

Industry Governance Review: The Power of Alternatives



Alberta Agricultural Industry
Governance Review

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Objectives:

1. Compare a variety of governance models and practices from other jurisdictions and other types of organizations for consideration of possible legislative, process and/or structural improvements for Alberta's agriculture industry.
2. Gain confidence that other viable governance models and practices can be successfully adapted and adopted by the Alberta's agriculture industry.
3. Increase the awareness of 'governance' and the level of knowledge of 'good governance practices' among industry participants.

Future governance structures need to be flexible to support the uniqueness of each sector.

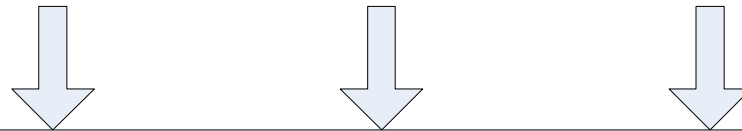
“There is no single ‘right’ way to structure your organization. The design must reflect the maturity of the organization and its future needs. Trying to make the organization conform to preconceived structures can seriously damage its effectiveness.”

**Michael Burns
Canadian Fundraiser, 1997**

...one size does not fit all...

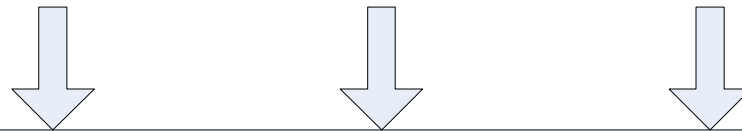
Approach

Governance Models and Practices



Promising Practices

**Your
Role**



**Possible Application in Alberta's
Agriculture Industry**

Organizations Analyzed

Alberta

- Association of Professional Engineers, Geologists and Geophysicists in Alberta (APEGGA)
- Alberta Regional Health Authorities
- Condominium Property Act
- Law Society of Alberta
- Persons with Developmental Disabilities (PDD)
- Health Board of Alberta Services
- Tourism Calgary
- Alberta Heritage Foundation for Medical Research (AHFMR)
- Alberta Ingenuity
- Social Services sector

Canada

- Canadian Association of Petroleum Producers (CAPP)
- Saskatchewan Canola Development Commission
- L'Union des producteurs agricoles (UPA)

Germany

- Agriculture Society of Farmers, Germany

Australia

- Australian Government, Department of Agriculture, Fisheries and Forestry
- Meat and Livestock Australia (MLA)
- New South Wales Farmers Union
- Grains Research and Development Corporation (GRDC)

United States of America

- US Dairy Export Council (USDEC)

