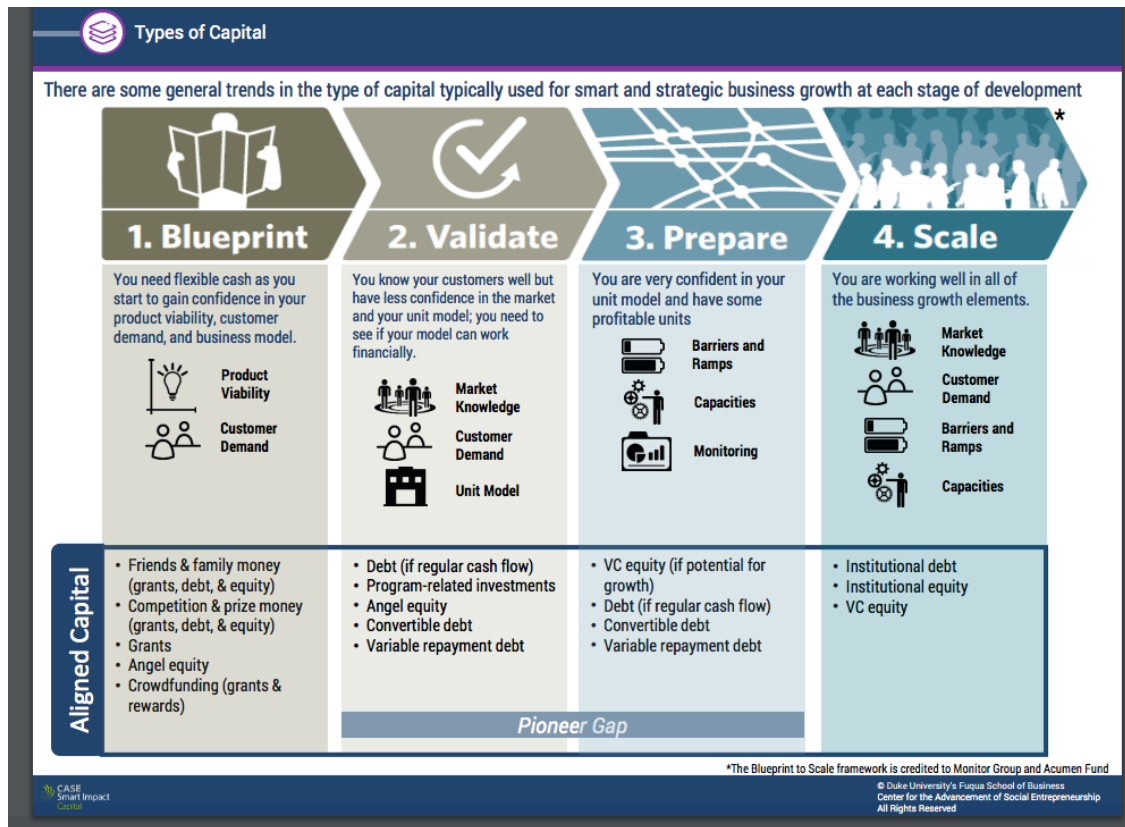


Guide to Governance, Management, and Team Development: A Resource for Global Health Impact Investors

Evaluating a company's founders, management team, governance structure, and overall organizational development is one of the most important - and challenging - parts of the due diligence process. Understanding these enterprise components can be even more complicated when working with global health innovations in complex regulatory environments and emerging markets. This tool helps investors understand what organizational development characteristics to look for when assessing global health investment opportunities at different stages of growth.

This resource organizes stages of company growth as defined in the *From Blueprint to Scale: The Case for Philanthropy in Impact Investing* report, which was produced by the Monitor Institute and Acumen Fund in 2012 and is widely accepted across the impact investing field. While companies rarely fit neatly into one stage, this format creates a consistent way to understand and evaluate the priorities, activities, and needs for impact enterprises as they develop. Below is a summary of capital that aligns to each stage of development, courtesy of CASE Smart Impact Capital series, at www.casesmartimpact.com.



How to use this guide:

1. *Identify* the stage of development and capital needs of the company under review.
2. *Assess* the characteristics and milestones reached in the governance, management team, and team development categories, checking the boxes for those achieved to measure company progress.
3. *Review and engage* with entrepreneurs around unmet expectations. What more do you need to see to be comfortable with the company's progress? How can your investment support or trigger critical organizational development activity?

