

TABLE 1: OWNERS, CUSTOMERS AND STAKEHOLDERS

	Owners	Customers	Stakeholders (other than owners)
Definition	The people on whose behalf the board determines the Ends (what benefits should be produced, for whom, at what cost)	The people who use the organization's services or products	All who have an interest in the organization, including employees, customers, vendors, funders, other organizations
Time frame of perspective	Long-term perspective; can see the big picture	Immediate perspective; I want it, now.	More likely short-term perspective
Primary interest	Interest in the common good, community	Interest in the individual good, "me and mine"	Needs of the individual or of the organization to which they belong
Time frame for expected return	Expectation of future return	Expectation of immediate return	Varied; more likely short- term
Relationship to benefits from the organization	Proactive - decide what the benefits should be	Reactive - receive the benefits	Reactive or proactive
Mentality	Investment mentality	Purchasing mentality	Purchasing or investment mentality; more likely purchasing
Major focus	Cost in relation to benefits for the common good; relative priorities	Benefits for me	Benefits for me or alignment with my organization's needs
Basis for decision-making	Values	Opinions, reactions	Personal reactions or values of my organization
Appropriate organizational point of connection	Board	CEO/staff	CEO/staff

This table is adapted from a discussion among Policy Governance consultants and practitioners at an International Policy Governance Symposium, sponsored by On Target Governance.

Owners and Customers

Many organizations also have to clarify the difference between owners and "customers". In some organizations, they are one and the same people, but wear different "hats". For example, in a trade association, the members are owners; the members are also customers. In a school, the students and parents are part of the ownership, but are also customers. In a hospital, the members of the public are owners, but are also customers or potential customers. The connections that the organization has with owners and with customers are different. The board need to connect with the owners regarding what benefits the organization should produce, for whom, and what they are worth. The CEO and staff need to connect with the customers regarding operational service issues. Maintaining this distinction is vital.

*From C-O-N-N-E-C-T, A Guide to Ownership Linkage,
Jannice Moore, 2008, Page 9*