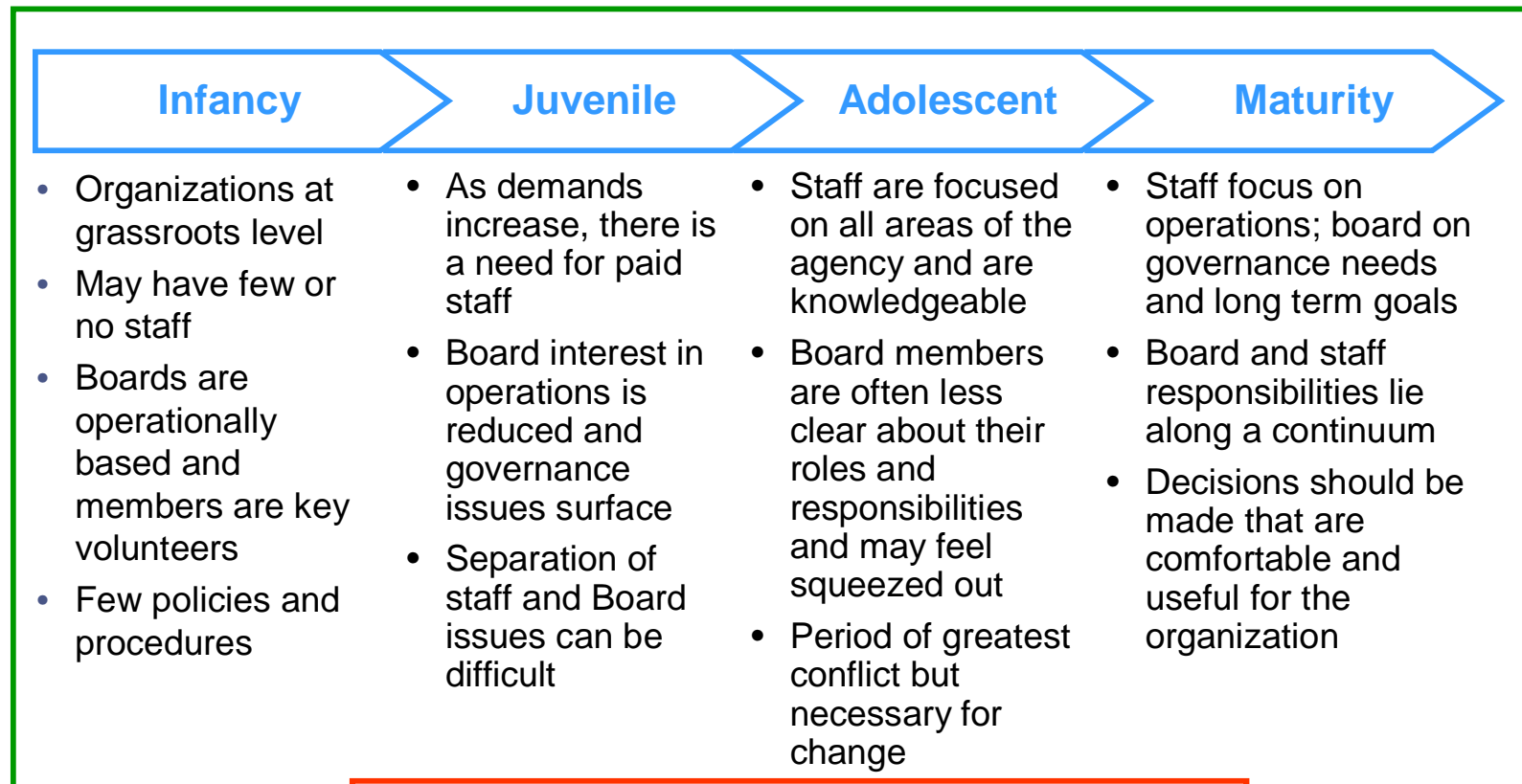
The Netherlands

- Netherlands Department of Agriculture, Nature and Food Quality

United Kingdom

- United Kingdom Department for Environment, Food and Rural Affairs
- Levy Board UK

Governance approach matched to board's stage of development.



Organizational needs must always drive the development of the board/industry

The trend is towards
competency-based boards . . .



. . . with 8 to 12 people.

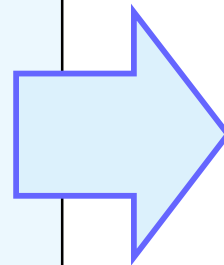
Essential to survival was a reduction in the number of Board members and committees.

Prior to Bankruptcy Protection

- Executive
- Finance and Administration
- Programming
- Marketing and Communications
- Fundraising
- Human Resources
- Nominating