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	BLUEPRINT	VALIDATE	PREPARE	SCALE
GOVERNANCE	<ul style="list-style-type: none"> <input type="checkbox"/> Founders show intent and commitment to governance strategy <input type="checkbox"/> Founders have informal advisors that believe in company vision <input type="checkbox"/> Financials and initial Key Performance Indicators (KPIs) are identified and tracked 	<ul style="list-style-type: none"> <input type="checkbox"/> Board of Directors and/or Advisory Board exists <input type="checkbox"/> Advisors are experienced and high-profile but engaged with the company on growth plan <input type="checkbox"/> Governance meeting and reporting structure exists <input type="checkbox"/> Financials and Key Performance Indicators (KPIs) are tracked and reviewed as strategy develops 	<ul style="list-style-type: none"> <input type="checkbox"/> 5-person Board of Directors, with at least 1 independent Director <input type="checkbox"/> Regular governance meeting and reporting systems in place <input type="checkbox"/> Financials and Key Performance Indicators (KPIs) are tracked monthly <input type="checkbox"/> Financial and social impact understanding is represented and aligned across the board <input type="checkbox"/> Policies for anti-corruption, ethics, conduct, compliance, and transparency are established 	<ul style="list-style-type: none"> <input type="checkbox"/> Board of Directors includes industry and investor perspectives <input type="checkbox"/> Regular governance meeting and reporting systems are in place <input type="checkbox"/> Financials and Key Performance Indicators (KPIs) are tracked monthly <input type="checkbox"/> Financial and social impact understanding is represented and aligned across the board <input type="checkbox"/> Governance and operations are fully compliant with sector and geographic regulations
MANAGEMENT TEAM	<ul style="list-style-type: none"> <input type="checkbox"/> 1-3 Founders, often with physician/clinical background <input type="checkbox"/> Founders demonstrate integrity, tenacity, coachability, and commitment -- vetted by reference checks and through interactions and feedback <input type="checkbox"/> Founders have concept for long term sustainability <input type="checkbox"/> Founders' values create framework for company culture <input type="checkbox"/> Founders understand health regulation frameworks 	<ul style="list-style-type: none"> <input type="checkbox"/> Company is beginning to fill management team with next roles to hire identified, especially in finance/accounting/management to support physician CEOs <input type="checkbox"/> Founders show ability to attract quality employees and willingness to delegate <input type="checkbox"/> Founders' integrity incites trust in caliber of team and team development strategy <input type="checkbox"/> Founders have 3-5 year strategy for sustainability beyond grant support <input type="checkbox"/> Company culture indicates that clear values, standards, and expectations are shared by all employees <input type="checkbox"/> Management team operates within applicable health regulations 	<ul style="list-style-type: none"> <input type="checkbox"/> Founders have settled into appropriate roles <input type="checkbox"/> Key management team may experience turnover but all roles are filled or final 1-2 positions are actively being filled <input type="checkbox"/> Understanding of strategic needs for scaling is covered by management team members, Board members, or consultants <input type="checkbox"/> Company culture, operating standards, and personnel policies are established and documented <input type="checkbox"/> Management team is engaged with health regulators and is on track to obtaining necessary licenses 	<ul style="list-style-type: none"> <input type="checkbox"/> CEO has full administrative and support staff <input type="checkbox"/> Capable executives are hired <input type="checkbox"/> CEO has identified management team needs for geographic expansion <input type="checkbox"/> CEO and management are engaged with health regulators and influence health regulation
TEAM DEVELOPMENT	<ul style="list-style-type: none"> <input type="checkbox"/> Titles, responsibilities, and org chart are fluid <input type="checkbox"/> No team formed 	<ul style="list-style-type: none"> <input type="checkbox"/> Org chart captures current function areas <input type="checkbox"/> Team members are high performing across responsibilities, not specialized <input type="checkbox"/> Team understands social and cultural influences and behavioral dynamics and is able to build trusting relationships with customers 	<ul style="list-style-type: none"> <input type="checkbox"/> Org chart projects growth <input type="checkbox"/> Recruitment focuses on specialized hires <input type="checkbox"/> Strong operations team manages the day-to-day <input type="checkbox"/> Team understands social and cultural influences and behavioral dynamics and is able to build trusting relationships with customers 	<ul style="list-style-type: none"> <input type="checkbox"/> Org chart shows depth in function areas <input type="checkbox"/> Employment conditions are in line with industry standard

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Providing social entrepreneurs in global health with the knowledge, systems, and networks needed to succeed.



SEAD brings together interdisciplinary partners through a coordinated effort across Duke University and leverages institutional relationships and networks to create an integrated global health social entrepreneurship hub for diverse stakeholders across the globe.

SEAD, in partnership with the U.S. Agency for International Development (USAID) and USAID Higher Education Solutions Network (HESN), mobilizes a community of practitioners, investors, policymakers, faculty, staff, and students to identify, access, help develop, build capacity of, and scale solutions, technologies and business models for healthcare delivery and preventative services in developing countries around the world. Through this program, SEAD captures lessons learned and policy implications to ensure that our work impact both entrepreneurs on the ground and the broader development community.

