


NCE GOVERNANCE

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WHAT I WAS ASKED TO COVER

- Conflicts of interest, especially with business funding of research enterprises
 - Engaging constituencies/stakeholders (e.g. businesses)
 - Who and how to engage
 - How to build a million \$ board
 - Board composition and renewal
 - End user engagement
 - Sustaining/maintaining momentum
 - Relationship between exec and board
 - How that relates to performance
 - Managing growth
 - Interdisciplinarity
 - Scientific directors versus professional directors
 - Good HR practices; communications and marketing
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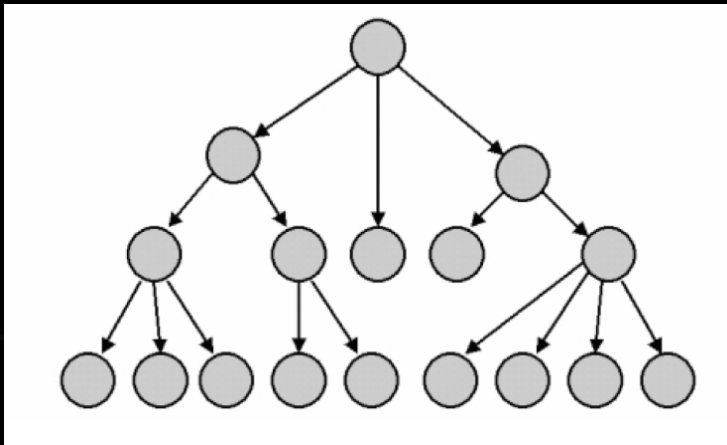
WHAT I WILL COVER

- What is governance?
 - The **challenges** of governing a non-profit networked organization
 - The **strengths** of a non-profit networked organization
 - Five **good governance** practices
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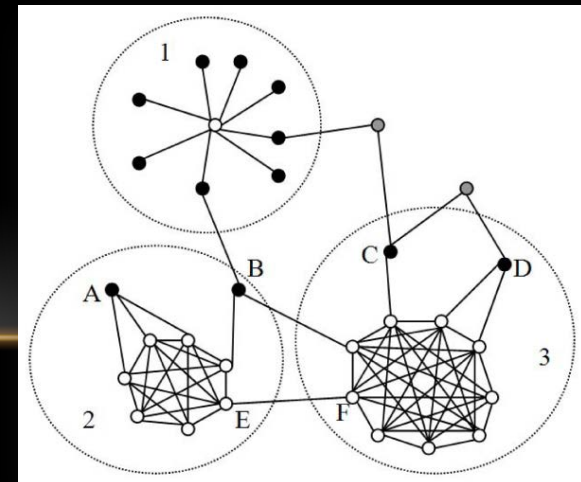
WHAT IS GOVERNANCE?

- Systems of corporate control
 - Board of directors (independence, CEO/Chair duality, diversity, evaluation, succession)
 - CEO compensation (type, amount)
 - Disclosure (transparency, accountability)
 - Organisational structure (roles, reporting relationships)

Typical Hierarchical Organisation



A Networked Organisation



INSTITUTE FOR SUSTAINABLE ENERGY, ENVIRONMENT AND ECONOMY (ISEEE)



**"Scientist calls U of C energy
centre a failure"** (CBC, Jan 28, 2013)

climate researcher David Keith...
accused university officials of
mismanagement and pandering to
private interests (CBC News)

Removed an academic at Enbridge's
request

ENBRIDGE STATEMENT



"Enbridge was not involved in the recruitment process, the appointment, nor changes to leadership roles at the Enbridge Centre for Corporate Sustainability. Any claims to the contrary are categorically false."



