



28 February 2008

# EUROCONFERENCE

Taking your association to the NEXT level!

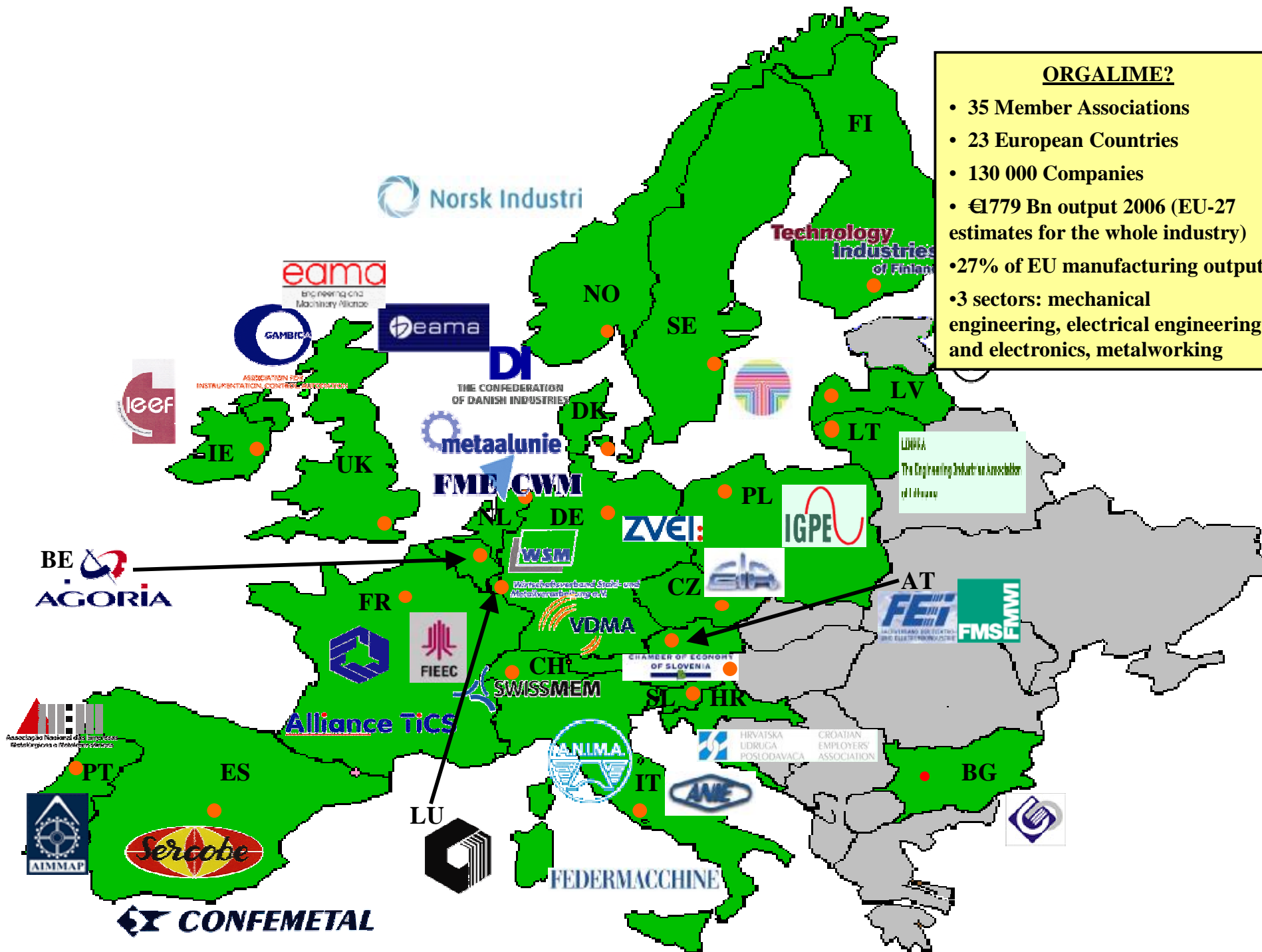
## Good Governance

**Adrian Harris, Orgalime - Secretary General**

**Maria Teresa Scardigli, Kellen Europe**

## ORGALIME?

- 35 Member Associations
- 23 European Countries
- 130 000 Companies
- €779 Bn output 2006 (EU-27 estimates for the whole industry)
- 27% of EU manufacturing output
- 3 sectors: mechanical engineering, electrical engineering and electronics, metalworking





