

Governance: Laying the groundwork

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Make sure all the following things are in place to help you govern your business well.

Free up time

- Either pass on day-to-day tasks to other people, or prioritise your tasks to make time.
- Start straight away by blocking out time in your calendar.



Manage your risks

Having a clear plan to deal with risks can stop them damaging your business.

Create a risk management plan in four steps.

1. Identify — all the risks your business faces.
2. Prioritise — which pose the biggest threat.
3. Control — to reduce likelihood or impact.
4. Monitor — to check the risks are under control.

Find a template for your risk management plan on business.govt.nz.

Document your plans

- A vision statement sets out what you're aiming for.
- A business plan prepares you for success.
- A business continuity plan prepares you for emergencies.
- A succession plan secures the future of your business.



Involve the right people

- Choose people with the right skills and experience, but also with the right attitude.
- Search for people through your business networks, online platforms like LinkedIn, and the Institute of Directors.



Get insured

- Insure for the basics, like fire, theft, and natural disasters.
- Insure also for things like employment disputes, legal action, or damage caused by your products or services.
- No single policy can cover everything, so you may need more than one.



Set strong internal controls

- Set clear rules and procedures to ensure your reporting is reliable and on time.
- Strong internal controls help to deter people from being tempted to steal or commit fraud.



Set up good communication

- Make sure everyone involved with your business knows about your governance activities and decisions.
- Organise regular meetings with staff, plus more formal reporting for any shareholders.



Ensure you receive good info

- Choose what, how, and when to measure to get a clear view of how your business is performing.
- Aim for just enough info to stay updated, but not so much that you create extra work.



For more information, see business.govt.nz's directors and governance section