*7 Board Committees
33 Board members*



Post-Bankruptcy Protection

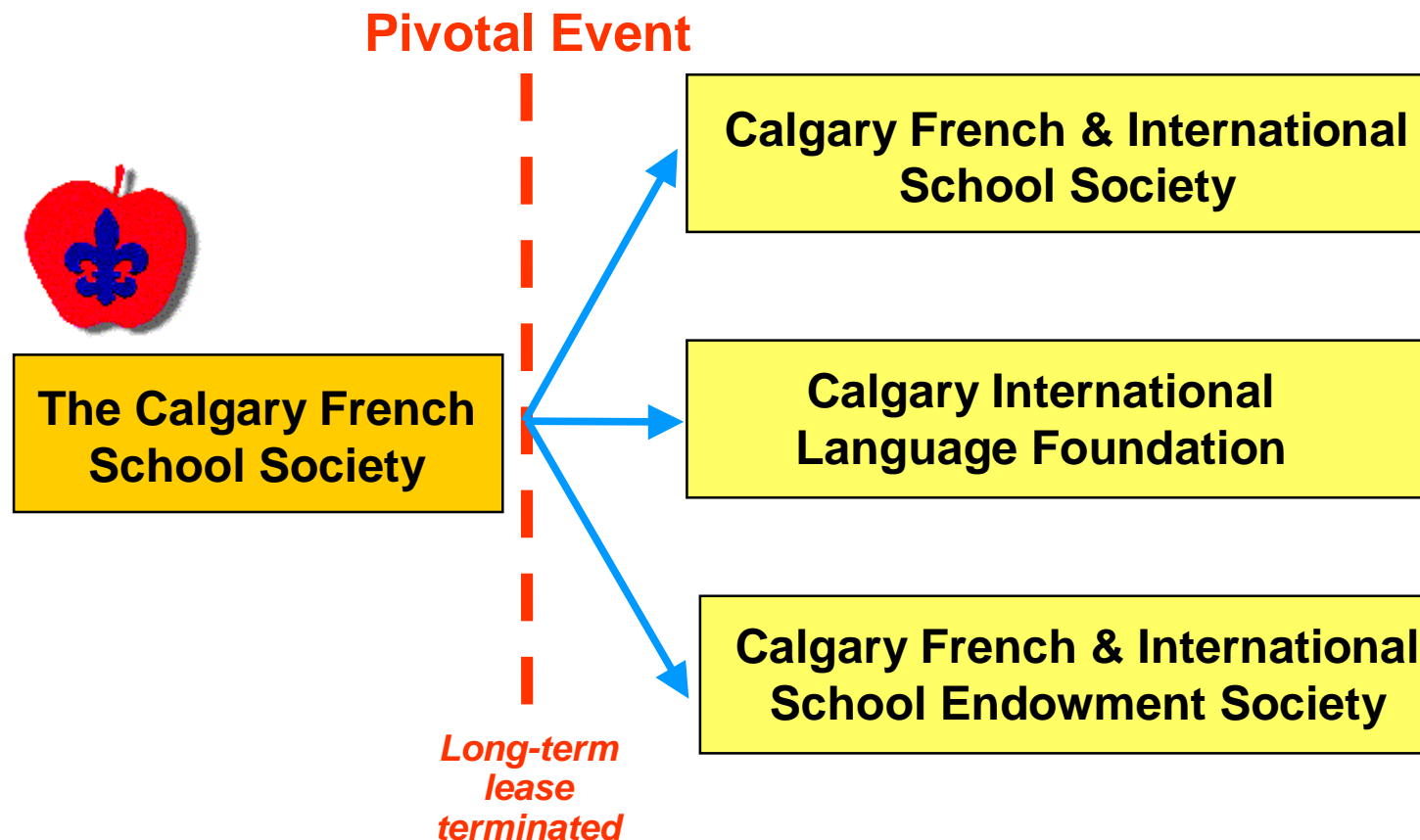
- Finance and Audit
- Governance

*2 Board Committees
15 Board members
Totally rewritten By-laws*



... Within 7 weeks.

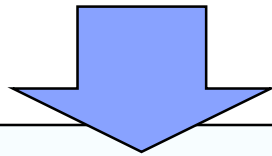
A broader vision necessitated an organizational reorganization...



***... and external directors
were added to the Boards***

Several key Expert Advisors were retained to complement the expertise recruited to the Board.

“10 coffee Mums, a dentist and an accountant”



Internal Board Expertise

- Project Management
- Legal
- Finance
- Executive Leadership
- Facilities and Construction
- Marketing
- Fundraising



External Expertise

- Lobbyist
- Architectural Design
- Commercial Real Estate
- Fundraising
- Legal Real Estate
- Legal Corporate Structure/Tax
- Project Management
- Financial Modeling
- Market Research
- Strategic Planning

Person with Development Disabilities (PDD) – provincial framework with local strategy.



Key Points

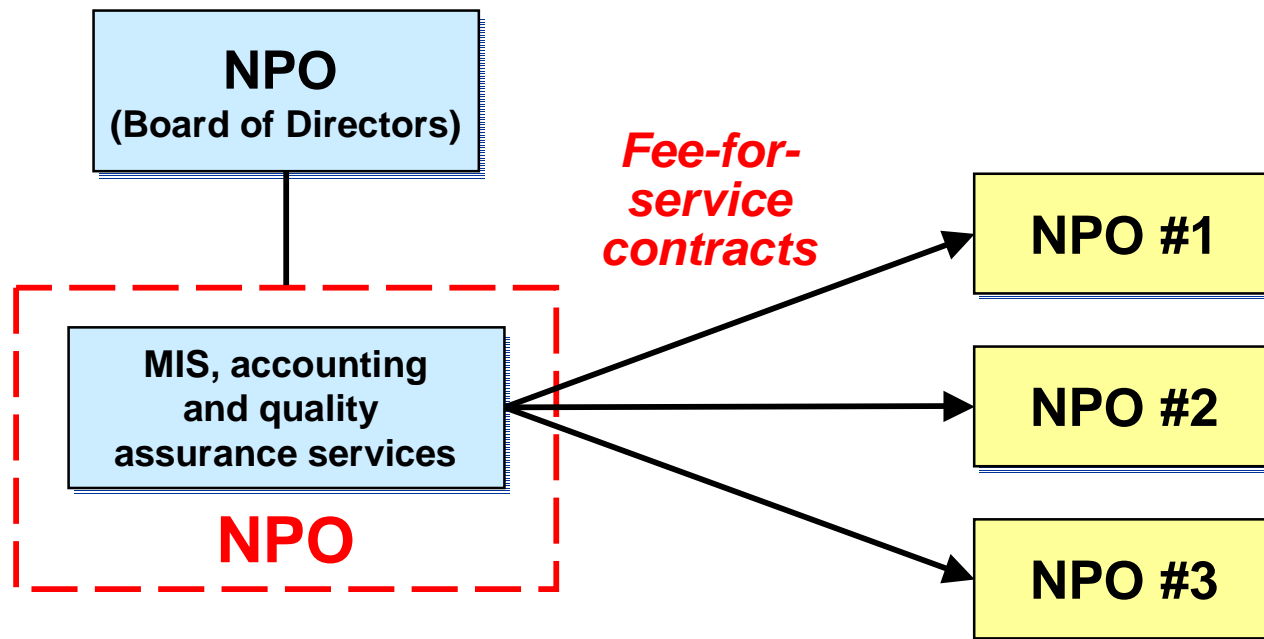
- Minister sets direction
- Community Boards set community priorities

