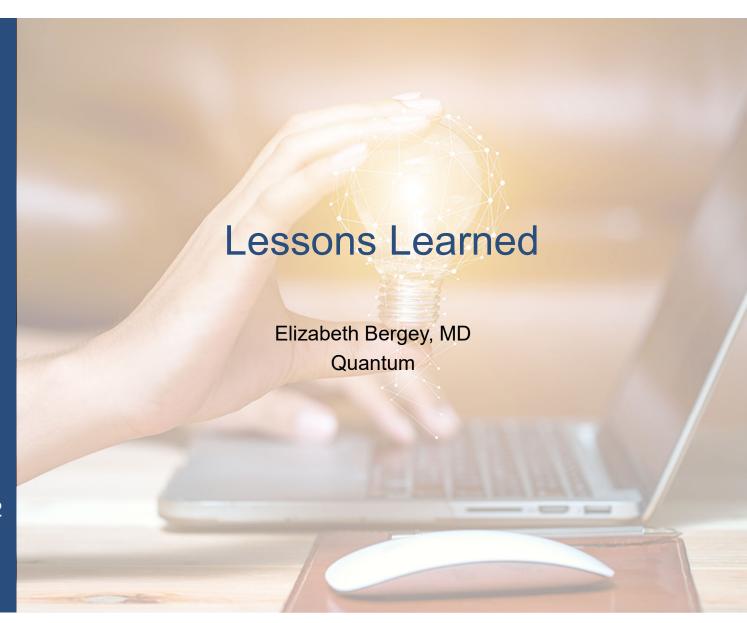


RLI Power Hour

Wednesday, August 24, 2022



Lessons Learned

- Know when to move to a representation system
 - One of our biggest advantages as private groups is Agility
 - Save the shareholder decisions for the biggest issues
 - Spending a lot of money (>\$500k for example)
 - Firing a shareholder
 - Taking on debt
 - Possibly other politically charges issues



Pay for Leadership

- Pay People for their participation in Governance
 - Great bang for your buck
 - Larger participation pool
 - Leverage more brains
- The business guys can't do it as well as you can
 - Let them carry out the vision or help shape the vision, but you drive it,



You can't please everyone all the time

- All shareholders are not aligned
- Example:
 - Manpower shortages
 - Make everyone stay to keep current?
 - Pay some people to do the extra work?

Lifestyle versus Money



Pivoting

- Critical to success
- Cannot be interpreted as failure or leadership will persist overlong
 - No one will want to risk leadership
- Shareholdership should expect explanations and new plan when a significant pivot occurs



Leadership Must Consider the Interest of the Corporation First

- Sometimes the interest of the corporation diverge from the interests of a specific shareholder
- Example Price setting for the Extra Work
 - The corporation's interest is
 - To get the work done at the lowest price- market driven
 - Individual may be to get the highest price possible.



Leadership Must set a Cultural Ideal

- Should be able to define culture- not generic: we do quality work...
 - Quantum
 - Transparent
 - Financials distributed monthly
 - Daily production reports are identified by physician
 - Robust but coordinated committee system driven by committee chairs
 - all of whom are directors
 - Innovation technology driven- willing to take on risk- data driven
 - Investments in development with a specific ROI within our own practice



Do Not Ignore a Disruptive Partner

- Those who cannot lead may follow.
- Those who can follow may lead.
- Those who cannot follow, cannot lead and become frustrated and angry.
- Goes back to non punitive culture. Don't give him a foothold and manage him through your agreements.



Uyiwxnsrw

- What size is too big for simple democratic governance
 - You know its too big when your decisions stagnate
- What should you do about a disruptive partner
 - Do not fear him
 - Follow your agreements, policies and procedures



