

Governing Energy

Discipline

Volume 2 Number 19—October 2, 2013

Any given project requires a structure and the discipline to adhere to that constitution. Without enforceable *structural dynamics*, projects are often late and over budget.¹ So it is with organizational governance models.

Strong Governance Bond models are only as sound as the stakeholders, through the Board of Directors, are willing to demand. As with most things in life, the Board of Directors must “Walk the Talk” if they are to effectively implement the required Strong Governance Bond model necessary to protect shareholder value and assure other stakeholders that the organization is doing the right thing(s) the right way.

A little under 90 days after this publication we will all enter the New Year with its traditional New Year’s Resolutions to lose weight, save more money, be better people, etc. Resolutions are easy to say and hard to actually accomplish.

Many of us begin with good intentions, e.g., the increased population at the local health club during January. However, sustainability is a function of the level of discipline applied—health club population by June.

As of this writing the BP Macondo incident is a Ghost of three and a half years Past. In the opinion of this commentator and others, the Ghost of the here and now or Present is a sector in transition. Changes to in the law regarding safety and environmental management are finalized, yet by some measures their reception to date is somewhat tepid.

To be sure the major economic actors have implemented the new regulations into their operations. However, many of the challenges that remain are with the supply chain and their ability/interest to up their game.

The Ghost of the Future will not depend on regulatory requirements as they will be generally adhered to. Rather, it will be about the capability of the major economic actors to provide the governance *structural dynamics* discipline necessary to assure thousands of suppliers do not enable scenarios of the Ghost of the Past.

What governance discipline does your organization have in place?

About the Author

Dr. [Scott M. Shemwell](#) has over 30 years technical and executive management experience primarily in the energy sector. He is the author of two books and has written extensively about the field of operations management. Shemwell is the Managing Director of The Rapid Response Institute, a firm that focuses on providing its customers with solutions enabling operations excellence and regulatory compliance management.

End Notes

ⁱ http://www.therrinstitute.com/uploads/Structural_Dynamics_-_Version.pdf