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# What's Next for Public Companies? Becoming a "Next Generation" Governance Organization

## *Chapter 9 of Davies Governance Insights 2019*

In this final chapter, we discuss how boards and senior management might respond to the ever-changing environments in which their companies operate, to maximize their viability and profitability in the near, medium and long terms. What does a "next generation" governance organization look like? We consider three critical elements to becoming a next generation organization, focusing on strategy, people, and shareholders and other stakeholders. We also cast a spotlight on the U.S. Business Roundtable's recent expanded corporate purpose statement, articulating a commitment to all stakeholders of a corporation, and consider what this might mean for directors and officers in Canada. While directors and officers are not bound to give primacy to any particular stakeholder in exercising their fiduciary duties, we increasingly see companies being pressed to be "good corporate citizens," failing which they risk damaging their brand and competitiveness and compromising their ability to generate sustained value.

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This chapter appears in the 2019 edition of *Davies Governance Insights*, our comprehensive annual report on the trends and issues most important to Canadian public companies.

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