# Why is governance an issue?

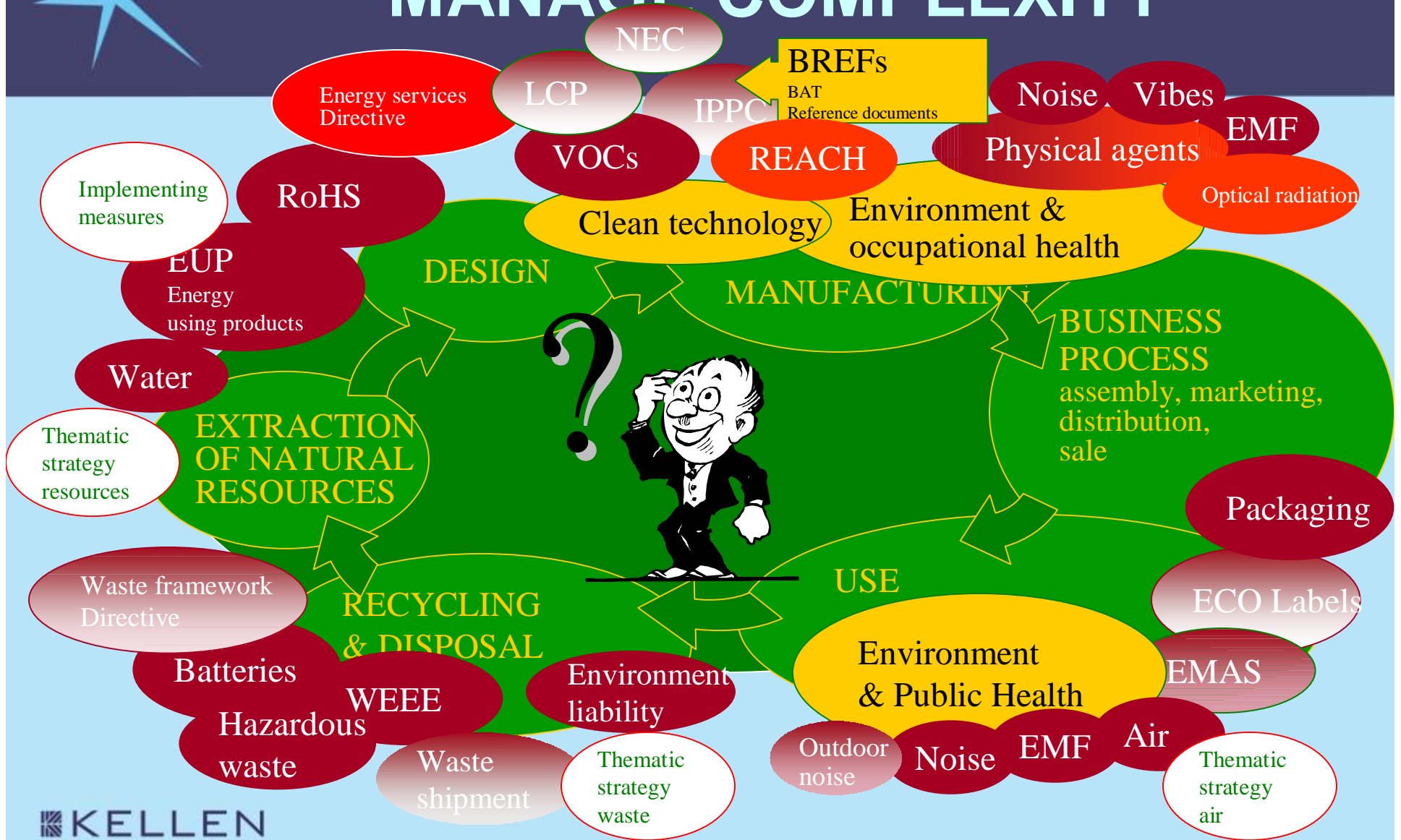
- Increasing expectation of “customers”:
  - members
  - institutions -> soon to be codified
- Difficult to work without it
- Essential for long term development of the association



# Governance in an association?

- “The effective management of relationships with integrity to produce enhanced performance”
- Focus:
  - Structure and processes to create trust with one’s “clients” when managing complex issues
  - Financial transparency and accountability
  - Democracy
  - Respecting the law

# GOVERNANCE .... ESSENTIAL TO MANAGE COMPLEXITY





# Structure

- Determined by Statutes and By-laws:
  - Role and power of governing bodies
  - Decision making processes
- Needs to be clear
- Needs to be as simple as possible
- Needs to be inclusive



# Governing bodies

- Keep Statutes simple:
  - Recent Belgian “simplification” of association laws
  - Legal requirement: Statutes defining scope/goals, membership criteria, General Assembly & Board and their rights and obligations, appointing and dismissing the Secretary General, liquidation of the association, ...
- Use By-laws for the rest



# Processes: Managing the association

- General Assembly – all inclusive
- Who is in the Board? -> manageable size
- Getting the Board on board...
- Setting the policy objectives...
- ...while empowering the Secretariat
- Setting up and dissolving working groups
- Admitting new members
- Clear financial procedures
- Clear definition of the roles of the Secretariat and of the volunteers



# Processes: Managing policies and issues

- Working on issues:
  - consultation processes
  - adopting and lobbying positions
- Permanent working groups versus temporary task forces
- Communication: internal and external



# Finance

- Associations' finances are too often opaque: change is a must – it is a part of overall transparency
- Registering with the institutions
- Have a Treasurer – a Board member
- Get the Board to defend the budget
- Use outside accountants?
- Is there a need for Internal and External Audits?
- Remember legal requirements in Belgium
- Consider Reserve and Investment policies



# Legal issues

- Be very strict on competition issues: a key issue
- Issue compliance notices and have them in your meeting rooms
- Seek legal advice whenever unsure about an issue/procedure
- Keep your Statutes up to date



# Governance issues: warning bells

- Repeated difficulties in decision making process
- Criticism which is not constructive
- Loss of interest of members
- Decreased value-proposition to members
- Repeated discussions about financing
- Difficulty to meet the institutions
- Inability to foresee the future of the association

It is time to rethink governance



# Governance issues: managing change

- In many associations - a continuous process
- Identify the issue(s)
- Communicate the objectives
- Listen to members
- Identify barriers to change -> people
- Get the support of a few change leaders
- Communicate – communicate



# Conclusions

- Associations which work are living entities
- The environment in which they work is changing
- Governance is about adapting to the demands generated by these changes and the expectations of “customers”



## A few points of debate...

- Are your structures and processes clear and known by everybody (staff/members)?
- The role of the Secretariat: managing issues or managing work processes?
- How free is the Secretary General to manage the association?
- How do you engage your members?
- How to ensure members buy in the association's messages/positions?
- Respecting competition laws: an issue?