



How to Govern Your Business Effectively Based on International Best Practices

SME Governance Workshop Fairmont – Nile Towers

21 – 22 January 2019

IFC Corporate Governance Advisory Services
Helping Companies to Operate More Profitably and Grow



SME Governance Workshop

"Corporate Governance has been rendered one of the most momentous topics being mooted in the aftermaths of the global financial crisis. The importance apparently amplified after the monetary shocks that had convulsed the developed economies, following strings of business scandals, which highlight serious governance weaknesses in corporations. There has been prodigious lack of transparency and disclosure, even down to the manipulation of financial data and statements. These issues were never, up to recent years, expectedly to occur even in emerging economies." Yehia El Hussein, 2015 Gauging Corporate Governance Compliance. Shareholder Rights Initiative.

The SME Governance is a recent initiative of IFC's Advisory Services aimed at Small and Medium enterprises (SMEs) for implementing sound governance standards to improve their performance, increase access to finance, and foster sustained growth. In cooperation with several partners, IFC conducts interactive workshops using recently developed SME corporate governance training materials and diagnostic tool. Training of trainers and consultants is crucial to increase the outreach, in addition to supporting banks and institutional investors to equip them with necessary tools to assess corporate governance of their SME clients.

SMEs benefit from governance as the risks associated with the corporation decrease. Since good governance minimizes 'rent-seeking' by managers or controlling shareholders, investors invest with a greater sense of security and confidence. The result for the company is greater access to capital. The cost of capital is effectively reduced and the value of the corporation increases. The reduction in risk is complemented by improved operations, which come from better information flows and more rigorous strategic decision-making, and which ultimately contribute to better performance.

Banks and Private Equity Firms ultimately care about SME governance since better governed companies have lower risk and fewer unexpected events. Well-governed companies are better at protecting shareholder rights, and provide better assurance that management will act in the best interest of the company and all of its shareholders. In terms of financial and operational performance, evidence indicates that well-governed companies outperform their peers and provide a higher long-term return on investment. Good SME governance practices also help prevent the abuse of minority shareholders, thus building confidence in the company and trust among investors

Day 1 Workshop Agenda

09.00AM-10.15AM

(1) rationale for good corporate governance & best practices

Provides an overview of SME Governance and why it's important to your business.

you will learn:

- The Business Case for Corporate Governance
- Key Dimensions of SME Governance
- IFC SME Governance Methodology
- Introduction to the Corporate Governance Diagnostic Tool
- Role of Investors (banks, financial institutions, private equity firms, etc.)

you will be able to:

- Define the relationship between shareholders, management and the board
- Explain why SME Governance is necessary to incentives good business practices
- Describe how to go about implementing SME Governance in the most effective way using the diagnostic tool

10.15AM-12.45PM

(2) the effective board: role and authorities, duties and liabilities

Provides participants with an overview of the Board's purpose, role, and authority.

you will learn:

- Advisory Board of Directors
- Setting a Formal Boards of Directors
- Board Roles, Director Duties & Chairman's' Role
- Board Composition & Board Committees
- Board Procedures, Corporate Secretary, Board Remuneration & Board Evaluation
- **SME Diagnostic: How effective is your Board of Directors?**

you will be able to:

- Distinguish between the role of a board of directors, advisory board, and management
- Define the roles and duties of non-executive and independent directors
- Recognize the benefits of board committees
- Learn the procedures of the board and the role of the corporate secretary

01.00-03.00PM

(3) management control: managing your business

Presents best practices in various functions and processes aimed at better managing your company.

you will learn:

- Business Planning and Organizational Structure
- Management Decision Making and Communication
- Human Resource and Information Technology Management
- **SME Diagnostic: How can you improve your Business through Management Control?**

you will be able to:

- Outline the severe risks that a company will face if
Indicate the importance of the clear line of authorities and responsibilities
- Explain the importance of the human resources function role in attracting and retaining good calibers

03.00PM Lunch & End of Day

Day 2 Workshop Agenda

09.00AM-10.15AM

(1) management control: controlling your business

Demonstrates the role and importance of internal controls and internal audit in governing your business.

you will learn:

- Risk Management & Internal Control Framework
- Finance & Accounting Sub-functions/Cycles
- Internal Audit
- External Audit
- **SME Diagnostic: How can you improve your Business through Management Control?**

you will be able to:

- Outline the principles of risk identification and measurement
- Define the relationship among the Internal control, risk and Audit functions
- Understand how internal audit and control procedures contribute to corporate governance

10.15AM-12.45PM

(2) transparency and disclosure: financial & non-financial

Provides participants with practical information on specific disclosure matters.

you will learn:

- Understanding Transparency & Disclosure
- Financial & Non-Financial Disclosure
- Annual Report
- Other Transparency & Disclosure Considerations
- **SME Diagnostic: How transparent are your disclosure practices?**

you will be able to:

- Outline the severe risks that a company will face if Understand what information, where, when, and in which form shall be disclosed
- Understand the important of issuing an annual report
- Define information that your company is willing to disclose in addition to the one legally required in accordance with best practices

01.00-03.00PM

(3) family governance: towards the sustainability of the business

Demonstrates the need and the procedures for governing the family business, the importance of having succession planning and family constitution.

you will learn:

- Family Governance Awareness
- Board & Management Structures
- Family Governance Mechanisms
- **SME Diagnostic: Is your family business effectively governed?**

you will be able to:

- Explain the family governance tools needed for proper governance
- Understand the importance of a proper succession planning
- Describe the role of the different family institutions for supporting the family governance policies

03.00PM Lunch & End of Day

WHY WORK WITH IFC CORPORATE GOVERNANCE ADVISORY SERVICES

Working globally, IFC has a successful track record of delivering targeted corporate governance support to companies. With advisors worldwide, IFC has a well-established reputation of being the leader in corporate governance and board training in developing markets. Moreover, IFC has assisted over 15,000 companies in more than 30 countries to implement better corporate governance practices, leading these clients to obtaining over US\$5 billion in new financing.

IFC helps identify the problem and assists companies implement solutions from start to finish. Our team of experts works to promote company-wide and board-level changes that create better business results. They will work closely with your company to assess its corporate governance practices and provide specific and actionable advice on how to make improvements. Additionally, IFC's local experts understand how to implement these practices in individual countries and markets.

IFC is the largest global development institution focused exclusively on the private sector. We help developing countries achieve sustainable growth by financing investment, mobilizing capital in international financial markets and providing advisory services to businesses and governments.

More information on the IFC's Corporate Governance services is available online at www.ifc.org/corporategovernance.

ABOUT IFC

IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in emerging markets. Working with 2,000 businesses worldwide, we use our six decades of experience to create opportunity where it's needed most. In FY16, our long-term investments in developing countries rose to nearly \$19 billion, leveraging our capital, expertise and influence to help the private sector end extreme poverty and boost shared prosperity. For more information, visit www.ifc.org.

IFC Middle East and North Africa Corporate Governance Program

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