GC scorecard to promote best practices

Perspectives from the Chambers of Commerce of Colombia

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How to promote best corporate governance practices

• Regulation or self regulation

• Regulation: Law 964 of 2005, Decree 2955 of 2010, corporate practices report from the Superintendence of Companies

• Self regulation: Colombian Corporate Governance Guide for Closely Held and Family Companies.

• Self regulation requires conviction.

• How to generate conviction for the adoption of CG practices?

• Incentives and raising awareness.
Economic incentives:

- Corporate Governance Rating by companies’ funds providers (Banks, Private Equity Funds).

Tools that reduce costs and facilitate the process: Corporate Governance Auto Implementation Platform and training consultants, to supply this market segment’s demand.

A scorecard facilitates this process because it allows entrepreneurs to implement practices according to the requirements of the financial resources providers.
Economic incentives

- Corporate Governance practices implementation on 100 SMEs in Colombia (cost sharing):
  
  The scorecard feedback the Corporate Governance implementation processes in companies and the pilot of a product in Bancolombia that uses the Scorecard.

- Reputation incentives: "CG company circle" for the most successful SMEs.
  
  The scorecard eases the selection of members of the circle.
Awareness Raising & Scorecard

Building a media and marketing strategy

• (Mailing, Radio, Press Notices, posters for promotion in the House and allies)
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There is something missing without good corporate governance

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Corporate governance is the most healthy corporate culture. It is the essential tool to grow in an organized manner, providing you access to global practices to help you manage risks of conflict between partners, managers and members of the family business, increasing the sustainability and competitiveness of your business by demonstrating to your inventors and your customers that your company is transparent and well managed.

Ask at the Chambers of Commerce for Corporate Governance Programs. It is vital for your company. There is nothing to lose but lots to gain.
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Awareness Raising & Scorecard

- Events: Semi-annual information sessions for SMEs on the "Colombian Guide" in the 10 largest Colombian cities
- Annual international forum of Corporate Governance, with panels of entrepreneurs and experts

Scorecard sustainable media strategy, since banks are the ones who market our products at preferential rates for employers with good practice.
Scorecard Challenges for the promotion of CG practices

• Implementation of measures to meet a checklist vs. actual practices.
Thank you!