Structure

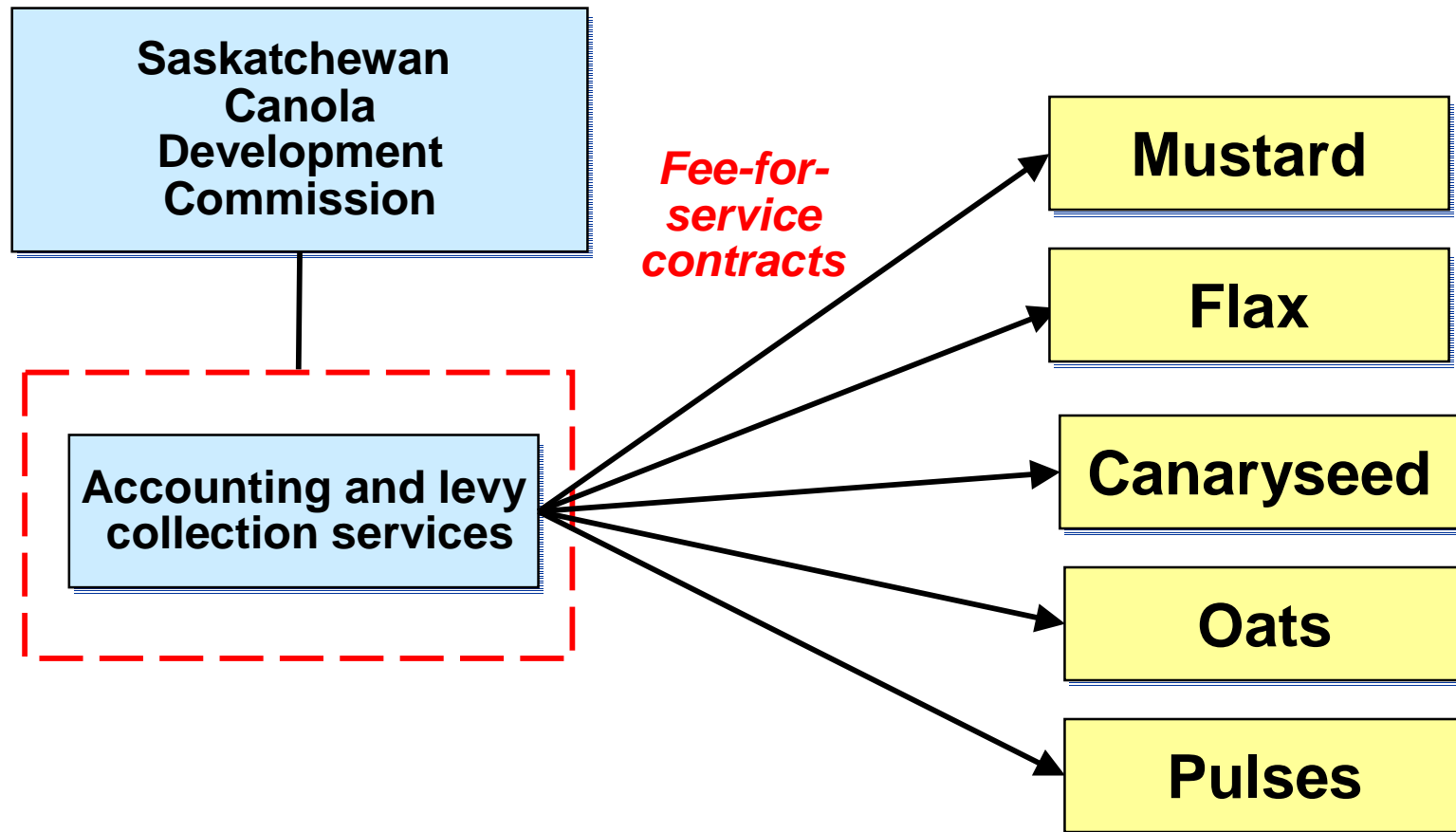
- Crown Corporations
- Council of Chairs
- CEO Forum

