



> *change the game*



Sportsmanship is what makes  
a good athlete great!

Let your game do the talking!



# Change the Game: Good Governance in Sport

Executive briefing for board members and C-suite executives in sport, nationally and internationally

## Good Governance in Sport

### Your single most critical issue to winning the game

Sport is at its best when done with the highest level of integrity, sportsmanship and fair play – inside and outside of arenas, courts, fields, rings, stadiums and tracks.

Sport organizations modernizing their governance standards, nationally and internationally, realize that good governance is the foundation for good decision-making. They undergo tough and courageous changes to build a strong platform for prosperity, performance and growth into the future. By raising their internal, athletic and event governance standards to a best in practice, leadership level, they build trust, forge strong community connections and enhance their participation base.

### All your players expect you to be a coach with leadership qualities of character

You want to raise your governance standards to a best in practice, leadership level, to build trust with at least six of your key stakeholders for the following reasons:

- *Professional athletes*: To sustain or increase interest and pride in practicing your particular sport(s) at a professional level and in competing at your events.
- *Sponsors and media broadcasters*, expecting a positive association with your organization, sport(s) and events through their investments: To sustain or increase your organization's main source of revenue.
- *Host governments and intergovernmental organizations*: To preempt strict and inflexible regulatory oversight and to keep special privileges such as tax exemptions and eligibility for public funding.
- *Law enforcement authorities*: To proactively manage legal liability risks for your organization and individuals on your board and in the executive management team.
- *Civil society organizations*, as the most trusted societal players: To preempt critical campaigns and negative media coverage of your organization, sport(s) and events and to increase your level of trust with all stakeholders.
- *The general public*: To sustain or increase general interest and pride in practicing your particular sport(s) at an amateur level and in attending your events or watching them online.

### Change the tactics of the game: Move from being seen as part of the problem to being part of the solution

Only if you get the process right in raising governance standards to a best in practice, leadership level, will you get full credit for the outcome and the money spent. Because of the sensibility of the issues, a common mistake is to devise sound governance standards in a purely internal and legal compliance-focused process. If you go down that road, you will miss the opportunity of placing good governance in a strategic and tactical context for winning the game. This particularly applies to building trust with your key stakeholders and motivating them to publicly recognize you as part of the solution to a problem.

### The only way to build the trust of your players is by earning it

Critical questions to ask yourself are: who trusts you, and who stands up for you in a time of crisis? Trust is not about how you perceive yourself, but rather how your key stakeholders perceive your organization, your sport(s), your events, your organization and not least you personally. To earn trust, everyone in your organization, and you in particular, must behave with integrity – transparently and consistently.

### Do you want to lead the change of the game or be forced to adapt?

Raising your governance standards to a best in practice, leadership level, requires a high level of leadership, especially in taking tough and courageous decisions. Either you disrupt the status quo and benefit from being an offensive first-mover or you stay put defensively and eventually get disrupted in a damaging way.

## M INC. > change the game

M INC. enables business and sport leaders, nationally and internationally, to turn good governance into a winning strategy for building trust, performance and growth into the future.

Leaders in business and sport value M INC. as their preferred partner on good governance. While appreciating that M INC. enables them to identify and address the right questions, they recognize M INC. for its custom-made services that reflect their own perspectives and needs in bringing governance standards to a best in practice, leadership level.

More specifically, business and sport leaders value working with M INC. because of its:

- Approach to placing good governance in a strategic context of building trust, performance and growth into the future.
- Independent and expert-based process facilitation, advice and challenge.
- Cross-sector and international expertise.
- International and high-level network.
- Experience in developing multistakeholder solutions to complex problems.
- Caring professionalism and business principles.
- Giving-back philosophy focused on voluntary work and financial support to civil society organizations that provide for underprivileged children in further developing qualities of character, ethical values and leadership skills through sports.

Value creation, cost consciousness, excellence, team play and integrity are at the heart of everything that M INC. does and stands for. The company only accepts new business when it does not compromise the delivery of high quality in already committed projects. M INC. never sells services that business partners do not need. The company safeguards the confidentiality of information, discloses any potential conflicts of interest and does not give or accept inappropriate gifts or entertainment.

M INC. believes that sport can play a particularly positive, enabling role in changing the game for children, especially in socially challenging environments. Part of creating systemic change is promulgating the moral values that children naturally display by enabling them to further develop strong qualities of character and leadership skills at a young age. Consequently, M INC. donates at least 10 per cent of annual revenues to high-potential projects that support underprivileged children in further developing qualities of character, ethical values and leadership skills through sports – including Colombianitos, the Colombian chapter of the organization Streetfootballworld.

“I worked with Michael Pedersen during his leadership of the World Economic Forum Partnering Against Corruption Initiative. Mr Pedersen's professionalism, dedication and innovative ideas always stood out in his work to create partnerships between governments and the private sector to fight corruption. I am confident that the same will apply to his work in the context of M INC. Mr Pedersen's initiative



is very timely. I am keen on seeing his new endeavour flourish and the good results it will bring to good governance in business and sport.”

Jorge Hage Sobrinho,  
Minister of State, Comptroller General of Brazil

## Michael Pedersen: Your team's new change agent and integrity coach

### Biography: A coach with the right strategic approach, expertise and network

Michael Pedersen, Founder of M INC., is an internationally recognized expert and leader in good governance, transparency, ethics and integrity. He is a change agent, an integrity coach and a street volunteer.

Mr Pedersen is experienced in engaging leaders in business, government and civil society to address sensitive governance challenges such as fighting corruption and in bringing them together in collective action partnerships to shape public policy and address root cause challenges. Mr Pedersen is also experienced in devising and implementing business integrity management systems to prevent, detect and address integrity issues in large international organizations. He has an extensive network of leaders in business, government and civil society from around the world.

