



Institut Luxembourgeois
des Administrateurs

Press release

ILA officially launches its Training Program for Directors by announcing a partnership with INSEAD

Luxembourg, March 8th, 2011

ILA's Training Program : framework and objectives

At the occasion of its General Assembly in June 2010, ILA decided to set up a new working group on 'Training': a proactive move to an upcoming need. Indeed continuous discussions and regulatory decisions and proposals on 'how to continue to strengthen corporate governance rules' have tended to emphasize the importance of efficient and well trained supervisory boards as the highest authority in the management of a company: and such trend is expected to continue. This evolution coupled with an increasing complexity of the global economic and regulatory environments have led ILA to set up this training working group with the objective to offer its Members both a fully fledged basic training program as well as continuous educational program in certain areas of specific importance.

The Training Working Group has since then developed the general framework of such training programs, framework that has been approved by ILA's Executive Committee in late 2010. Such framework can be summarized as follows:

- **Basic Training Program:** such program would comprise three major parts:
 - **Module 1: The Essentials – Universal:** this part should cover general aspects of directors responsibilities - whatever legal or regulatory framework they would operate in - and would cover topics like: reviewing and approving growth strategies, general governance and responsibilities, overview of basic knowledge and competencies needed, how to make boards more effective, financial analysis, review of strategic plans

For this part of the Program, ILA is in negotiations with multiple organisations to partner with existing or to be developed training models to be offered by these organisations --- A partnership agreement was signed with INSEAD in early March 2011 --- similar partnerships are expected to be finalized over next months with the IOD, Guberna, IFA and others. These partnerships will be presented in the fall of 2011 at a 'Directors Day' to be organised by ILA with an objective to



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showcase the full set of training offers from ILA as well as the related certification programme.

- **Module 2: The Essentials – Luxembourg:** this part is expected to put the general concepts covered in Module 1 into the specific Luxembourg context and cover major legal & regulatory features specific to the Luxembourg business environment.

ILA is proud to announce that the Université de Luxembourg has expressed its interest to partner with ILA to develop the training program for this module – plans are that this module could be launched by end 2011 .

- **Module 3: Europe:** acknowledging the fact that most Boards in Luxembourg operate in an international and European environment this part is expected to put all of these concepts in a European environment by providing insight to specific aspects of importance at European level.

This module exists already today at ecoDa, which whom ILA has partnered for this part : the first edition of that module is scheduled for March 23 – 24, 2011 in Brussels.

An ILA certification will be granted to participants that have successfully covered the 3 modules of this basic programme : details of such certification process are presently being defined and will be shared at the ‘ Directors Day ‘ referred to above in fall 2011.

- **Specialised sector training programs:** regarding specific industry sectors such as Regulated Funds, Listed Companies, Public Sector , Banking and Insurance, SME’s, Private Equity, PSF, Non-Profit organisations

The idea is to partner as much as possible with sector specific associations and organisations on both existing or to be jointly developed training programs.

- **Continuing Education / In depth programs:** these are expected to cover more indepth knowledge and discussions on certain specific topics of importance to Directors like : Risk management, Board evaluations , wealth protection for directors ...

Again such programs are expected to be offered in partnership with other organisations which have specific knowledge in these respective fields.

INSEAD - ILA partnership

Early March 2011 ILA and INSEAD signed a partnership agreement through which ILA will act together with Russell Reynolds Associates and PricewaterhouseCoopers as a founding member to INSEAD’s new “ International Directors Programme”. INSEAD is launching this programme as part of their 2011/2012 Governance and Top Management Programmes.



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The **key benefits** of this programme that fully matches the objectives of the 'Module 1: Essentials – Universal ' part of the ILA programme described above, can be summarised as follows :

- Understand the broader context in which boards operate and the responsibilities that come with a board mandate
- Provide an overview of the knowledge and competencies expected from directors in today's environment
- Develop skills that contribute to the creation of an effective board culture and performance
- Hone the ability to challenge executives through positive exchanges focused on the key issues that underpin corporate performance

The International Directors Programme consists of **three modules**

1. Creating and safeguarding value,
 2. Implementing effective board processes, and
 3. Managing critical events
- which represent the knowledge base that experienced directors are expected to master and which form the basis of effective board membership. Successful completion of the International Directors Programme modules leads to the INSEAD Certificate in Corporate Governance (ICCG). Within each module, the programme will focus on three fundamental questions:

- What do directors need to know in order to set the direction of the company ?
- What are the proper boundaries within which the company should operate ?
- How best can directors exercise their responsibilities to get things done in the boardroom ?