THE CENTRE FOR INTERNATIONAL GOVERNANCE INNOVATION (CIGI)



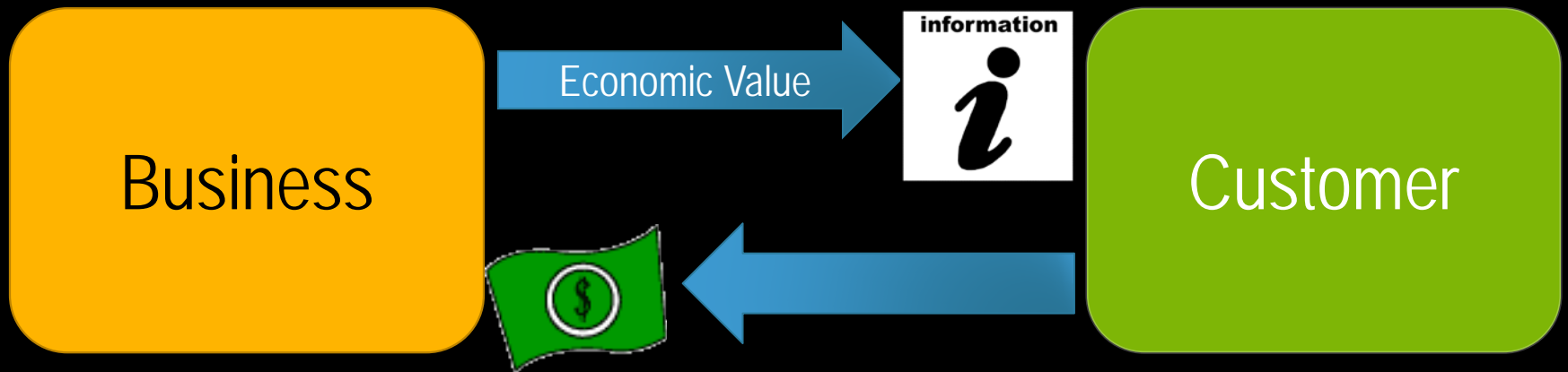
MUNK SCHOOL FOR GLOBAL AFFAIRS



GOVERNANCE CHALLENGES

