



The Resurrection Of Entrepreneurship: Its Role In ESG

Professor Bob Garratt, Director, Good Governance Development

Thursday, 17 March 2022, 10:00 GMT



A Word From Today's Chairman

Professor Michael Mainelli
Executive Chairman
Z/Yen Group





Platinum Sponsors



Gold Sponsors



Silver Sponsors



Bronze Sponsors



Contributor Sponsors





Today's Agenda

- 10:00 – 10:05 Chairman's Introduction
- 10:05 – 10:25 Keynote Presentation – Professor Bob Garratt
- 10:25 – 10:45 Question & Answer



Today's Speaker

Professor Bob Garratt
Director
Garratt Learning Services



The Resurrection Of Entrepreneurship: Its Role In ESG

A Presentation by Professor R 'Bob' Garratt

Director, Good Governance Development Ltd, London

Entrepreneurship

- From the French *entreprendre* = to undertake
- *the owner of a business enterprise who, by risk and initiative, attempts to make profits*
- The Board's role as the producer of *A stager of dramas*
- *Therefore, a person who will have vision, impact through delivery*

ESG: Environmental, Social and Governance 1

- ESG – a globally evolving mindset change in which future businesses will need to frame their enterprises in terms of their *impacts* on:
 - The Physical Environment
 - The Social Environment
 - Governance Competence
- National governments and pressure groups will exert more pressures on the Purpose and Conscience of a board

ESG: Environment, Social and Governance 2

- These pressures will involve new metrics for measuring Finance, E + S impacts, and Governance competence. These are hardly developed.
- They will challenge the old ‘four corporate unlimiteds’ - size, life, licence and consequent power
- And so reopen the notion of human *duties* and conscience for boards, and their Purpose, and strategic deployment of the assets of their enterprises – under the public gaze. The legally necessary impersonal status of ‘the company’ must be rebalanced with the human conscience of the board.

The New Necessary Mindsets For EES+G

- Out go - Shareholder Supremacy, Financial Supremacy, Listed Company Focus, Current Accounting and Audit Practice, most existing 'Fund Management'; and the old assumptions of Unlimited Life, Size, Licence and Power
- In come - Stakeholder Supremacy, Limited Licence To Operate, and annual assessments of Entrepreneurship, Environmental and Social Impacts – plus Governance – 'EES+G'. These new forms will be integrated into new types of Accounting and Audit outputs.
- They will be driven by the Next Generation of funders and the coming Great Wealth Transfer – not by short-term focused politicians

It is the failure of 'governance people' to accept the deviation of current 'regulatory CG' from the general public's needs, and not feel guilty about it, that is causing the loss of faith in our human institutions – the cement that bonds our societies.

As we enter the twenty-first century, we have created a Star Wars civilisation with Stone Age emotions, Medieval institutions, and God-like technology We are terribly confused by the mere fact of our existence, and so a danger to ourselves and others.

E O Wilson *The Social Conquest of the Earth* 2012

I believe that developing effective EES+G-style corporate governance is the key to moving those medieval institutions into the twenty-first century.

It is the failure of 'governance people' to accept the deviation of current 'regulatory CG' from the general public's needs, and not feel guilty about it, that is causing the loss of faith in our human institutions – the cement that bonds our societies.

As we enter the twenty-first century, we have created a Star Wars civilisation with Stone Age emotions, Medieval institutions, and God-like technology We are terribly confused by the mere fact of our existence, and so a danger to ourselves and others.

E O Wilson *The Social Conquest of the Earth* 2012

I believe that developing effective EES+G-style corporate governance is the key to moving those medieval institutions into the twenty-first century.

But this will not happen until:

- Acceptance of Directing as a proper job, quite distinct from Managing
- There is full funding and development of separate Selection, Induction, Personal Development, Regular Competence Assessment, and Deselection from boards
- Personal Public Commitment by each Director to the legal Purpose of their Board
- Personal Public Commitment by each Director to the Seven Duties of a Director
- Governmental and Public acceptance that Corporate Governance must become an integrated governance *system* linking Directors, Stakeholders, Politicians and Regulators under Public Oversight

A reminder of the three basics of the Directors' Dilemma:

