

PRESENTER



Rosina Hislop
FAICD

Board director and chair

Rosina is an accomplished chair and board director.

Rosina's current board roles include Chair of ECH, director of Jones Radiology and Chair of the Performance and Risk Committee for the Department for Child Protection.

Former board roles include Chair of the Southern Adelaide Local Health Network, Chair of Fertility SA and Chair of Seymour College.

Prior to her career as a professional company director, Rosina was a Partner at Ernst & Young where she was a member of the national Health and Human Services Council.

Rosina is a strategic thinker who is passionate about the role of the board in driving purpose and strategy to create enduring value for organisations, their customers and society.

Today we will cover:

1

What is strategy?

2

What are the links between governance and strategy?

3

The board's role in strategy

4

Why strategic plans fail



What is strategy?

Strategy is a framework within which decisions relating to the organisation and its operations are made.

A strategy should address the question 'why' we do what we do—'outcomes'.

A strategy should have at its centre the creation and preservation of 'value' for key stakeholders.

A strategy should align the use of resources with the owners' expectations.



What is strategy?

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Goalposts



Gameplan

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What is a strategic plan?

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A strategic plan sets out how the business intends to achieve its strategy:



What the business **will** do



What the business **won't** do



Where the business will do it



How the business will do it



Who the business will do it for

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Strategy vs strategic plan



Involvement in planning



Source: Ergo Value Creation Partners Pty Ltd 2003 www.ergovalue.biz

What are the links between strategy and governance?

Care and diligence

Good faith and proper purpose



Fiduciary duty/
conflicts of interest

Performance and compliance

Delegations

Oversight

Solvency



What is the board's role in strategy?

Set the strategic intent

Approval

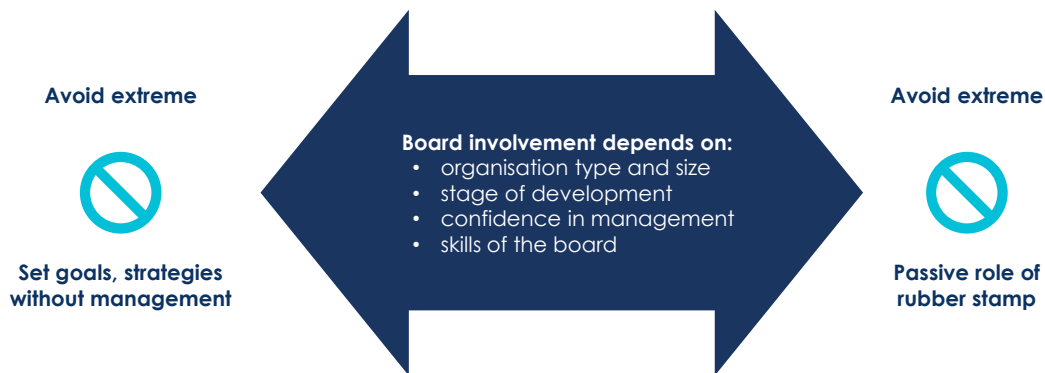
Allocation and use of resources

Oversight of implementation

Review

Involvement in development of strategy?

The role of the board in setting strategy

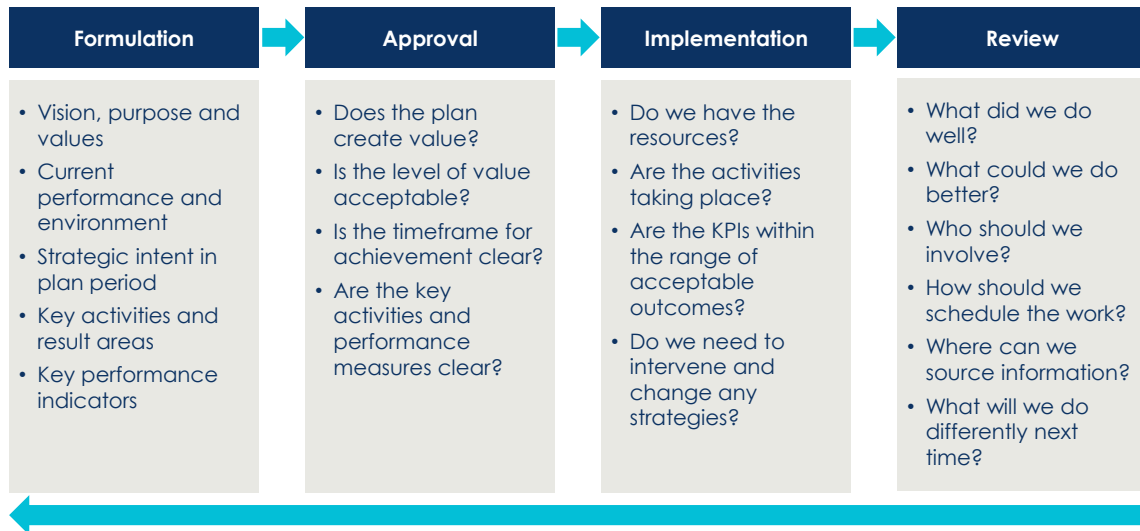


What skills do directors need to bring to strategy?

Insight	Courage
Foresight	Preparedness
Openness	Inquisitive
Challenge	Sceptical
Long term	Collegiate
Informed	Respectful/ ethical
Innovative	Listen



Strategic planning cycle



Confirming vision, purpose and values



Strategic intent

Determine how the organisation will create sustainable value for its stakeholders in line with the vision, purpose and values.