GOVERNANCE CHALLENGE #1: CONFLICTS OF INTEREST

BUSINESS CREATES ECONOMIC VALUE

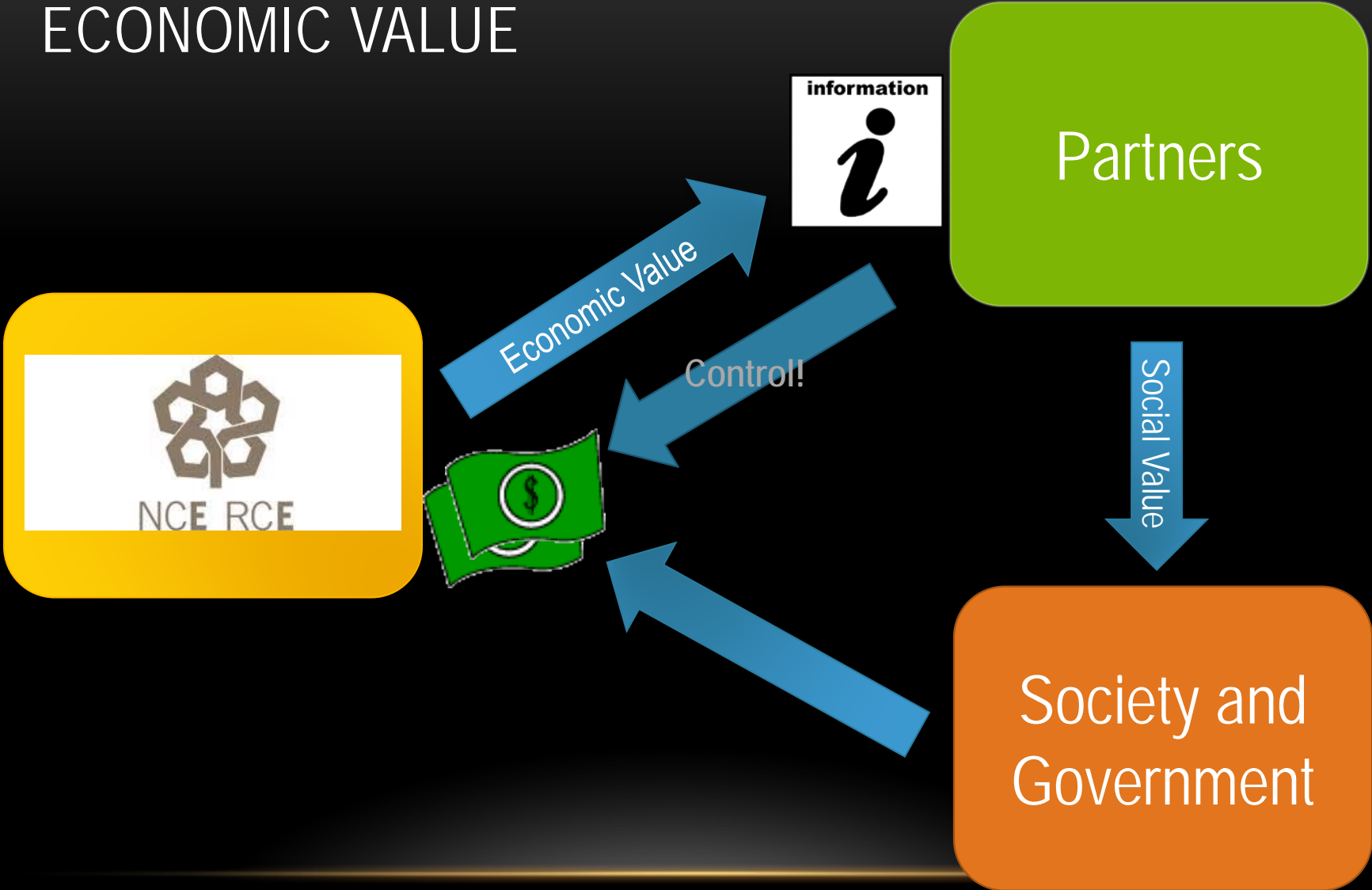


"Focus on the user and all else will follow"

