Association Governance
Within a Disruptive Environment
Era of Disruption
Disruption Demands Change
Association Governance

2001 – 72 Directors

2018 – 18 Directors
New Governance Model

Four Committees with Board Standing

– **Audit**
– **Compensation**
– **Finance**
– **Governance/Nominating**

*Populated only with sitting Directors*
Audit Committee

Initial Focus on RISKS

– External
– Internal

*Questionnaire to BOD
1. What are your personal objectives relative to being a director?

1. What do you believe are the 3-5 greatest *external* risks to MSCI?

1. What do you believe are the 3-5 greatest *internal* risks to MSCI?

1. How do you personally believe you can help MSCI mitigate *external* risks & *internal* risks?

1. From your perspective, what value does your company receive from membership in MSCI?
HEAT MATRIX

Directors plotted identified risks on heat matrix
Risk Assessment – External

Upper Right Box (likely/high)

- Increased competition from non-association entities
- Industry consolidation
- Changing demographics
- Declining health of industry

Upper Middle Box (likely/moderate)

- Technological innovation (i.e. 3D printing; additive manufacturing; etc.)
- Relevance of trade associations in business today
- Companies unwilling to pay for information/services/networking
Risk Assessment – Internal

Upper Right Box (likely/high)
- Current revenue model
- Changing nature of communication/marketing media
- Differentiating membership’s wants/needs and what it’s willing to pay for

Upper Middle Box (likely/moderate)
- Bench strength
- Consolidation

Far Right Middle (possible/high)
- Succession planning
- Bandwidth
Next Steps

Governance
• Redefine mission/purpose
• Develop ways to mitigate identified risks

Audit
• Keep spotlight on heat matrix
• Pressure test any new mission/purpose & strategies against identified risks
Era of Disruption

NEW MINDSET  →  NEW RESULTS