Presentation on March 8th, 2011

At a joint conference to be held today in the premises of the Luxembourg Chamber of Commerce- to which ILA has invited its members and INSEAD has invited members of its alumni association - details about this partnership as well as regarding the International Directors Programme will be provided to the ILA members and INSEAD Alumni.

After a short introduction by Patrick Zurstrassen, Chairman of ILA and Raymond Schadeck , Chairman of ILA's 'Training Committee' , two of the three programme directors - Professor Tim Rowley and Professor Ludo Van der Heyden - will share objectives and details regarding the content and delivery of this exciting new programme : Most importantly, they will also share with the audience the deep experience and credentials they and their fellow INSEAD faculty members will bring to this programme.

- **Professor Tim Rowley** will speak about his experience as Director of National Governance Programmes, which is a set of programs initiated by the Rotman School at the University of Toronto on behalf of the Canadian Institute of Directors. More than 3,000 Directors have graduated from these programs and Tim Rowley will share his



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insights from this Canadian experience. Canada might be considered the country that has most forcefully moved into training programs for Directors. It also has avoided many of the pitfalls that occurred during the financial crisis in the United States.

- **Professor Ludo Van der Heyden** will then present the programme that INSEAD is launching, in partnership with the Institut Luxembourgeois des Administrateurs, as well as with Russell Reynolds Associates and PricewaterhouseCoopers. Together with Professor Rowley, he will then elaborate on the main issues affecting Boards that wish to work effectively, and how to expect to address the training of international Directors through this new program.

Patrick Zurstrassen the Chairman of ILA expresses his pride to this successful launch of ILA's directorship training programme as he is convinced ; *“ that the need for further education is now widely shared by directors of all generations. This fact is evidenced by the emerging success all across Europe of directors associations – including ILA, the Luxembourg Institute of Directors - that are trying to transform directorship into a true profession. It started modestly by breakfast or late afternoon meetings during which board practitioners would exchange their views on a duty, on a function or on a regulation. It then moved into more specialized gatherings at the occasion of which directors from certain sectors of the economy would discuss, draft, review and eventually adopt good standards or codes. Then naturally, those professional documents were presented to other board fellows in a given country and then abroad. This whole process of turning a functional corporate role based on individual skills into a true professional body has happen many times in many circumstances. There is nothing exceptional for it to happen in the case of directors, except that it is taking place now.*

And it is taking place as a consequence of the growing awareness among both public and private sectors that durable economic prosperity will not only stem from better laws and wiser regulations but also from higher standards of corporate governance. To deliver such higher levels of corporate governance, company boards will need to be composed of more active, more competent and more engaged individual directors. This is calling for individual persons having a clear vision of their mission and responsibilities, capable of mastering a width of competences, capable of relating with fellow board members and willing to engage with management in a constructive manner. All those qualities may be inherited naturally from previous educational and professional experiences, but they may be improved by formal educational processes. »

About INSEAD

As one of the world's leading and largest graduate business schools, INSEAD brings together people, cultures and ideas from around the world to change lives and to transform organisations. A global perspective and cultural diversity are reflected in all aspects of our research and teaching.

With campuses in Europe (France), Asia (Singapore) and Abu Dhabi, and a research centre in Israel, INSEAD's business education and research spans three continents. Our 145 renowned Faculty members from 36 countries inspire more than 1,000 degree participants in our MBA, Executive MBA and PhD programmes. In addition, more than 9,500 executives participate in INSEAD's executive education programmes.

As an educational institution, our mission is to promote a non-dogmatic learning environment that brings together people, cultures and ideas from around the world, changing lives, and helping transform organisations through management education.



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Through teaching, we develop responsible, thoughtful leaders and entrepreneurs who create value for their organisations and their communities.

Through research, we expand the frontiers of academic thought and influence business practice.

About the Luxembourg Institute of Directors (ILA)

ILA is a not-for-profit organisation founded on 14th April 2005. It was launched in Luxembourg following the Second European Conference on Corporate Governance organised jointly by the European Presidency and the European Commission. The purpose of the organisation, composed mainly of company directors, is to inform them on matters that are of concern to them, to provide them with training on the rights and responsibilities that they face, but also to represent them and defend their rights vis-à-vis the various public and private institutional decision makers.

ILA's work is carried out via various working committees. The main mission of these committees is to organise think tanks to ensure the sharing of experience on themes that are linked to the function of Director, the role of the Board of Directors and in a more general manner on all aspects linked to Corporate Governance. (www.ila.lu)

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