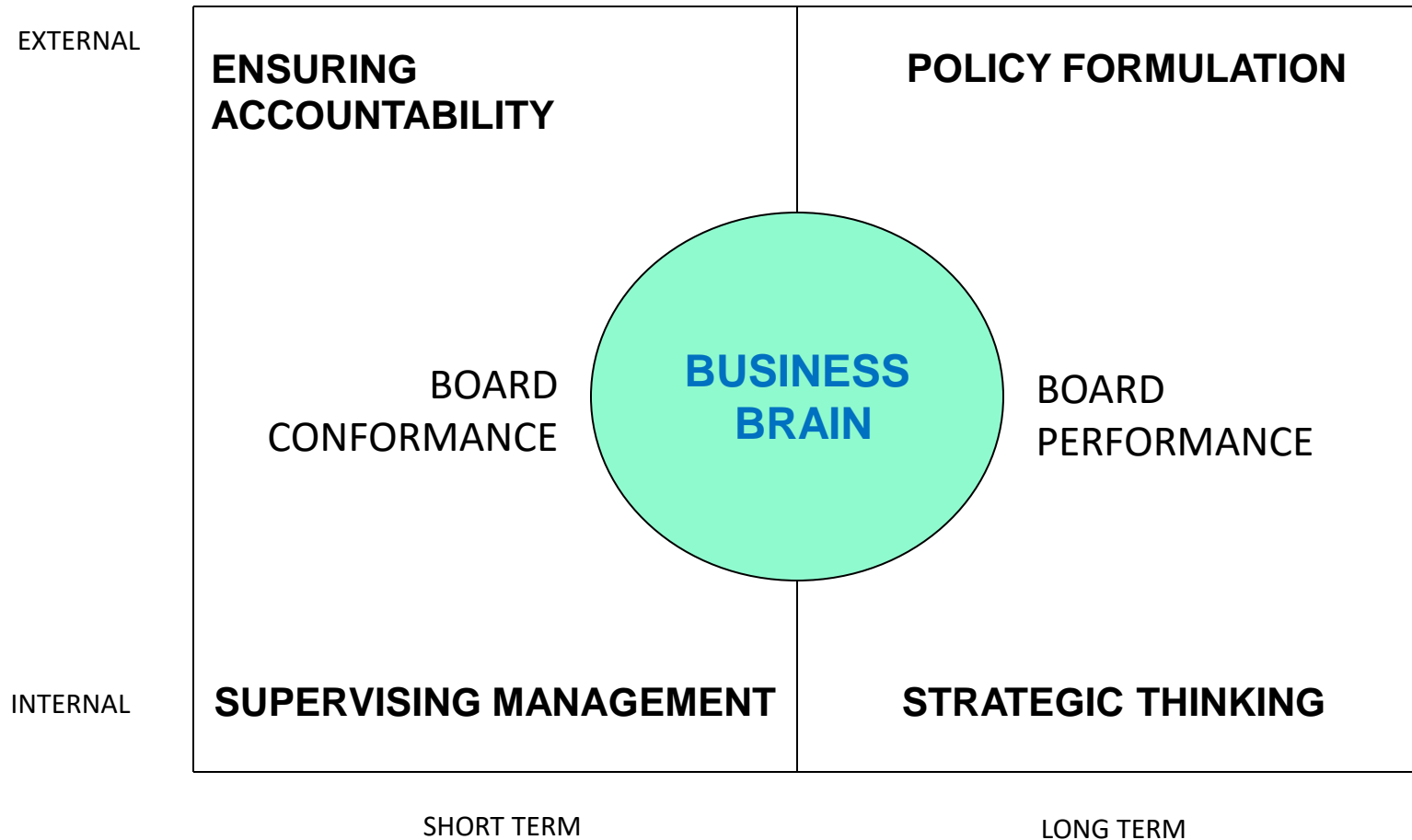
- The *Purpose* of a board of Directors is to ensure the long-term health of their organisation
- The '*Directors' Dilemma*' is how to ensure proper direction-giving to their organisation, whilst also ensuring prudent control
- The Seven Duties of a Director are:
 1. To act within their powers
 2. To promote the success of their company
 3. To exercise independent judgement
 4. To exercise reasonable care, skill and diligence
 5. To avoid conflicts of interest
 6. Not to accept benefits from third parties
 7. To declare interests in proposed transactions