Integrated Management Service Organization (MSO) have been operating successfully in the US for many years.

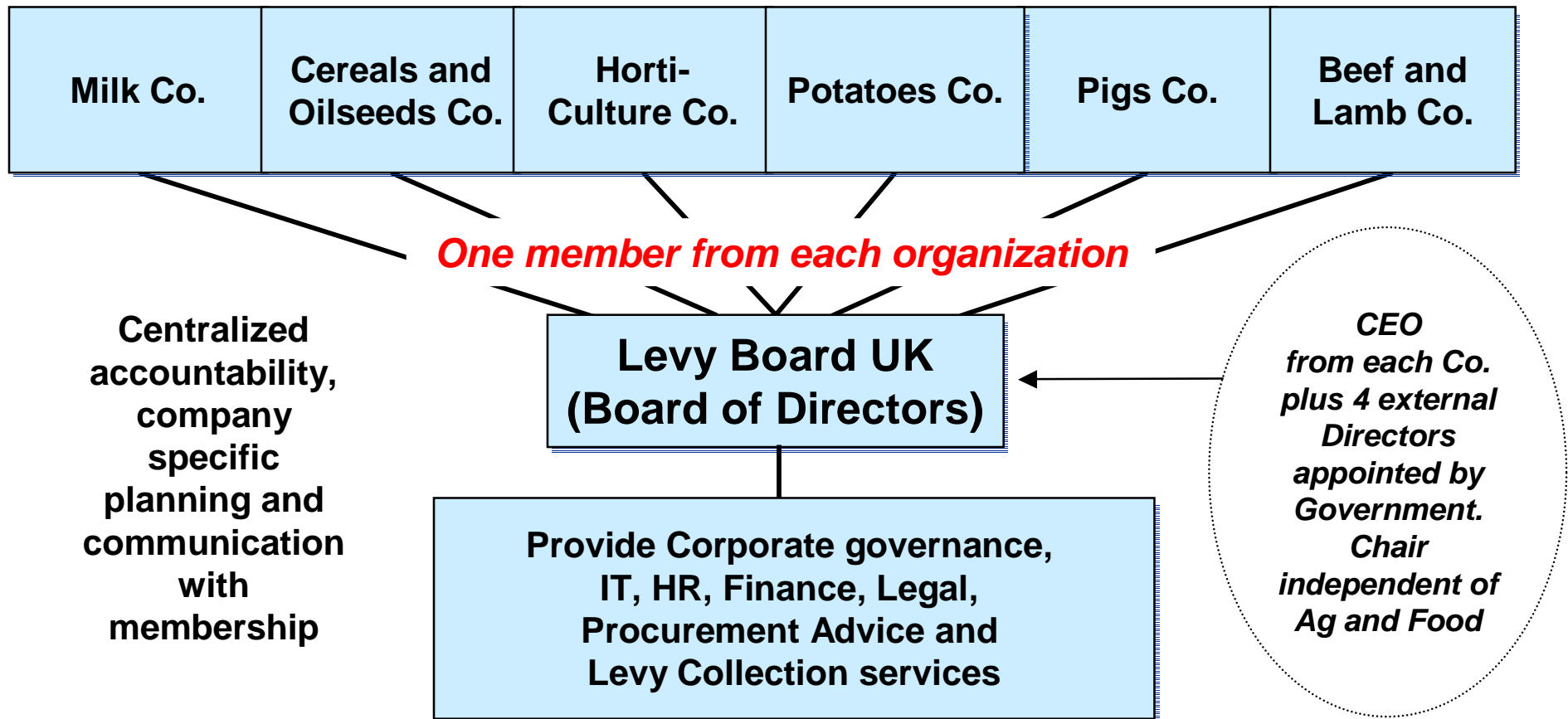
Integrated MSO controlled by one nonprofit organization (NPO)



