiality assessments in the context of the business and the environment in which it operates, simplifying the prioritisation of resources.

Against this intricate and demanding backdrop, the governance framework has become a critical tool used to assess (measure) and report on the status of governance across material areas of the business. It is therefore incumbent on the board to ensure that its governance framework makes it easy to:

- Bring structure to governance processes.
- Ensure quantifiable metrics are in place for every material governance process.
- Track governance strengths, weaknesses and improvements over time.
- Identify and address disparities between organisational culture and business processes and models.
- Mobilise resources for innovation and investment.
- Advance stakeholder communication and transparency through consistent and quality reporting and engagement.

Access to the organisation's governance information is essential for board agility. The outputs delivered by the governance framework should give impetus to timely and quality decision-making in times of change or crisis, building organisational resilience and trust.

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