

Protocol for OMINDEX, Organizational Maturity Ratings (OMR) and OM30©

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1. A unique, revolutionary rating of organizational purpose, health, and long-term value

The Maturity Institute has created a new, revolutionary approach to raising the level of professionalism in organizational leadership and management practice. To date, there have been no universal, professional standards set for organizational health that can guide leaders, executives and general management to operate from an evidence-base analogous to that adopted by the medical profession for human health. Our approach, and the methods we employ, are designed to improve organizational health, develop effective Human Governanceⁱ, and create the most societal value possible. Our specifically defined and measurable form of mutually inclusive value is known as [Total Stakeholder Value \(TSV\)](#)ⁱⁱ.

Standards require effective measurement systems and our global instrument (designed and developed by OMS LLP) for measuring organizational health, is [the OM30©](#)ⁱⁱⁱ. The OM30© can produce an OMR for any organization (private, public and not-for-profit) to position them on the relative scale of OMINDEX. OMINDEX and the OMR analytical and diagnostic process are owned by OMS LLP: which controls their use for and on behalf of MI and are subject to its [shared IP Protocol](#).

While our perspective represents a new leadership and management paradigm, the essential elements of the OM30© (e.g. values, principles, purpose, value, risk, strategy, innovation) are recognisable as key components of organizational effectiveness. Unique to OM30© is its integration of MI's whole system philosophy and methodology, which explicitly and causally links organizational health to material value and risk.

As a professional institute, we encourage the development of organizations (through their leaders and managers) to align and operate in accordance with these tenets to achieve TSV improvement. Our vision and aims are that OM30© will emerge as:

- i. The global standard for external rating of corporate governance and culture (OMINDEX) to sit alongside credit ratings as a forward-looking, predictive indicator of TSV.
- ii. The key instrument for Boards and Senior Executive teams to determine a strategic roadmap to improve Organizational Maturity, Human Governance and TSV.
- iii. A global standard and diagnostic methodology that is complementary with conventional auditing processes and financial analyses (internal/external) to gauge corporate effectiveness.

2. The OMINDEX and OMR Protocol

OMINDEX was developed to mirror the credit rating scale adopted by S&P. OMS LLP are approved guardians of OMINDEX and are accountable to the Council of MI. MI was constituted for the specific purpose of maintaining an independent system of quality and global standards, avoiding the potential conflicts of interest that traditional rating agencies face.

There are only two ways to produce and determine an OMR for inclusion on OMINDEX, as shown below, and any decision that may be necessary to identify which method is used rests solely with OMS LLP:

- A. Externally - with no engagement with or from the organization; or
- B. Cooperatively - with the express permission and cooperation of the organization

This distinction is shown in OMINDEX with the designation against each organization as either 'e' or 'c'. For an OMR to be deemed 'c' an organization will be specifically asked to confirm its acceptance of cooperation under this protocol.

Standard setting: MI maintains its credentials as a standard setter by demonstrating to relevant stakeholders that its standards are valid, evidence based and credible. OMINDEX was inaugurated in 2015 and has received widespread recognition from a range of academic institutions, regulatory bodies, investment organisations and special interest groups associated with responsibility and good governance. OMINDEX is a continuously evolving index and its ratings are made available in their entirety, or as requested (e.g. sector or individual), to a subscriber base. However, we may, from time to time, publish a discrete list (e.g. as with MI's BG&C Project) for public consumption and utilisation. The entire global OMINDEX will not ordinarily be made openly available. However, this policy may change at any time with the agreement of OMS LLP.

3. Engaging with MI

How we engage:

For any organisation already chosen to be rated for OMINDEX, OMS LLP will contact the organisation directly to formally alert them and extend an invitation to engage in the ratings process. A further invitation is then made immediately prior to issuance of the rating.

How you can engage:

I. Professional engagement: Professional engagement starts by undertaking the [MI Orientation](#) (MIO). We are now able to offer simple and immediate access to both live and recorded Orientation Sessions. On completion of the full MIO, individuals become an Affiliate member of MI and are able to have a working knowledge of OMR, OMINDEX and how the OM30© works in practice. Further development can then be mapped out to become a fully [accredited OM30© practitioner](#), if desired.

II. Organizational engagement: For organizations wishing to learn more about how their own organization rates on OMINDEX, we recommend that at least one designated person becomes an MI Affiliate to enable meaningful and effective dialogue through commonly understood professional practice. In any event, our recommended steps are as follows:

- i. An initial meeting to understand MI as a professional institute and how OMINDEX and OMR are used. This will also explain in more detail what a maturity strategy entails. There is no obligation for any specific commitment at this stage.
- ii. Either commission a simple, confidential, initial OMR discussion for your organization, or arrange a confidential meeting to discuss your proposed (or existing externally assessed) OMR for OMINDEX. This will make the experience 'live' and identify existing opportunities for potential value improvement and more effective risk management. You may also wish to identify a designated in-house executive to become a member of MI or head up an internal team, which includes an MI member.
- iii. At this stage, there is no obligation to continue the process and you can make your own decision about how much further you would like to proceed.
- iv. We actively encourage organizations to either initiate a request to join OMINDEX or engage with us during an existing ratings process. Before any formal engagement with MI, it is important to understand that OMINDEX is a relative scale for comparison and any initial OMR should be viewed as the baseline for improvement. We will work with you to ensure that you are satisfied that your OMR baseline accurately reflects and represents your true position on the [OMINDEX scale](#).
- v. For both organizations who have requested an OMR and those who have agreed to our request to participate in our ratings process, we will agree a specific date for insertion of the rating into OMINDEX. This will occur once you fully understand the nature of the methodology and have been able to provide available evidence to inform your rating. Our experience has shown that engaging in this process is, in itself, a critical step (and a significant indicator) that you are able to effect material improvement in TSV. Once on OMINDEX, you can also use your OMR to send a positive message to all your stakeholders. Publication of an OMR and your explicit recognition thereon should enhance your organization's public standing. Your association with MI should also bring relationship benefits.

We recommend that you view the attached slide set 'Understanding OMINDEX & OMR in conjunction with reading this protocol. If you have any questions regarding this Protocol or about the Maturity Institute please do not hesitate to contact paul.kearns@maturityinstitute.com

ⁱ **Human Governance:** Human Governance is the management of material value and risk with respect to an organization's entire human capital, comprising all people connected to it e.g. workforce, suppliers, customers, and relevant societal stakeholders.

ⁱⁱ **Total Stakeholder Value:** Total Stakeholder Value (TSV) is a measure of mutually inclusive long term value that reconciles both the generation of returns for shareholders and value created for all societal stakeholders. It combines a conventional indicator of organizational performance – the P/B or price to book ratio – with a corporation's organizational maturity rating (OMR) score in the OMINDEX. The most mature organizations, reflected in a high TSV, are able to both generate the very best financial performance while at the same time maximising their contribution to society.

ⁱⁱⁱ **OM30©:** the OM30© is the diagnostic instrument which determines an organization's OMR, comprising over 30 critical questions that capture an organization's ability to manage value and risk with a specific focus on so called intangibles such as corporate governance, human capital and company culture. The instrument has been designed from the Maturity Institute's core professional [5-point standard](#); including the Ten Pillars, Strategic Framework, Evidenced-based improvement, Risk analysis, and Value (Output, Cost, Revenue, Quality) definition.