

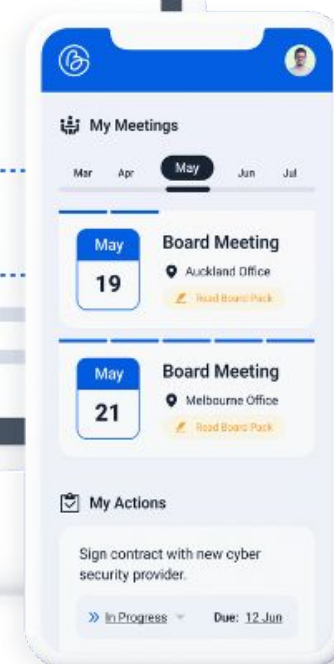
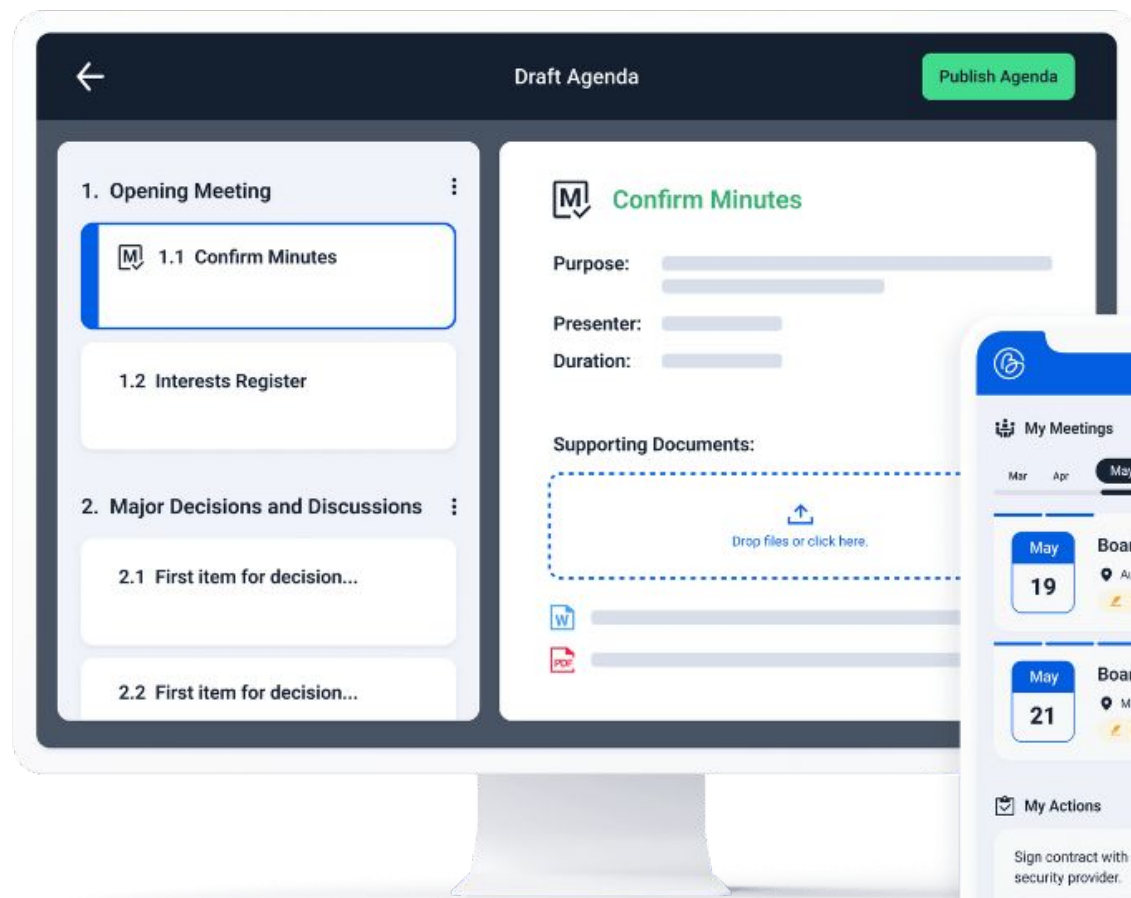


Effective Governance

For startup and early stage companies







**Making the fundamentals of
governance free and
easy to implement**



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The problem



- 01.** Start-up v starting a new business
- 02.** The failure rate of start-ups is high
- 03.** Reasons for failure include:
 - Feasibility of business idea
 - Market demand (bad product / pricing)
 - Funding
 - Capability / people including founder coachability
 - Scalability
 - Sustained competitive advantage
- 04.** Focus on proving the business model and limited resources mean governance often not prioritised

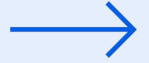


Governance

in the start-up context

01. 'Best fit' not 'best practice' governance
02. 'Best fit' governance entails
 - Clarity of vision, business model and a business plan
 - Regular and accurate performance reporting against the plan (financial, operational and progression)
 - Clarity of risk appetite
 - Risk and compliance management
 - Clarity of roles – who is responsible for what
 - Clarity of authority – who can make what decisions
 - Good communication
03. Takes into account people, process and technology
04. Good record keeping from the outset is critical !