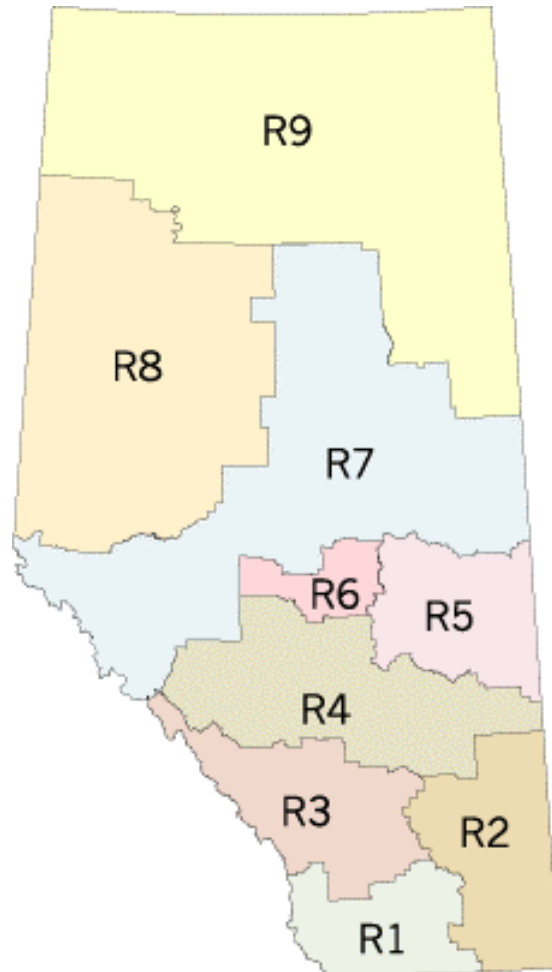
Working example of a MSO.



A new joint MSO.



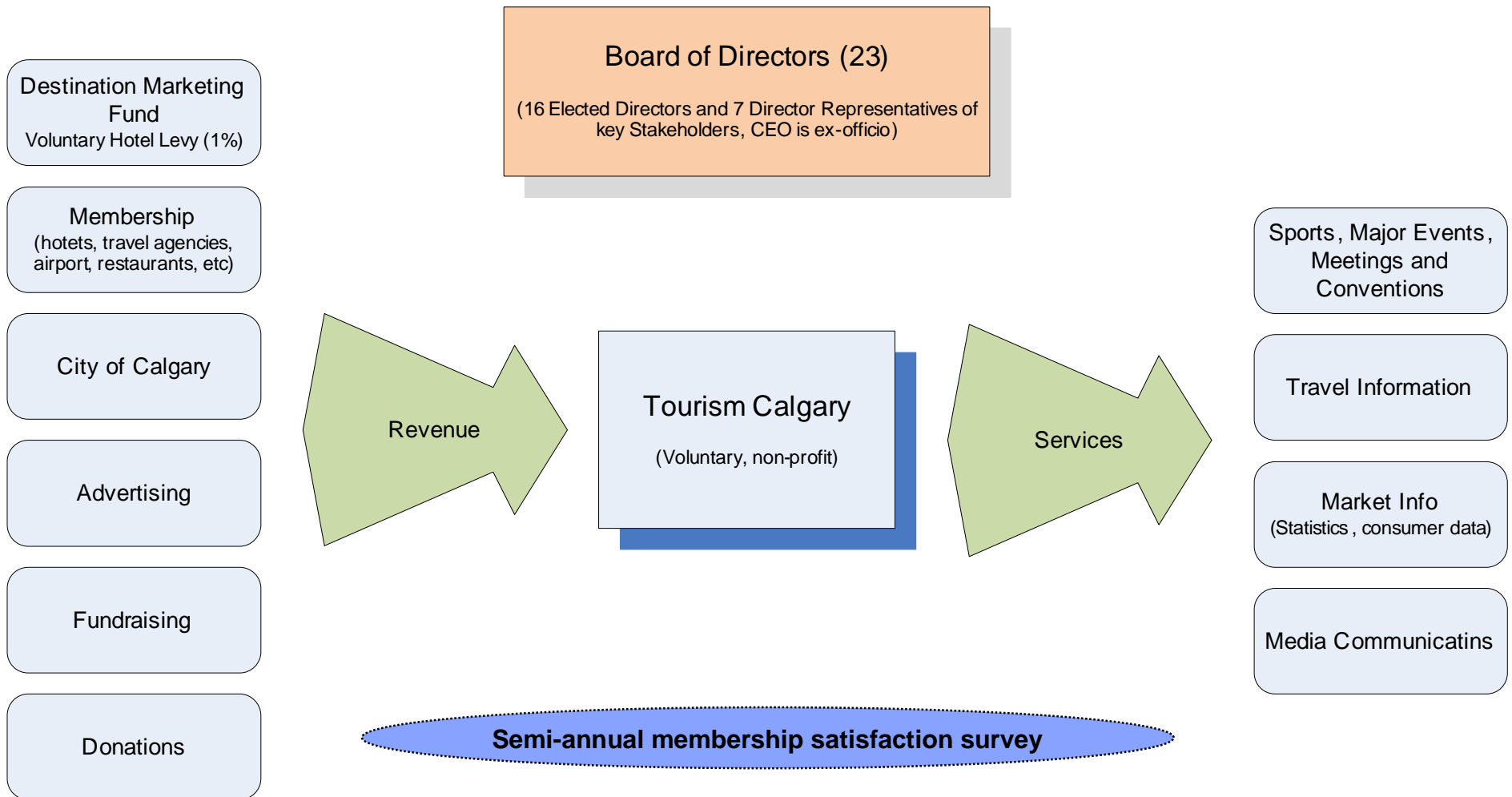
An Alberta Management Service Organization – ‘HBA Services’



