



OpenPEPPOL 9th GA

March 21st, 2018, Brussels, Belgium

Background document for voting item 4

Approval of Revised Governance Model

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1 Introduction

OpenPEPPOL is an organisation with more than five years of history, built on the results from the PEPPOL project that ran from 2008 until 2012. During the PEPPOL project period, more than 30 million Euro was invested in specifications, sample software and capacity building; with the aim to enable businesses to communicate electronically with any European public-sector entities in the procurement process. Upon the successful completion of the PEPPOL project, OpenPEPPOL AISBL was established by a handful of PEPPOL consortium participants to ensure long term sustainability of the project results. From the small original setup, OpenPEPPOL has shown a steady growth based on the original strategy and fundamentals. The first version of the Statutes was formed together with a governance structure filling the need and size of a small organisation. The organisation was registered as a Belgian international non-profit association (AISBL) in 2012.

Today we see an accelerating growth and acceptance of the OpenPEPPOL approach, as the use of the PEPPOL eDelivery Network and PEPPOL BIS increase in countries where it is already established, and as new countries, also outside Europe, show their interest. The operation today is to a large extent dependent on volunteers and in-kind contributions. With the existing growth rate and expected increased future growth rate, the need to establish a scalable governance structure and a stable financing model is vital.

It is time to change the governance structure and operational setup of OpenPEPPOL, and to adjust the statutory requirements and boundaries for governance.

The OpenPEPPOL Managing Committee has therefore developed a proposal for how to set up the OpenPEPPOL governance moving forward, together with a strategy to ensure that the OpenPEPPOL statutes are providing the balance of flexibility and direction required, to cater for continuous development and growth of the organisation.

This document describes the main principles of organisation, its rules and regulations, as laid out in the Statutes and is the background document for voting item 4 at the 9th General Assembly.

1.1 Primary goal for changing the definition of OpenPEPPOL Governance

The primary goal for revising the statutory definition of the Governance Structure is to provide a high-level framework to allow for flexibility and changeability, without jeopardising the primary purpose of the association which is to maintain PEPPOL specifications and services as the basis for interoperable business processes and business document exchange across borders and sectors.

It is therefore important to leave the detailed operational requirements and detailed descriptions of structures out of the Statutes, to avoid the need for frequent formal changes.

Also, it has become evident that the extended use of volunteers and in-kind contributions for operational tasks, is hindering our members' ability to focus on the main scope of the communities, which is to further develop and sustain PEPPOL specifications, policies and network requirements.

The proposed changes are the starting point for further development of the organisational structure, forming the statutory basis for adapting the governance to the ongoing changes in member types, domain diversity and other changes in the surrounding environment.



Derived from this, the following fundamental principles will be used as basis for the change of the governance model and the statutes:

- **Scalability:** The new governance structure should support the need of the organisation to sustain fast growth, incorporate new communities and support a larger membership.
- **Flexibility:** Details of governance functions should remain outside the Statutes, thereby allowing for necessary fine-tuning to fit evolving needs and day-to-day operations.
- **Simplicity:** When, and to the degree possible, adopted procedures should aim to minimize administrative burden for the elected officials and hired personnel of the Association, as well as for the Members themselves.

1.2 Scope

The primary scope of the proposed changes is to simplify the way we describe the governance structure in the Statutes as follows:

Leaving out:

- Names and numbers of communities
- Details about coordinating boards and change management boards
- Details about functions covered in day-to-day Operations
- Details about how to prepare, plan and execute meetings in the Association

Adding in the possibility to:

- Expand boards and committees with representatives from relevant entities or communities, if required
- Pre-elect substitute representatives to boards and committees

Establishing an unambiguous organisational structure by:

- Unifying the way committee and board members are elected
- Establishing an unambiguous split between management activities, member activities and operational activities
- Requiring a common governance structure to be used in all communities.
- Provide clear and unambiguous principles for delegations and escalations.

The 9th General Assembly March 21st in Brussels, will therefore be asked to approve the core principles of the statutory definition of the OpenPEPPOL governance model as described below, and to provide the OpenPEPPOL Managing Committee with a mandate to go forward with implementing this model.

2 The new governance model; a high-level framework for scalability

Going forward, the Statutes will describe a high-level framework for the governance of the Association, including the principles for delegation, decision making and escalation.



2.1 Focus-oriented Governance

To ensure focus, progression and transparency in roles and responsibilities, the new governance model will operate with the principle of establishing governing units according to specific focus areas, providing them with the power of authority to govern areas in which they are responsible for.