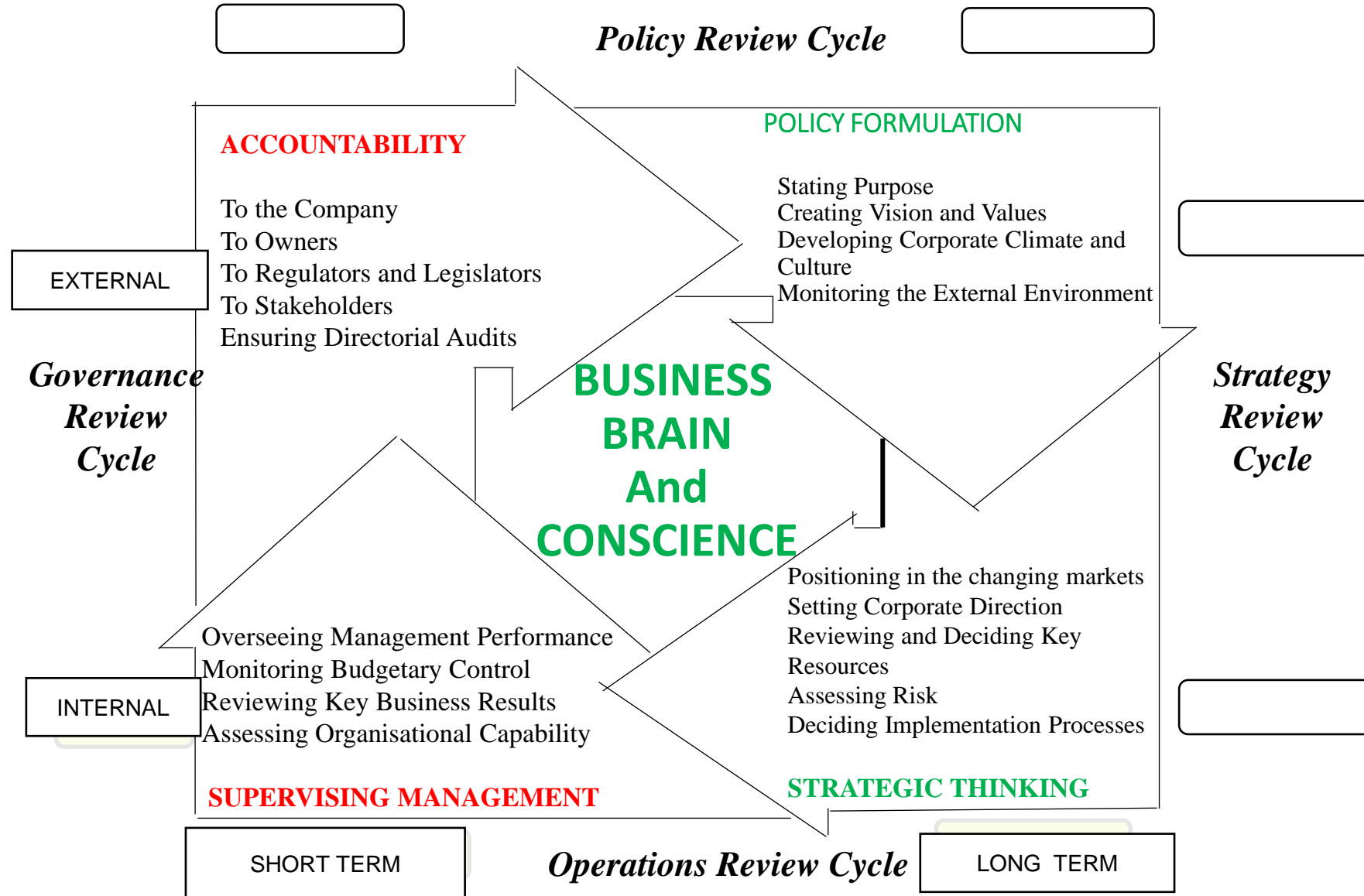
The Four Levels of Board Maturity

1. The Accidental Board
2. The Grudgingly Compliant Board
3. The Learning Board
4. The Professional Board

From: Shining A Light In A Naughtie World

The Learning Board - Basic Framework





So do watch such movements beyond Governments as:

- The public encouragement of the Development of the Board's Conscience linked to EES + G
- The international demand for the accreditation of Registered Directors
- Generational Shift especially in attitudes to funding and diversity of acceptable returns
- ISO 37000 for a new approach to corporate governance
- The Rise of the Globally Accepted Comprehensive Reporting System

That's All Folks

- Thanks for listening

NB: No Codes or Regulations were used during the making of this presentation

That's the Company Secretary's role!



Comments, Questions & Answers





Platinum Sponsors



Gold Sponsors



Silver Sponsors



Bronze Sponsors



Contributor Sponsors





Thank You For Listening

Forthcoming Events

- Tue, 22 Mar (10:00-10:45) Difficult Questions: Saving Management Consultancy From Itself
- Thu, 24 Mar (09:00-10:00) Launch Of The Global Financial Centres Index 31
- Mon, 28 Mar (15:00-15:45) UK & Swiss Stock Listings – Advantages & Disadvantages Versus EU Listings

Visit <https://fsclub.zyen.com/events/forthcoming-events/>

Watch past webinars <https://www.youtube.com/zyengroup>