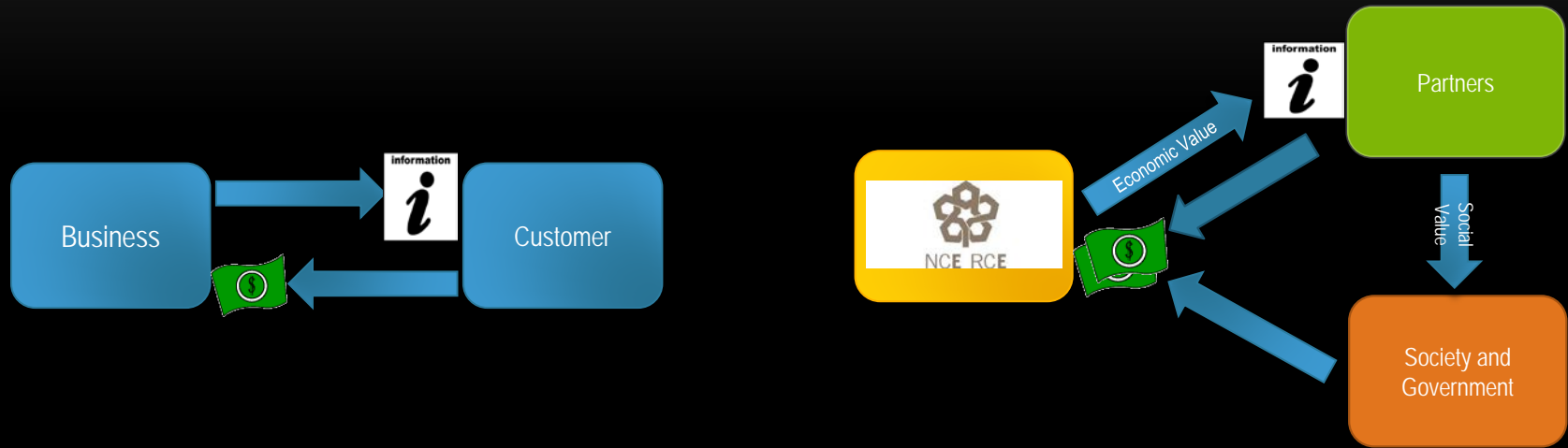
NCE PROGRAMS

... meet Canada's needs to focus a critical mass of **research** resources on **social** and **economic** challenges, **commercialize** and apply more of its homegrown research breakthroughs, increase private-sector R&D, and train highly qualified people.

NCE PROGRAMS CREATE SOCIAL AND ECONOMIC VALUE

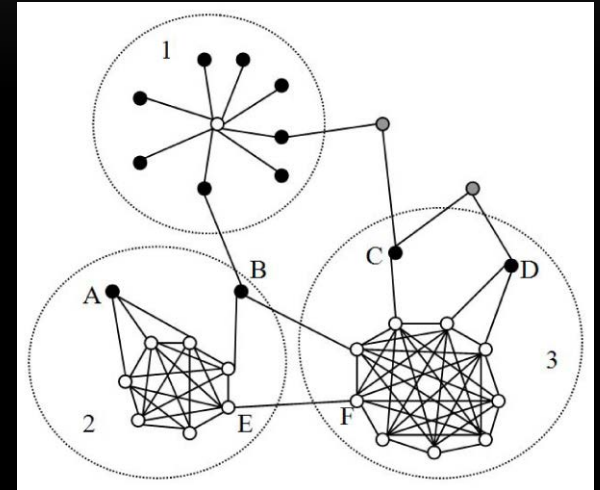
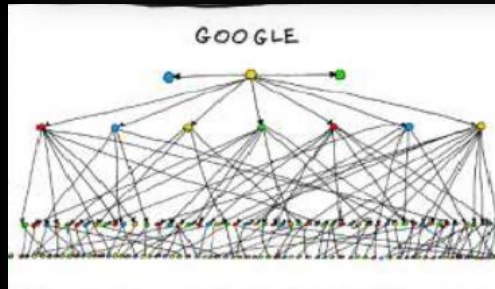
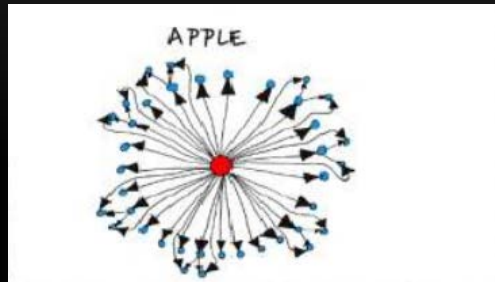