Why do we exist?



Who are our core stakeholders?



What services will we provide?



How will we deliver those services?



Question

How can directors enhance their strategic skills?

Scenario planning— a tool for future thinking

Can help boards to challenge 'assumptions'.

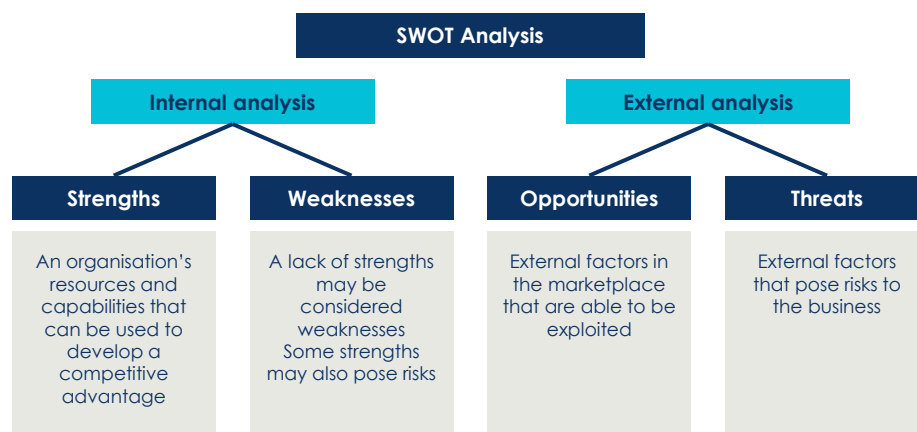
Can assist boards to think about what they 'don't' know.

Can help to focus thinking on the most uncertain and highest impact uncertainties.

Can create a perspective on what the future might look like so that strategies can be developed to address potential outcomes.

Can help to develop viable alternatives for the organisation.

Current performance



Note: a strategic plan will often include a detailed analysis of the competition and marketplace

PESTLEED The macro view

P	Political	External view
E	Economic	
S	Social/ cultural	
T	Technology	
L	Legal	Internal implications
E	Environment	
E	Ethical	
D	Demographic	



Question

What does a strategic
plan look like in
practice?



Example of a strategic plan

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AusEnviroCare Limited Strategic Plan 2021–2024

Vision

A sustainable and safe environment for future Australians

Mission

Leadership in addressing the impacts on the Australian environment from climate change and natural disasters

Values

Integrity Innovation Collaboration Teamwork Passion

Strategic Objectives

Strategic Objective 1

Research Findings

Annually provide compelling research findings that supports the need for urgent climate change action

Strategic Objective 2

Corporate Response

Advocate for all Australian organisations to have policies and actions to address climate change

Strategic Objective 3

Community awareness

Increase awareness of climate change and environmental impacts across all Australians

Strategic Objective 4

Financial sustainability

Establish an investment fund over 10 years that will provide long-term financial sustainability for the organisation

Strategic Objective 5

Leadership

Be recognised as a leader in climate change and natural disaster impact advocacy

Strategic Objective 6

Support

Provide financial assistance for those impacted and/or affected by climate change and natural disasters

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Implementation and monitoring

Vital performance measures

Key performance indicators (KPIs)

Attending to these critical factors
leads to effective monitoring.

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Balanced scorecard



Adapted from Kaplan and Norton. Using the Balanced Scorecard as a Strategic Management System



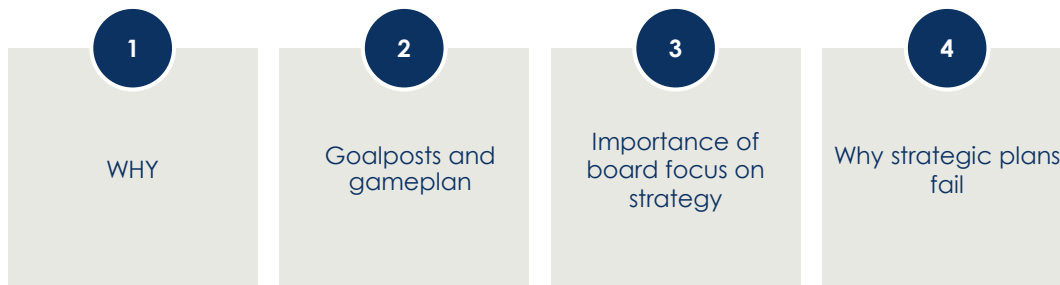
Mitigating failure

The board needs to identify key reasons for failures and have mitigation measures in place.

Mitigating failure table

	Key reasons for failures	Mitigation measures
Idea/ concept development	• Incorrect strategy selection	• Follow rigorous strategy evaluation and selection process
	• Competing value creation agendas	
	• Lack of market relevance	
Planning/ design	• Inappropriate business case	• Develop rigorous business case approval process
	• Inadequate buy-in from executive team	• Involve executive team in strategic planning process
	• Poor decision making	• Have controls in place around decision-making process • Ensure decision makers have access to required information
Execution	• Inadequate hand-off to executive team	• Involve members of executive team in execution
	• Cultural resistance	• Understand current culture, recognise desired/ required culture, develop plan to close gap
	• Insufficient detail in design	• Develop detailed implementation plans
	• Takes too long to deliver results	• Set realistic expectations for result timing

Summary





Resources



Not-for-Profit Resource Centre

AICD—Not-for-Profit Resource Centre

[Find out more](#)



Six Fundamentals of NFP Governance


Six Fundamentals of NFP Governance series

[Find out more](#)

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