Business Services for Alberta's Health Boards – ‘HBA Services’

- Core areas: secretariat support services, human resources, management services and insurance services/legal counsel.
- Operates six business units as stand-alone cost centres and legal services business as a revenue generator.
- Health boards access and pay only for the service they need.

Tourism Calgary – levy collected by hotels for the benefit of the full value chain.



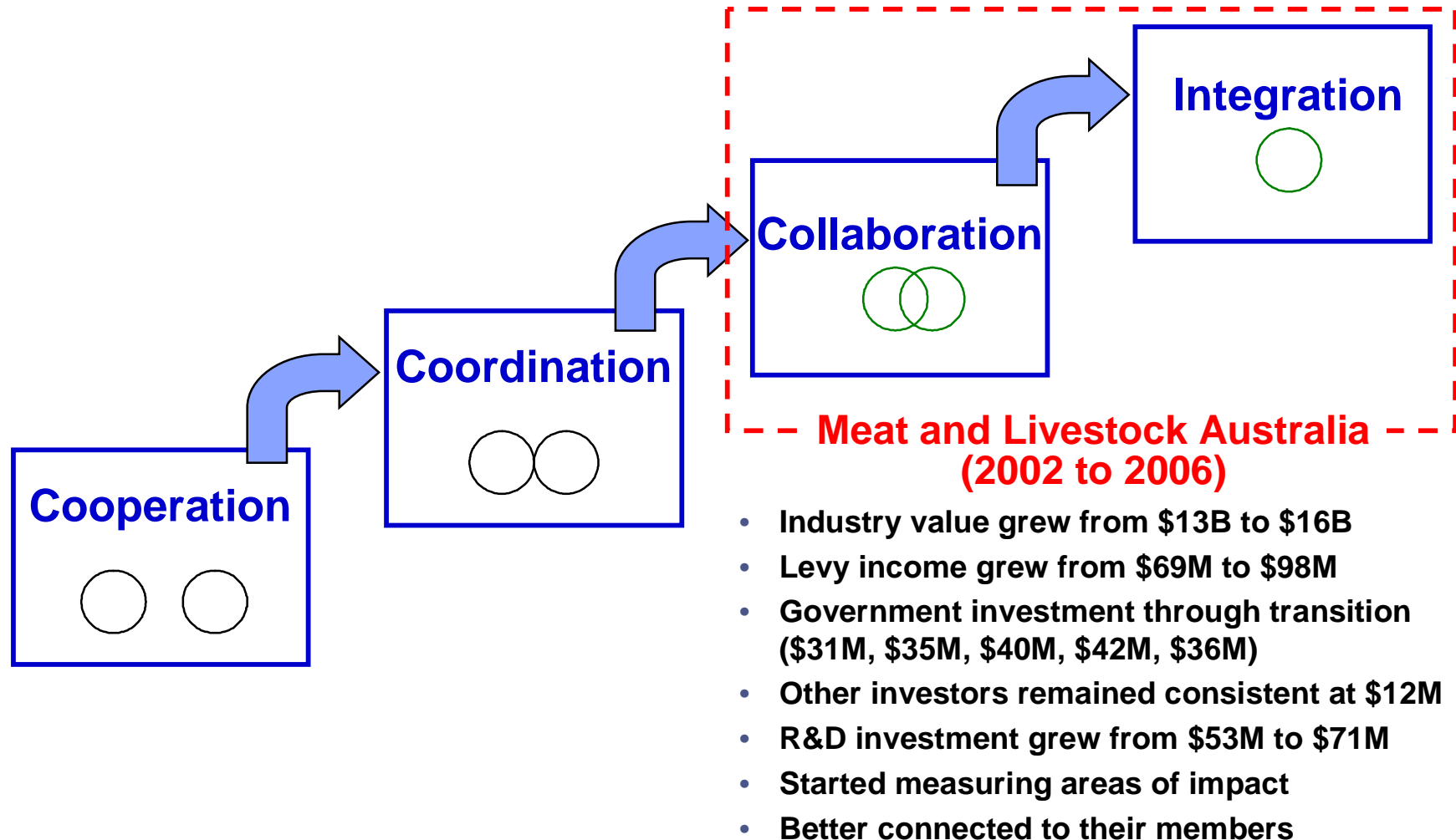
Source: Adopted from Tourism Calgary, 2007

