Typical company "ecosystem"

Joint Venture Parent Co.1

JVCo.1 management

Shareholders' Agreement

JVCo.2 management

Joint Venture Parent Co.2

Company law

Our Company Ltd

Accounting Law & Regulation

Other law & regulation:
eg Data Protection, Competition law, Consumer law, Property law

Company's Articles of Association
60% voting rights   *   40% voting rights

Shareholder meetings and decisions

NB: many decisions need 75% vote in favour by law and Shareholders' Agreements often impose extra voting restrictions

(Shareholders must each have a nominated representative. It is better if this is not a company director – otherwise a person might be escalating a dispute to themself)

Reports, feedback recommendations, escalations

Delegated authorities granted through shareholders' agreement, company articles and shareholder resolutions

[NB A company can only trade if it has enough cash to meet all its debts as they fall due ("cashflow solvency") and it knows that it will be able to repay all longer term debts and liabilities before they fall due ("balance sheet solvency")]

BOARD

1 In this meeting all directors acting in best interests of the company as determined by law (and shaped by the articles and the Shareholders' agreement).

2 Directors **must not** act in the best interests of themselves personally nor of the parent company or investor or other person (personal liability at law).

Board Working Sub-committees

Delegated Authority

Reporting

Illustratively:
Credit Committee normal composition: A,B,C
Risk Committee: A,B,C
Remuneration Committee: B,C
Other committees: ??

A
Executive Directors
Employed by and having day to day management responsibilities in the company.

B
Non-executive appointees
appointed by and employed by Shareholders but not acting as shareholder representatives.

C
Independent Directors
(ie appointed by Shareholders but not employed by them or connected with them).

*

Executive   Management   (Functional/Departmental Leads)

Sales   *   Marketing   *   Finance   *   Office management   *   Legal   *   Procurement   *   etc

Supplier Relationships

Inc staff; trademarks; one time, framework, call off and long term supply contracts both:
(a) Paid = eg office lease, telecoms, Patent and Software licences
(b) Unpaid = eg open source, software licences, Linked In

Policies, processes, contractual terms related record keeping escalations and fault handling etc

Make

THE FOUR SIDES OF OUR COMPANY'S OPERATIONS

Manage, plan, evolve

Deliver

Contracts, customer licences (eg IP Data, know how) policies, processes, record keeping, customer management help desk escalations and fault handling etc

Customer Relationships

Consumers
Small and medium business
Large business
Franchises etc

Shape

"Forced"   "Optional"   "Advisable"

Mandatory stakeholders

eg Information Commissioner
    FCA (Financial Services firms)
    Advertising Standards Authority
    Competition and Markets Authority
    HMRC
    Trade Media
    Wider Media
    Central and Local Government

Desired stakeholders

eg user group
    Web forum
    Affiliated companies
    Trade associates
    and voluntary trade standards bodies

Internal

Staff
Contractors

External

Trade Unions
CSR bodies and charities (eg Verite on modern slavery supply chain compliance reporting)

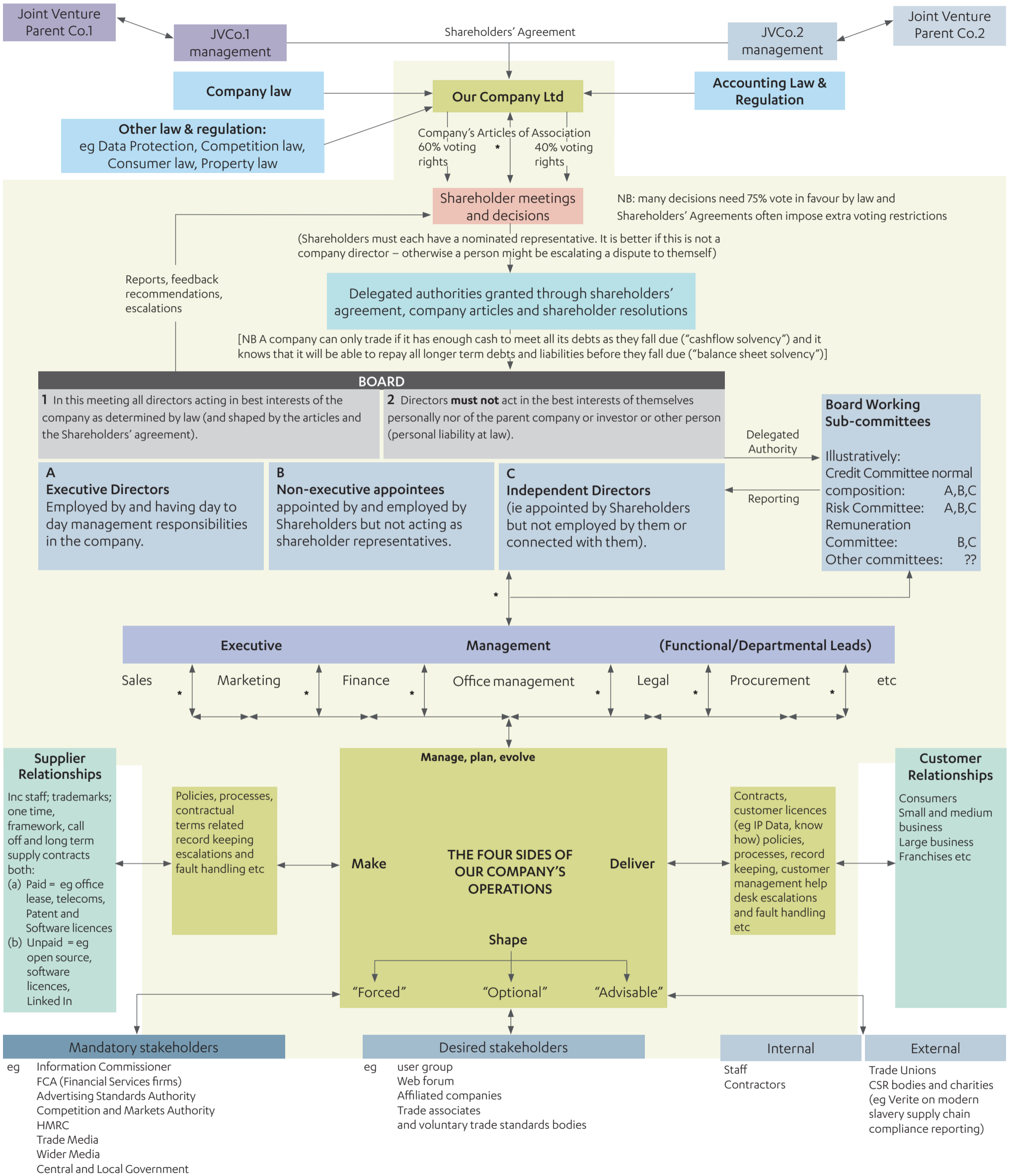**Notes:**
Wherever there is an arrow, there is a relationship that needs to be documented (for certainty); to have a change control process (to cope with changes):
- a process flow to cope with records of conversations/documents, contracts etc and
- a method of storing and keeping accessible the records documents and the documents/contracts etc.

KEY

* Reports, feedback recommendations, escalations

* Policies, processes, delegated authorities, Strategies, plans

☐ Outside company   ☐ Inside company