GOVERNANCE CHALLENGE #1: CONFLICTS OF INTEREST



GOVERNANCE CHALLENGE #2: ENGAGING MANY STAKEHOLDERS

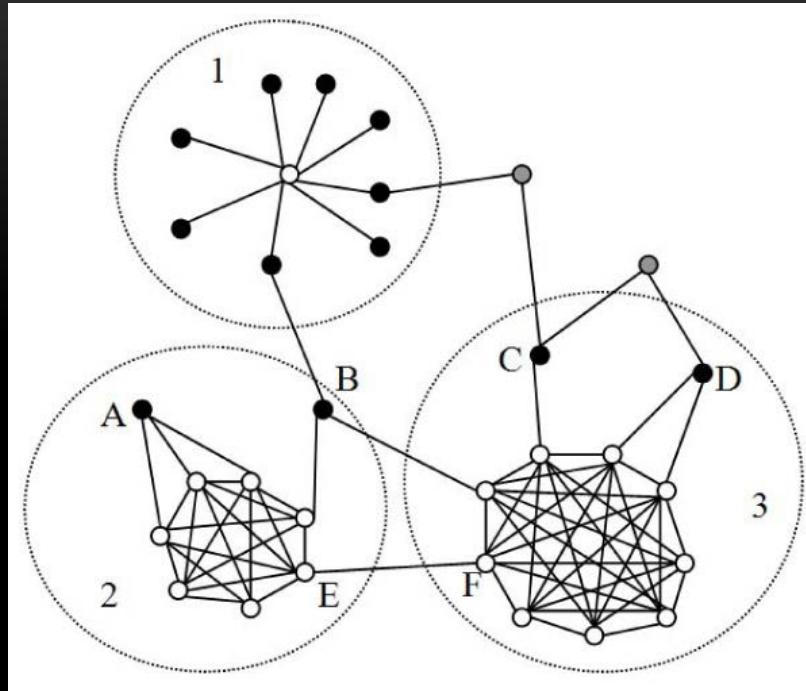
GOVERNANCE CHALLENGE #2: MANAGING COMPLEXITY



GOVERNANCE CHALLENGE #3: ENGAGING KEY STAKEHOLDERS

KEY GOVERNANCE CHALLENGES FOR NON-PROFIT NETWORKED ORGANIZATIONS

1. Conflicts of interest
 2. Managing complexity
 3. Engaging key stakeholders
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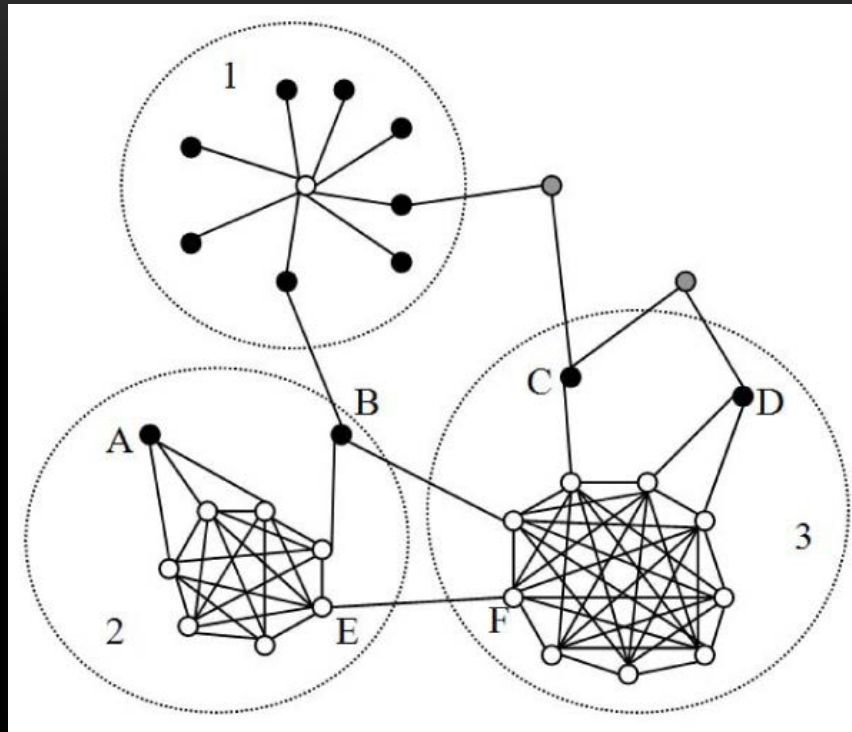
STRENGTHS OF A NON-PROFIT NETWORKED ORGANIZATION

KEY STRENGTH – INNOVATION AND CREATIVITY



KEY STRENGTH: MOBILIZING KNOWLEDGE,
CREATING CHANGE





OVERCOMING THE CHALLENGES

FIVE GOOD GOVERNANCE PRACTICES

1. Provide a clear mission and value proposition – something that others can get behind
 2. Keep a stable core, take risks at the periphery
 3. Modularize to allow for scaling
 4. Embrace diversity, but take the time to build social capital
 5. Manage professionally
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1. PROVIDE A CLEAR MISSION AND VALUE PROPOSITION – SOMETHING THAT OTHERS CAN GET BEHIND

Google's mission is to organize the world's information and make it universally accessible and useful

Apple designs Macs, the best personal computers in the world, along with OS X, iLife, iWork and professional software. Apple leads the digital music revolution with its iPods and iTunes online store. Apple has reinvented the mobile phone with its revolutionary iPhone and App Store, and is defining the future of mobile media and computing devices with iPad.

