



# Governance, Compliance & Risk Management Enablement

## Client Situation



- The client, a high-growth privately held services provider was preparing for IPO and looking to streamline its corporate governance, enterprise risk and regulatory compliance related activities before going public
- The client had recently conducted an independent maturity assessment through a third-party service provider and had obtained a rating of <40% as against the benchmark rating of 80%+
- The client had developed a short-term and long-term roadmap to help achieve the benchmark rating of >80% over 3-5 years.
- **But the client's existing environment posed several challenges:**
  - **Limited cross-functional coordination between its corporate governance, enterprise risk and regulatory compliance functions, with many overlapping activities leading to lack of ownership**
  - **Several processes not defined well, leading to reactive and 'fire-fighting' approach**
  - **Primitive nature of documents and controls that would be essential for a potentially listed organization**
- The client engaged Avalon Consulting to partner with internal teams on several capability enhancement and IPO-readiness initiatives to work towards its goal of becoming a mature and external stakeholder-ready organization

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# Avalon Interventions

Avalon focused on 3 key pillars to drive the client's goals

Pillar



Avalon's interventions



Results

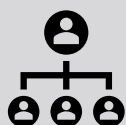


## Internal capability enhancement related initiatives



- Development of operating models and communication guidelines for dealing with internal stakeholders such as the Board, Executive Committees and Executive Management
- Tailored process governance framework for the team to consolidate and streamline major tasks
- Well defined roles and ownership for all stakeholders
- Enhanced efficiency of department's major operations

## Executive Management focused initiatives



- End-to-end process for conducting, governing, defining and managing activities of Board and Executive Committees to ensure alignment with company's strategic objectives
- Enhancement of Strategic Authority Matrix to make top-level decision-making more agile and linked to company's strategic direction
- Policy management and development guidelines specifying the scenarios where policies / processes / procedures might be required
- Position our client as a 'leader' in corporate governance activities instead of 'laggard'

## IPO Specific Initiatives



- Development of operating model and playbook for interactions with various regulatory bodies
- Defining mandates and KPIs of a newly conceptualized Regulatory Affairs department
- Review and enhancement of essential governance documents such as Corporate Governance Manual, Board and Committee Charters, Conflict of Interest & Code of Conduct policies in-line with prevailing regulatory requirements
- Preparation of Risk Factors for Draft Red Herring prospectus (DRHP) and an ESG roadmap
- Received a go-ahead from key regulator body on essential governance documents
- Streamlined workflow for interaction with various regulators leading to a higher sense of accountability

## Impact of interventions

- Client's maturity rating increased to **70%+** within a single year, well-poised to achieve the target benchmark rating much ahead of the original schedule
- Increased shareholder confidence due to enhanced corporate governance activities further substantiated by swift approval from regulator on mandatory corporate governance documents
- Improved decision making and execution at Board, Executive Committee and Executive Management level