Grains Research and Development Corporation – partner in industry R&D.

GRDC Values

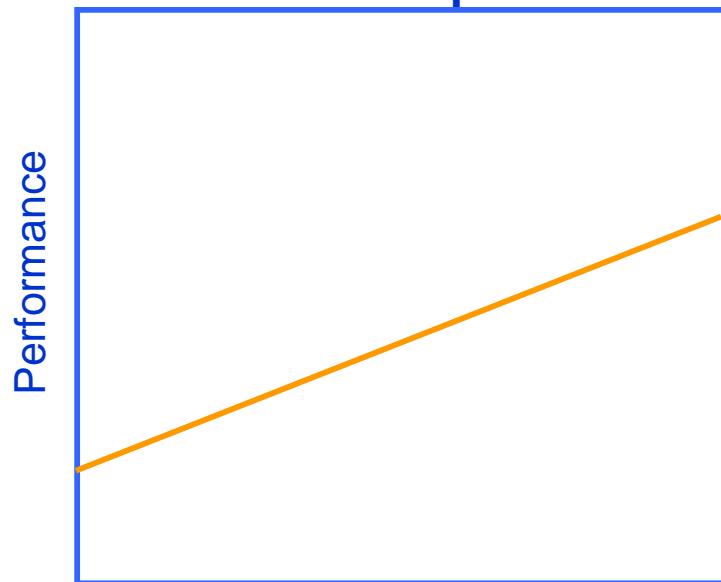
- Commitment and action in meeting the needs of our stakeholders and exceeding their expectations
- Winning as a team
- Achievement of superior results
- Creativity and innovation
- Openness and trust in dealing with people
- A performance-driven culture
- Ethical behaviour in all our activities

Interested parties can work together in multiple ways.



Pace of Implementation:

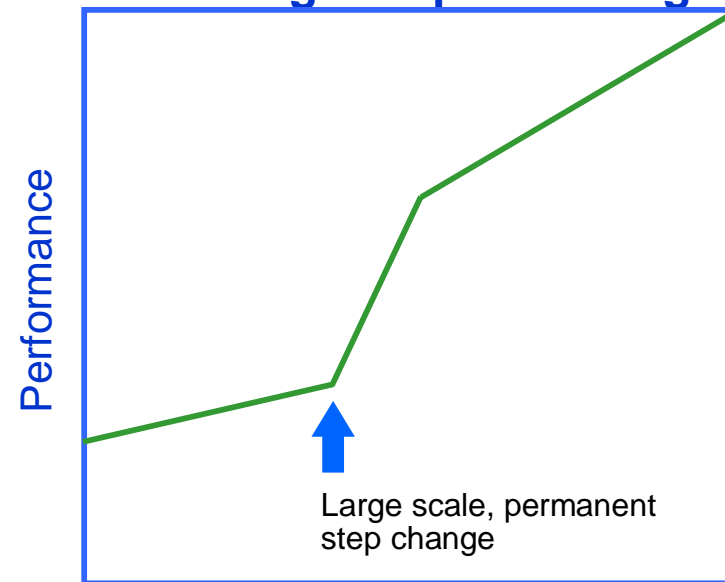
Continuous Improvement



Small, continuous incremental changes by a relatively small team of individuals

Doing the Same Things Better

Strategic Repositioning



Large scale, permanent step change

Integrated, sustained effort by a cross industry team of individuals

Doing Different Things

Categories of Change as the basis for Emerging Solutions

- A. Membership
- B. Role Clarity
- C. Research and Development
- D. Leadership and Professional Development
- E. Communication and Engagement
- F. Accountability
- G. Efficiency and Effectiveness