To support the focus-oriented approach, the new governance model operates with three main areas:

1. Strategic governance; focusing on strategic dissemination, development of the association, business development and key stakeholder communication.
2. Governance of sustainability and development; focusing on sustainability, development and dissemination of specifications, policies and artefacts.
3. Operational governance: focusing on governance, administration and operation of the Association and the PEPPOL eDelivery Network

2.1.1 Strategic governance

The focus for the strategic governance is to manage, monitor and lead the strategic development of the OpenPEPPOL business model, its scope and statutory focus.

The governance processes put in place in this area have the main purpose to ensure:

- The statutory requirements are followed,
- The decisions of the General Assembly are implemented and followed
- The business model of the association is in line with the needs and requirements of the Association and its members.
- The strategic stakeholder management is aligned with the strategy, requirements and scope of the association.
- Initiation, validation and quality assurance of elections in the Association, including ensuring availability of eligible and qualified candidates.

Strategic governance is handled by members of the Managing Committee as elected by the General Assembly, supported by the Election Committee in inviting and assessing candidates for the positions.

All strategic governing bodies refer to and are held accountable to the General Assembly, they are led by the Secretary General and can escalate unresolved issues to the General Assembly.

2.1.2 Governance of sustainability and development

The focus for the governance of sustainability and development is to manage, monitor and lead development and maintenance of the PEPPOL specifications, policies and artefacts. The activities are member driven, as is the governance. The core principle for development is collaboration and consensus where possible, and efficient decision making through majority voting when required.

The governance processes put in place in this area have the main purpose to ensure:

- Specifications are developed, maintained and implemented to support business process interoperability, both domestic, cross-sectors and cross-border



- Policies are developed and implemented to ensure compliance in the PEPPOL eDelivery Network and agreement framework
- Requirements to centralised operations and administration cater for the common use of the PEPPOL eDelivery Network
- Representation of and collaboration on behalf of OpenPEPPOL in standardisation bodies and service provider communities.
- Knowledge sharing, coordination and alignment related to national participation in standardisation activities

Governance of sustainability and development are member driven activities, carried out in the Communities of the Association.

Going forward, the Association will have two community types:

1. Domain specific communities, organised per the business process area or domain covered and focused on development and sustainability of specifications, requirements and policies.
2. Stakeholder communities, organised per member category or membership type and focused on development and sustainability of the PEPPOL Agreement Framework and alignment of the members' interests across the domain specific communities.

Population of boards and coordinating committees is made by use of community-based elections, where all voting members of coordinating governing bodies are elected as representatives of a distinct community, and the voting members of the change management boards are recruited from and elected by the respective community.

All bodies governing sustainability activities refer to the Managing Committee and have the possibility to escalate to the Managing Committee, then the Secretary General and ultimately to the General Assembly on issues of strategic or principle interest.

2.1.3 Operational governance

The focus for the operational governance is to manage, monitor and lead the operations.

The governance processes put in place in this area have the main purpose to ensure:

- The operation of the Association is in line with the approved budget and operational workplan.
- The operational support to the Association and its members, is in line with the statutory requirements, and follows the rules laid down in the Internal Regulations.
- Operation of the PEPPOL eDelivery Network is in line with the requirements and policies put in place by the Communities, and supports the focus areas set out by the Managing Committee.
- Member support and management is aligned with the strategy, requirements and scope of the Association.

Operational governance is led by the Operations Manager, who refers to the Secretary General and is held accountable to the Managing Committee. The operational governance is organised according to