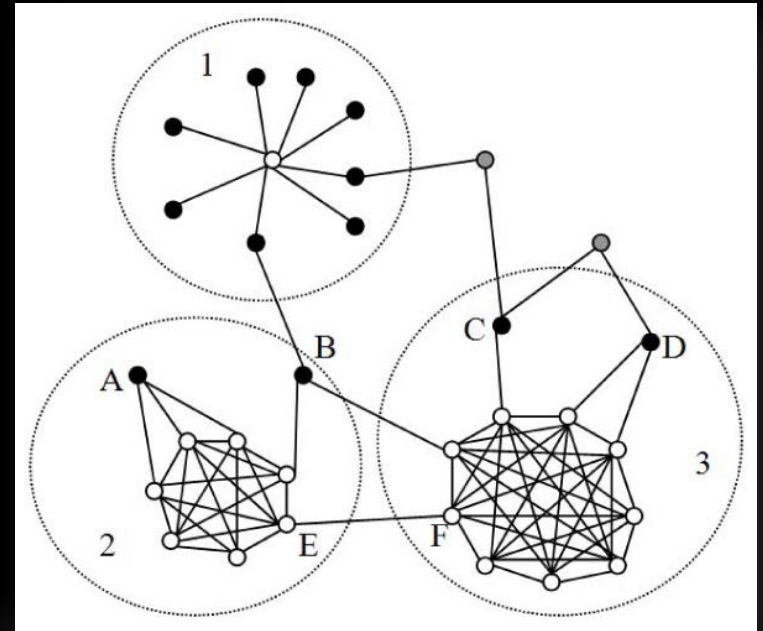
2. KEEP A STABLE CORE, AND EXPERIMENT ON
THE PERIPHERY

GOOGLE NEXUS – 2010

Firm would not be
releasing another
Nexus (Eric Schmidt, CEO)

APPLE'S IPOD

3. MODULARIZE TO ALLOW FOR SCALING



4. EMBRACE DIVERSITY, BUT BUILD SOCIAL CAPITAL

5. MANAGE PROFESSIONALLY

Transparency, accountability, responsibility

GOVERNANCE CHALLENGES

1. Conflicts of interest
2. Managing complexity
3. Engaging key stakeholders

GOOD GOVERNANCE PRACTICES

1. Provide a clear mission and value proposition – something that others can get behind
 2. Keep a stable core (capabilities, activities, and products)
 3. Experiment on the periphery
 4. Embrace diversity, but take the time to build social capital
 5. Manage professionally
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A FINAL EXAMPLE

Alberta's Oil Sands

30% of Canada's GDP in 2008

About 6% of Canada's GHG emissions;
12% in 2020

A CLEAR MISSION AND VALUE PROPOSITION

We've come together to serve one common goal: improving the oil sands industry's **responsible development** of Alberta's bitumen resource.

STABLE CORE

Agree to work collaboratively on non-competitive issues, and share research and best practices

MODULARITY: OSLI WORKING GROUPS


- Sustainable communities
- Technology breakthrough
- Land stewardship
- Water management

MANAGED PROFESSIONALLY

Steering Committee and
Management Committee:
1 member from each company

DIVERSITY WITHIN THE WORKING GROUPS

Sustainable Communities Working Group



SCALING UP: COSIA

COSIA – 14 COMPANIES

THANK YOU!

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