The importance of governance for founders

> Assists with:

01. Culture setting
02. Capability and capacity building
03. Performance monitoring
04. Risk management
05. Decision-making
06. Fund raising



The importance of governance for investors



Different metrics required in the absence of traditional, historical reporting



Focus should be on:

- How learnings are informing the product design and business model
- Progress against the business plan
- Cash flow and operating cash generation



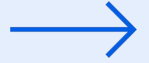
Gives investor confidence regarding risk reduction and product viability





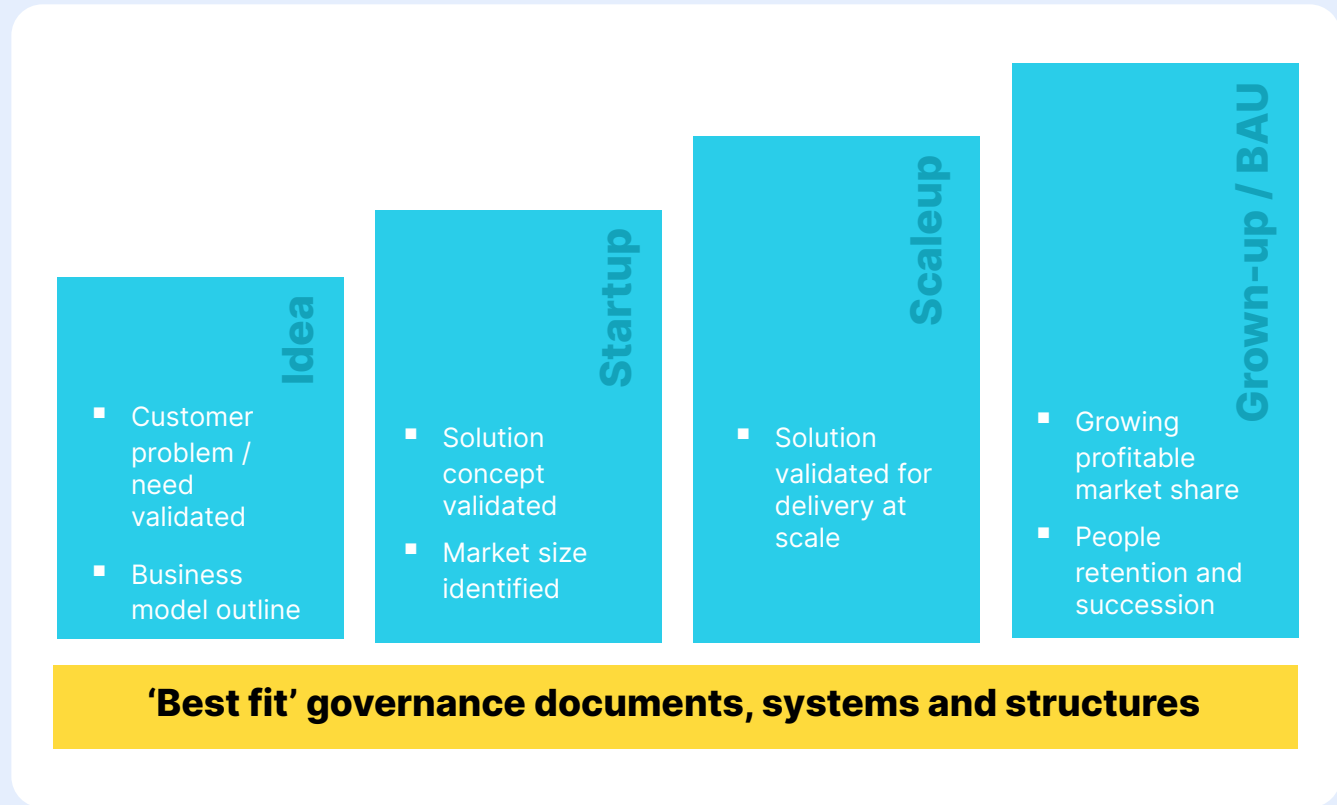
Governance and investor readiness levels

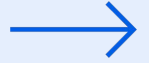
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- 01.** Investors and investees require an approach to the investment which is:
 - Practical and simple
 - Reliable
 - Tailored to growth stages
 - 02.** Gated investment approach with metrics for each stage focused on viability and risk reduction
 - 03.** Standard reporting against these metrics
 - 04.** All enabled by good governance and good record keeping



Investment readiness gates

- 01. Metrics for each stage
- 02. Governance to monitor metrics





Key take-aways

01. Focus for most startups is on idea / business model viability and funding
02. Governance often seen as 'not necessary, red tape, a distraction
03. In reality 'best fit' governance critical to survival



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Webinar Schedule



38. Setting the strategic board agenda **December 8**

39. Effective board administration for early stage companies **February 8**

40. How to get your board on board and engaged **February 16**

41. What is board engagement and how to get more of it! **February 23**

42. Creating effective minutes for your board meeting **March 9**

43. **Ask Me** - Everything Governance **March 16**

44. The importance of a rigorous annual board work plan **March 23**



Thank you

