

The seven key governance capabilities are skill sets that are built up over time, as governance is learned and improved on the job.

### **1. Understanding the company's financials and Key Performance Indicators.**

This isn't a quick learning process for many directors. It starts with learning to understand and interpret financial reports. Then, if you have a desire to learn more, you'll develop your skills to a point where you become much more confident in your decision making.

### **2. Understanding yourself and others.**

Once again, this is a learned skill. Growing your awareness in this area helps with understanding key peoples' strengths, as well as their motivators and stressors. This is vital to good governance.

### **3. Focused planning.**

Developing the skill of focused planning enables us to spend our time on what really matters to the long term success of the company, rather than being distracted by the many urgent but unimportant activities that are insignificant or should be delegated. Focused planning ensures we keep coming back to executing the purpose of the business.

### **4. Directing, in service of others.**

The fundamental purpose of a business is to create value for others. A great director demonstrates the "intense professional will with deep personal humility" leadership attributes, as described by Jim Collins in his book 'Good to Great'.

### **5. Managing, to ensure performance outcomes.**

A person with this attitude manages people by giving them outcomes to achieve, not tasks to do. That means being comfortable in taking the risk of letting others come up with the solution. This helps people to actively take responsibility.

### **6. Leading.**

Leaders want to inspire teams with the purpose of the business. They connect everything to the purpose because they know that, without a clear purpose and vision, the people go their own way.

### **7. Teaching.**

People with this aptitude are excited by the process of adult learning and by the potential they see in people.

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