



Beyond Governance

Creating clarity, improving business

DECISION
MAGAZINE



The Responsible Business

The Role of Governance

A meeting with Sarah Barber

Chief Executive

Jenson Funding Partners

Extract from a DECISION magazine report commissioned by Beyond Governance

Introduction

What we are experiencing could be described as the business equivalent of the perfect storm.

The convergence of a new generation with a distinctive mindset, the sudden realisation and acceptance that the environment clock really is now counting down, coupled with the dramatic increase in the pace of technological advances, and the impact of Covid-19 which has been to fast-forward change.

As a consequence, are we having to re-evaluate the purpose of a company its priorities, indeed the role of governance?

So how would we now define what constitutes a responsible company – and who should it be responsible to?

Arguably, being a responsible business provides the foundation for sustainability, innovation, productivity, because it establishes a culture which has the required mind-set. But what are key characteristics, and how might they change over time?

For a digital book co-commissioned by Beyond Governance, to be published by DECISION magazine, directors from across generations and market sectors share their thoughts.

This is one of the interviews to be included.

Sarah Barber Chief Executive Jenson Funding Partners

“The reason for setting up a business is to meet a need to solve a problem the founder has experienced and then realised that there are enough people out there who want that problem solved.

“It’s interesting isn’t it that as time goes on, a company’s priorities change according to how people see the world. I think what has changed now is that there is much more scrutiny of what a business is doing and how it is behaving. Increased levels of exposure through digital media makes people more aware of the issues affecting the world.

“If we are looking at the concept of a responsible business, I think we have to start by asking the question ‘what is success’? Historically it would have been creating the most profitable company possible. Now other factors, such as job creation, how a business contributes to society, its culture, and the impact it has on all of its stakeholders have to be taken into consideration.

“That doesn’t have to result in a negative impact on the ability of a company to be highly profitable. Quite the opposite.

“The influence a company can have on its supply chain is an interesting one. When we talk to our portfolio companies about how and why they engage with a supplier, cost is a primary factor, and there is a realisation that there is only so much influence they can have on their supply chain.

“But in a more competitive world there is more of a conscious awareness of the advantage of working with companies which share your values, because that leads to long-term relationships and stability.

“Larger companies appreciate the concept of culture and formalising values to deliver the right behaviours, but whether they are getting it right in terms of implementation is another matter.

“I would describe governance as essentially the mechanism which should keep a business on track to deliver its purpose and goals.

“Making sure the business has got a framework of accountability, process reporting, a clear understanding of people’s roles is essential if it going to be able to achieve targets and meet expectations.

“Where does ESG fit into this? Some will see it as a tick box exercise but used correctly it will generate great returns or better enable a return within the business climate in which we now live.



Sarah Barber

“In my mind, governance sits above the E and the S of ESG, because it provides the framework in terms of how the E and the S are managed. The acronym ESG is all important, I get that because it enables people to understand and engage with it, but governance should be the umbrella, not a component.

“If a company gets ESG right, the evidence is that it delivers better returns for all of its stakeholders.

“We hold what we call founder forums, to encourage portfolio companies to talk to each other about board construction, for

example, and we do something similar relating to ESG as well, because both are important if companies are to progress from early stage investment to the next stage, otherwise they are providing reasons not to buy or invest further.

“But there has to be proportionality. I’m not expecting a fast-track growth company to have everything covered off with policies, but it’s important for them to have governance on the agenda. And arguably the importance and value of governance increases as a company grows if it is to maintain momentum.

“Doing the right thing, however you define that, comes from a company’s culture, and the latter should ensure the former is perpetuated so it becomes embedded in the business and stays at its heart as it grows.

“Ensuring that happens could be said to be a new component part of the role of leadership. And having that framework provided by governance provides a founder with the confidence to let go of tasks to others in their company at the right time.

“There is of course an increasing commercial driver for companies to do the right thing. Unless a company is demonstrably focused on delivering environmental improvements for example, it likely to struggle not only because of regulatory aspects but also customer sentiment.

“You ask me about the correlation of regulation and doing the right thing. The risk with regulation is that too much of it just

has a stifling effect, so I think there has to be better lines of communication between the regulation setters and business so it's appropriate and proportionate, and as a consequence will then deliver its purpose.

“Somehow, we also need to create a political system which will enable governments to keep up with changing times. They can be years behind and then in the twelve months before an election, nothing strategic really happens because of political expediency.

“And the process of introducing change can take an age. Government announced legislation to make it easier for businesses to become suppliers to the public sector, but it has taken eighteen months to make it happen. Why so long if there is willingness and a recognition of its importance? Simple changes such as increasing SEIS (Seed Enterprise Investment Scheme) limits took months to enact and were tied in with much broader financial legislation changes.”

jensonfundingpartners.com

Founded in 2012, Jenson Funding Partners have launched numerous Seed Enterprise Investment Scheme (SEIS) and Enterprise Investment Scheme (EIS) funds and have invested over £24million in more than one hundred and thirty five entrepreneurial UK businesses which have typically launched their product or service and are typically close to or are posting revenue. In addition, Jenson Funding Partners have supported thirty-one follow on funding rounds.

Beyond Governance is a multi award-winning full service consultancy that collaborates with the c-suite, chair, board and investors to unlock value, resulting in increased shareholder and stakeholder confidence, increased share prices and achievement of business objectives.

Our three distinct service offerings, are dedicated to addressing the most critical issues and opportunities facing our clients. Our strength lies in creating value that transcends traditional boundaries and connects the silo'd elements within organisations.

Our Boardroom Advisory team specialises in strategy, organisational design, operational efficiency, technology integration, transformation initiatives, digital strategies and analytics, corporate finance and mergers & acquisitions as well as sustainability.

Our CoSec-on-demand group works with governance and secretariat teams to support them on a project basis, working with them on governance frameworks, subsidiary management, software audits, entity rationalisation as well as joining their risk registers to provide emergency cover, all done outside of IR35.

Our Training teams works with institutions big and small to help narrow the gap between theory and day-to-day practice. Industry experts had expressed concerns regarding the future outlook of the governance profession, and we felt we could help address these needs by sharing our experiences. Our training clients include members of the Big 4 and FTSE.

In 2020, Beyond Governance became the UK's first certified B-Corp consultancy in its sector.



**Training by
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*The interview with Sarah Barber was
undertaken with Erika Eliasson-Norris,
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About DECISION magazine

First published in 1988, DECISION magazine reflects the business lifestyle, the trials and tribulations, the hopes and aspirations of business owners and directors responsible for businesses with a turnover of £5million and above across the south of England and London.

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