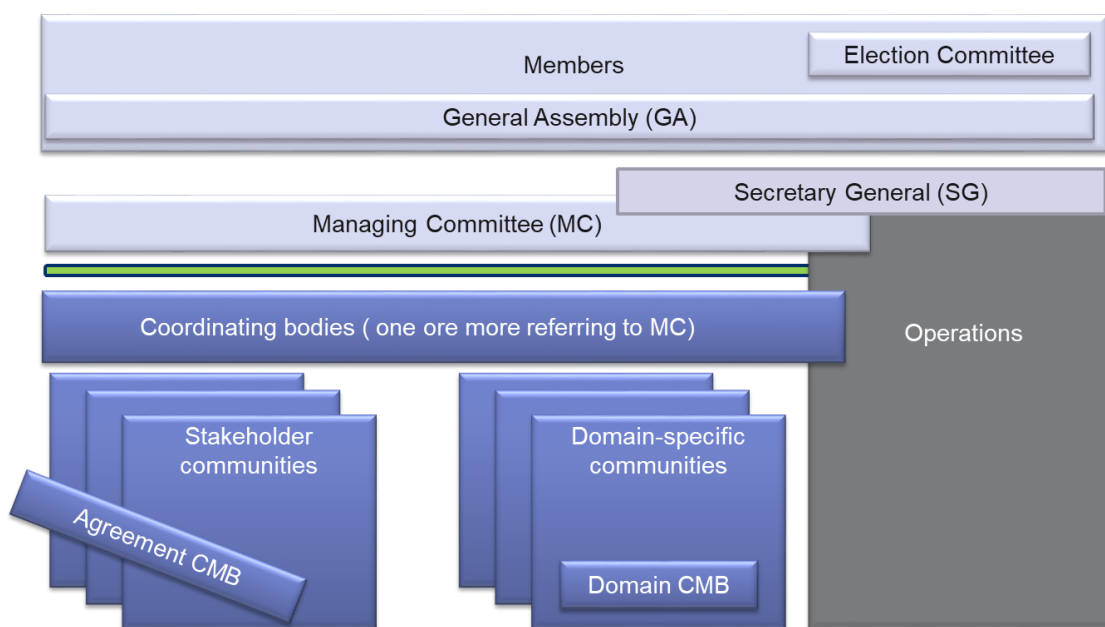


functional areas and is populated with resources or consultants assigned by the association or provided by member organisations as dedicated in-kind contributions.

All resources in operations refer to the Operations Manager regardless of the scope of their activities, even if they are provided as In-kind resources. All resources in operations have the possibility to escalate to the Secretary General.

2.2 High-level model

Please find below the high-level model of the governance bodies as stated in the Statutes.



When combining the figure above with the described governance areas, the delegation of responsibility is as follows:

Strategic governance bodies:

- General Assembly; highest Authority in the Association and decision body for the member community
- Election Committee; elected at the General Assembly with responsibility to ensure the availability of eligible and qualified candidates for elections to the Managing Committee.
- Secretary General; highest authority in-between General Assemblies, elected at the General Assembly.
- Managing Committee; elected at the General Assembly. Populated with 5 to 9 members including the Secretary General. Holds the overall responsibility for overseeing activities carried out by the Association.

Bodies for governance of sustainability and development

- Coordinating bodies; bodies established to cater for cross-community collaboration and alignment. Each body is populated with leaders or formally elected representatives of each of the relevant communities, and chaired by a person elected by the members of the body or appointed by the Managing Committee.
- Stakeholder communities; organised according to member type/category. Each community elects its own leader, as well as any representative needed to join the Agreement Change Management Board and other cross-community bodies.
- Domain-specific communities; organised according to domain focus. Each community elects its own leader, and its own Change Management Board as well as any representative needed to join any cross-community bodies.

Operational governance bodies

- There are no formal operational governance bodies required in the statutes, only the requirement for operations to support the daily operation and administration as well as the implementation of the decisions of the General Assembly and other strategic bodies.

The person in charge of the operations function refers to the Secretary General, and the function is organised according to the operational needs and requirements of the Association.

2.3 Election principles

As described above, the core principles for elections are that the Managing Committee and Secretary General are elected directly by the General Assembly, supported by the advice of the Election Committee, whereas any members elected for a position related to community work are elected by the community itself.

There are no election processes relevant in operations, as this is handled by assigned or dedicated resources only.

2.4 Collaboration, delegation, escalation and elections

The core principles for collaboration, delegation, escalation and elections, as set out in the statutes, is member involvement, and the use of unified processes and procedures across the different entities/units/bodies in the organisation.

As a result, the statutory rule-set for collaboration, delegation, escalation and election is as stated below:

2.4.1 Collaboration and participation

In general

- All communities are obliged to follow the unified rules of the Association, including the processes methods and tools for governance in the association.



- All communities are obliged to appoint a community leader to organise and lead the work of the community; formally represent the community; and participate in collaboration bodies on behalf of the community.
- All community leaders shall participate proactively in cross-community coordination.

Domain-specific communities

1. Domain-specific communities are governing bodies for sustainability and development of profiles and policies.
2. The domain-specific communities are open for any member to join as observers, but full membership with voting rights will be subject to a community-specific fee.
3. All activities in a domain-specific community are open for all members of that community
4. All members are expected to be a member in at least one domain-specific community
5. All service providers are obliged to participate in the domain-specific community governing specifications relevant for the service they provide

Stakeholder communities

1. Stakeholder communities are established as an arena for specific member types across domain-specific communities for knowledge sharing and collaboration.
2. Stakeholder communities are open for members of a specific member type or category.
3. All members are obliged to join one stakeholder community. Membership in more than one stakeholder community is possible, if the member holds different roles.
4. Sustainability, development and change management of the PEPPOL Agreement Framework is the collective responsibility of the stakeholder communities.

2.4.2 Delegation and escalation

The highest authority of the OpenPEPPOL AISBL is the General Assembly.

