

BACKGROUND INFORMATION ON COMMITTEE ON GOVERNANCE REPORT

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Following the recommendations of USDF's 2007 Strategic plan, the Committee on Governance ("CoG") was formed to examine the overall governance system of the organization and the processes utilized to carry out the governance work. The goal of the CoG is to propose to the USDF Executive Board and the membership a leadership system that is more efficient and cost effective and will better serve members' needs and sustain USDF's success into the future. In this endeavor, the CoG was assisted by consultant Bud Crouch, president of Innovations Plus and a principal partner with Tecker Consultants, LLC. Staff liaison Stephen Hienzsch also provided valuable insights to the CoG. The following is an overview of how the CoG went about its review of the current governance and arrived at its proposed changes.

The CoG identified the key outcomes of the project:

- Developing recommendations for USDF's future governance structure.
- Designing the right governance processes and structures for a growing organization.
- Examining the key governance structure at all levels as required including:
 - ⇒ Executive Board (EB),
 - ⇒ Board of Governors (BoG),
 - ⇒ Group Member Organizations (GMOs),
 - ⇒ Committees and Councils, and
 - ⇒ Youth Executive Board (YEB).

- Shaping governance to be more aligned with what will be needed in the future for USDF to be more strategically focused, relevant, nimble, and attractive to future volunteers.

The CoG defined the following areas to be reviewed:

- The governance structure including:
 - ⇒ Structure, size, composition and representation.
 - ⇒ Terms of office, and
 - ⇒ Accountability.
- USDF's governance processes, including:
 - ⇒ The governance roles, responsibilities and focus,
 - ⇒ Representation and enfranchisement,
 - ⇒ Accountability,
 - ⇒ Leadership development roles and responsibilities, and
 - ⇒ Communications with members.

In preparation for their discussions, the CoG reviewed the following background documents:

- USDF By-laws,
- USDF Policies and Procedures ,
- Executive Board Self-Assessment overview,
- Membership summary, survey of the BoG delegates and council and committee chairs, and
- Questionnaire survey summary of the CoG and EB.

The CoG identified a number of key factors that will either *enable or inhibit* the project:

Enablers:

- There is a growing awareness and belief at all levels of general membership that there is a need to review and make appropriate changes to USDF's governance system. The current economic conditions may give impetus to change.
- Complete transparency and communication with all stakeholders in USDF is essential and will create trust in the process.
- Volunteer opportunities should be brought more in line with members' ability to dedicate time and financial resources and be made more rewarding.
- The CoG must be in agreement on any proposed changes.
- Support for the governance project from the EB, volunteer leadership and other leaders in the sport will be critical.
- An understanding by the membership that the current structure and functions of the BoG and the council and committee system are ineffective and inefficient.
- The ability of the CoG and the EB to explain and defend all proposed recommendations.

Inhibitors:

- Any misunderstanding of the purpose of the governance project by key stakeholders.
- The natural resistance to any significant governance change.
- Poor project communication, planning and/or execution.
- Lack of will among the volunteer leaders to develop and implement any substantial and meaningful changes.
- Belief by the membership that their voice will be lost with governance changes.
- Lack of unity and consensus within the CoG.

- Lack of support from the EB, key volunteer leaders and/or staff for any new recommendations.

To start the governance reshaping process, the CoG identified the following governance strengths that USDF needs to preserve and if possible improve:

1. Executive Board

- An Executive Board of roughly the same size as the current one.
- Regional representation.

2. Board of Governors

- Some aspect of the representation of members, regions and GMOs as exists currently via the BoG.

3. Regions

- The Regional Director system that enables fairly good communication to all levels of riders and dressage enthusiasts.

4. Councils and/or Committees

- Volunteer participation is key to USDF's governance.

5. Staff

- Executive Director is chief of staff and as such reports to the EB via the President.

6. Communication

- Member participation in the annual convention provides a forum to hear ideas generated by members.
- USDF must have a presence outside of Kentucky and the national office and identify a way to receive member input and interest. Grassroots participation is one of the unique things about USDF.

7. GMOs

- Grassroots organization and strength. Continue GMO representation.

8. Enfranchisement

- Membership enfranchisement is important.

The CoG selected the following governance areas to be reviewed and changed:

1. The Board of Governors

- USDF needs a smaller, more effective BoG.
- There is difficulty in finding a minimum number of delegates for the BoG and little recognition or support for volunteering to serve as a BoG delegate.
- An inefficient BoG system can lead to uneducated decision-making .
- It is extremely difficult to communicate with and educate the BoG delegates throughout the year regarding issues coming before the BoG. Improvement is needed.

2. Councils and Committees

- The council and committee system needs to be revamped. There are too many councils and committees, and some of them either have no real, substantive job, or do not have a clear job assignment resulting in a drain on staff resources and USDF finances.
- USDF's committee and council chairmen often feel underappreciated for their work or frustrated because they do not have a clear mission.
- Selecting council members based solely on Regions often poses difficulties in finding the most qualified and interested individuals.

3. Regional Directors

- It is difficult to find qualified and interested individuals to be a regional director. There needs to be a mechanism for finding candidates.

4. Executive Board

- . Review roles and terms of officers.
- . Review management committee structure.
- . Consider adding expertise to the EB.
- . Consider how to create communication between EB and Councils/Committees.

5. Youth Executive Board (YEB)

- . The CoG needs to devote further study to the structure and function of the YEB.

6. Leadership Development

- . Leadership development needs significant improvement.

The CoG developed the following characteristics of their vision of how USDF's governance should operate in the future:

Strategic Focus

1. The EB provides effective and strategic leadership for USDF.
2. The EB looks a little more like a business model that is efficiently and well run.
3. The EB has a clear vision of the sport, where it is currently is and where it needs to go.

Structure

4. The BoG is smaller, with a target of approximately 100 delegates, and channels ideas and concerns from the members to their representatives for presentation to USDF's volunteer leaders and staff.

Governance Image, Reputation and Trust

5. Volunteer leaders do not engage in hidden agendas or political antics.
6. USDF's governance at all levels enjoys a reputation for being relevant and indispensable. USDF has competent and honest individuals in all leadership positions.
7. Members believe that USDF's governance is working to meet the needs of all members.

Communication

8. USDF's governance is open and transparent in its two-way communication with all members.

Volunteer Friendly

9. Volunteer leadership opportunities are structured to accommodate the time and resources that volunteer leaders have available and volunteer appreciation is demonstrated.

Enfranchised

10. Members have confidence in their volunteer leadership and in the governance system and feel they have an effective voice.