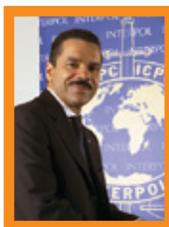
Michael Pedersen is the former Head of the World Economic Forum's Partnering Against Corruption Initiative, an international good governance partnership with over 175 multinational companies and their CEOs. Among other experiences, he was a Senior Advisor on Business Integrity with Novozymes, the world's largest manufacturer of enzymes.

Mr Pedersen holds three MSc degrees; an MSc in Global Leadership from the World Economic Forum in Switzerland, taught in collaboration with the Columbia Business School, Wharton School, London Business School and INSEAD; an MSc in Responsibility and Business Practice from the School of Management at the University of Bath, United Kingdom; and an MSc in International Relations from the Department of Political Science at Aarhus University, Denmark.

Michael Pedersen is of Danish origin and has lived, worked, studied and travelled in many countries and regions. He currently lives in Medellin, Colombia and in Barcelona, Spain.

“I commend Michael Pedersen on his strong leadership of the World Economic Forum's Partnering Against Corruption Initiative and on HIM having successfully increased ACCEPTANCE in such a powerful and imaginative way AMONG BUSINESS LEADERS of the World Economic Forum's global agenda for fighting corruption. I remain truly impressed by Mr Pedersen's professionalism, thirst for knowledge, CONTINUED personal growth and EXCEPTIONAL business acumen.”

Ronald Noble,  
Secretary-General, INTERPOL



Mark Pieth,  
Chair, FIFA Independent Governance Committee; Chairman, OECD Working Group on Bribery in International Business Transactions; Chairman of the Board, Basel Institute on Governance

“I worked with Michael Pedersen for several years, as he led the World Economic Forum Partnering Against Corruption Initiative. He is a serious, hard-working and committed professional. His idea to found M INC. is spot on at a time when sport governing bodies are finally waking up to realise their responsibility in governance. Sport is crucial in providing role models, especially in developing nations, and sport governing bodies are fundamental to the support of development. I wish Michael Pedersen the best of luck in the launch of his new initiative.”

### Passion for sport: A coach who is also an athlete

Mr Pedersen is passionate about sport. Sport has and continues to play an important role in his life, mainly because of the fun and social element of doing sports, but also because of its power to create physical and mental wellbeing. During his childhood, Mr Pedersen focused on badminton and swimming at a competitive level. While at university and after, he concentrated on running and kayaking. He ran the New York City Marathon in 2003, 2004 and 2005. In recent years, Michael Pedersen has mainly pursued cross-country skiing, trekking, salsa dancing and boxing. When he was based in Switzerland, he completed the Tour de Mont Blanc in 2008 and the Engadin Ski Marathon in 2009. He climbed Bishorn in 2007 and Weissmies in 2008. Mr Pedersen currently engages in sports twice a day.

Michael Pedersen is a great believer in the power of sport to build qualities of character and create systemic social change. He enjoys working with children and learning from their unbiased feedback and their ability to focus on getting the most out of the moment. Inspired by six months of volunteer work with street children in Colombia just before establishing M INC., he continues to devote at least one day a week to volunteer work with underprivileged children.





## Achievements: A coach with impact

### World Economic Forum

Under Mr Pedersen's leadership as the Head of the World Economic Forum's Partnering Against Corruption Initiative, an international good governance partnership with over 175 multinational companies and their CEOs, good governance became a key priority in World Economic Forum activities and at events such as the Annual Meetings in Davos and various regional meetings.

The World Economic Forum's Global Agenda Council on Anti-Corruption, tasked to shape the global agenda, strategically placed the challenge of good governance as a process issue to be addressed as part of successfully tackling any global issue. The Council counted CEOs of Fortune Global 500 companies, heads of international civil society organizations, secretary-generals of international organizations and ministers and heads of state among its members.

The International Business Council, the most prominent Forum community at a CEO level, provided public policy recommendations on good governance in the context of the French G20 Presidency's activities to implement the G20 Anti-Corruption Action Plan. Recommendations included the creation of collective action and multi-stakeholder partnerships as well as devising positive incentives to encourage and reward leadership by companies.

The Partnering Against Corruption Initiative gained momentum and became widely recognized as one of the leading international good governance partnerships, mainly because of the following results:

- Increasing the number of signatory company CEOs by almost 50 per cent; new signatories included substantially more Fortune Global 500 companies and companies based in non-OECD countries.
- Initiating impact through collective action partnerships developing

scalable and replicable solutions to address root cause challenges; such partnerships included a pilot project to address transparency at customs in Vietnam and the launch of a local good governance network for small and medium-sized companies in Mongolia.

- Enabling sharing and shaping of international best practice by convening two unparalleled annual gatherings of senior executives in the signatory companies in a highly engaging and innovative meeting design context, including unparalleled business discussions with law enforcement authorities and civil society organizations.
- Facilitating a process that led to the main international good governance partnerships further aligning, coordinating and supporting each others' efforts.
- Undergoing further institutionalization, including strengthened processes for accepting and delisting signatories, rights and responsibilities for board members, and more industries represented on the board at the CEO level.

### Novozymes

Under Mr Pedersen's leadership as a Senior Advisor on Business Integrity with Novozymes, a business integrity management system was devised and implemented throughout the international organization of the world's largest manufacturer of enzymes.

The management system was especially recognized internationally for:

- Being principles-based.
- Stemming from a long internal process chaired by the vice president of sales.
- Integrating new processes and checks and balances into existing management systems.
- A creative launch with personalized letters to all business partners and a comic-like booklet entitled "Bribery - No Thanks!" that served as a means of both policing employees and making them feel proud of the company.



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### Further information

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