In-between two General Assemblies, the General Assembly, by default delegates:

- The Power of Attorney to the Secretary General, being the highest authority
- The responsibility for overseeing activities carried out by the Association, to the Managing Committee
- The responsibility for maintaining and developing specifications and policies of the PEPPOL eDelivery Network and business process interoperability, to the domain-specific communities.
- The responsibility for maintaining and adjusting the PEPPOL Agreement Framework, to the stakeholder communities.
- The responsibility to handle operations and the day-to-day administration of the Association, to the operations function



All the above mentioned governing bodies have the right to:

- Delegate specific tasks within their jurisdiction to Work Groups or dedicated taskforces.
- Escalate disputes or open issues according to the common escalation path in the Association.

The escalation path in the organisation follows the line of delegation upwards, defining the highest authority for escalation according to the default General Assembly delegation described above. Only unresolved issues of a strategic or principle nature can be escalated to the General Assembly. Other types of issues will need to be settled at a lower level in the Association.

2.4.3 Election and representation

Election procedures are aligned as follows;

- All election processes follow the same logic and procedure.
- All elections to PEPPOL governance bodies are made at or in conjunction with the General Assembly.
- All elections are initiated with a Call for Participants.
- All voting members in governing bodies (boards, committees) are elected by and representing members (except Observers).
- Observers have no voting rights and cannot be elected for any position in the Association.
- All governing bodies have the possibility of pre-electing substitutes.
- All governing bodies have the possibility to allow appointed experts or elected community representatives to join as observers with no voting rights.

3 Voting item 4 – Approval of Revised Governance Model

The 9th OpenPEPPOL General Assembly gathered 21st of March 2018 in Brussels approves the following principles for a revised Governance Model:

1. The following fundamental principles will be used as basis for the change of the governance model and the statutes:
 - a. Scalability: The new governance structure should support the need of the organisation to sustain fast growth, incorporate new communities and support a larger membership.
 - b. Flexibility: Details of governance functions should remain outside the Statutes, thereby allowing for necessary fine-tuning to fit evolving needs and day-to-day operations.
 - c. Simplicity: When, and to the degree possible, adopted procedures should aim to minimize administrative burden for the elected officials and hired personnel of the Association, as well as for the Members themselves.
2. The primary scope of the proposed changes is to simplify the way we describe the governance structure in the Statutes as follows:



Leaving out:

- a. Names and numbers of communities
- b. Details about coordinating boards and change management boards
- c. Details about functions covered in day-to-day Operations
- d. Details about how to prepare, plan and execute meetings in the Association

Adding in the possibility to:

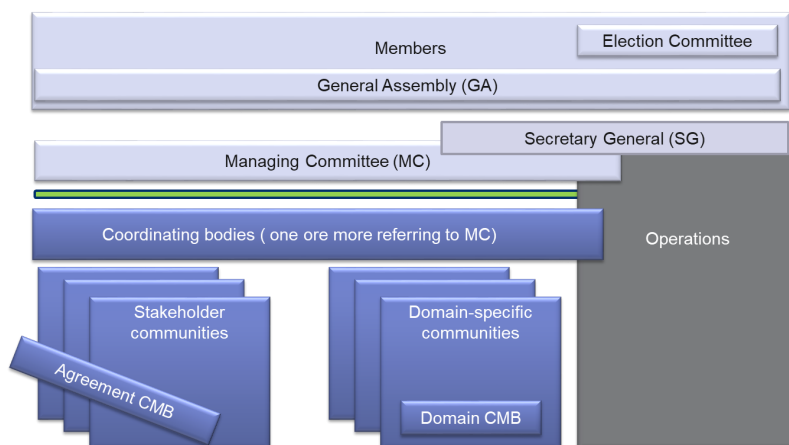
- e. Expand boards and committees with representatives from relevant entities or communities, if required
- f. Pre-elect substitute representatives to boards and committees

Establishing an unambiguous organisational structure by:

- g. Unifying the way committee and board members are elected
- h. Establishing an unambiguous split between management activities, member activities and operational activities
- i. Requiring a common governance structure to be used in all communities.
- j. Provide clear and unambiguous principles for delegations and escalations.

3. The statutory requirements of the OpenPEPPOL Governance structure operate with the following three main areas of governance (as illustrated below):

- a. Strategic governance; focusing on strategic dissemination, development of the association, business development and key stakeholder communication.
- b. Governance of sustainability and development; focusing on sustainability, development and dissemination of specifications, policies and artefacts.
- c. Operational governance: focusing on governance, administration and operation of the Association and the PEPPOL eDelivery Network



4. Election principles

- a. The core principles for elections are that the Managing Committee and Secretary General are elected directly by the General Assembly, supported by the advice of the Election Committee, whereas any members elected for a position related to community work are elected by the community itself.

5. Collaboration, delegation, escalation and elections

- a. The core principles for collaboration, delegation, escalation and elections, as set out in the statutes, is member involvement, and the use of unified processes and procedures across the different entities/units/ bodies in the organisation.

