

LIBERATING THE CORPORATE BOARD: EMPLOYING TECHNOLOGY TO EMPOWER EFFECTIVE GOVERNANCE

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INTRODUCTION

Now, more than ever, Board members are the first - and last - line of defense, increasingly held accountable as corporate conduct cascades from the ethical mandate set at the top. Over the past two decades executive accountability has become steadily more visible with examples like Enron, WorldCom, BP, and most recently News Corp. illustrating that no longer will governments, regulators or the public tolerate woeful neglect and willful blindness.

Boards and corporate executives must collaborate in maintaining a delicate balance of satisfying both shareholders and rule makers while ensuring ethical responsibility, maintaining control and driving innovation and revenue growth - move too fast and the level of risk rapidly rises, move too slow and risk losing market position - gloss over ethical standards and risk reputational damage, heavy fines and a public relations nightmare. Highly sensitive and confidential Board books, committee materials, financial documents and business intelligence are the tools by which these critical business decisions are made and yet, even in today's technology-saturated world, many companies still rely on printed and bound reams of paper. Not only is this paper inefficient and expensive – corporate secretaries are worn thin with prints, re-prints, shipping issues and lost materials - but it's no more secure than your average lever-arch file.

TRADITIONAL COMMUNICATIONS – TRIED BUT NO LONGER TRUE

Traditionally, Board communications and materials, sent in advance of in-person meetings, have been paper, fax and email based. Board members have been accustomed to carrying around cumbersome, bound reams of paper full of proprietary information and, though companies try to ensure multiple levels of precautions, there is the ever-present danger of Board members inadvertently leaving sensitive materials lying around. Taxi cabs, President's Club airline lounges and first-class seat-back pockets on trans-Atlantic flights are doubtless littered with such lost treasure while fax machines sit idle with trays of received materials open and exposed to anyone passing by.

As Boards are increasingly dispersed around the globe, getting printed materials in their hands quickly and ensuring that it is for their eyes only has never been more difficult. Corporate Secretaries must ensure executives have the right, up-to-date information on-demand at their fingertips despite the inefficiency of print and ship requirements. These old processes have run their course and are simply no longer viable in a corporate world where an organization's technology use can have a direct result on their success.

To answer the call of efficiency and speed, many companies have turned to email. Though faster than print and ship and somewhat more secure than fax, email still exposes companies to risk as incidents of hacking and viruses continually rise. Assuming emailed materials arrive safely and securely, security regresses as materials are printed and, once again, expose the organization to risk through loss, theft or common misplacement.

“Elegantly organized, faster, more collaborative, and more economical, Board Portals ultimately lead to informed, efficient and effective corporate governance.”

“Today’s Boardroom, with the advent and onslaught of new technologies, is no longer oak-paneled but rather Cisco enabled.”

EXTENDING THE BOARDROOM BEYOND THE EXECUTIVE SUITE

As Boards have become more global in their composition and Board members have been exposed to technologies that impact the pace of business, expectations have reset, driving the growth of highly-secure, virtual, interactive communities where information is available on-demand in an elegant, tightly controlled space that promotes and facilitates planning, strategizing, open discussion, and provides tools that increase efficiency and effectiveness.

PLAN

Corporate Secretaries know all too well that an effective Board meeting begins with planning. Tools for Corporate Secretaries and Board members alike are essential for the success of your Board community.

- *Book Builder* — Corporate Secretaries require a central environment and solution within which they can easily gather organize and distribute materials.
- *Calendars* — Busy Board members require access to shared and private calendars in a centralized environment where they can access calendars for each Board on which they sit.
- *Automated Alerts* — Automated alerts ensure Board members and executives are aware of new events or when the publication of Board materials occurs.
- *Contacts* — A contacts list within the Board solution ensures that phone numbers, email addresses, assistant information, biographies and more are available on-demand.

STRATEGIZE

Corporate strategy depends heavily on critical, time-sensitive business intelligence. News and regulatory information, research, reference materials and surveys help to inform and educate the Board so that they can drive the strategy and vision for the organization.

- *News & Regulatory Data* — The latest news and regulatory data drives decision making and should be available up-to-the-minute at Board members fingertips.
- *Research* — The best solution should provide access to a broad range of business data about the company, peers, competitors, industry and market.

- *Reference Materials* — Online libraries with carefully selected Board-specific webcasts, seminars and publications allow Board members full access to information and help them to make informed decisions.
- *Survey Tools* — In developing the corporate strategy, Board and individual assessments, questionnaires and surveys provide dynamic insights that drive decisions.

SHARE & DISCUSS

Given the nature of the Board and the continual information influx, it’s important to select a tool that offers a streamlined method for sharing Board and committee materials and secure “meeting” spaces. This means that your solution needs to be easy and adaptable to both Board members and the corporate secretaries who serve them.

- *Central Workspace* — A centralized workspace allows Board members and executives to interact and share materials, action plans and business intelligence.
- *Committee Pages* — In addition to a centralized workspace for the general Board, an ideal tool will provide separate spaces for groups and Committees to share documents, events, contact information and links.
- *Secure Messaging* — The exchange of ideas, strategies and information is enhanced with secure messaging. Secure messaging provides an environment where private discussions can be shared and is protected from the security risks inherent within email.

DECIDE & DOCUMENT

Central to the function of the Board is voting power and rights. Highly regulated with legal and compliance requirements to ensure authenticity and finality, these are the ultimate decision points that drive the organization.

- *Online Approvals* — Allow Board Members to conduct online approvals and electronic consents consistent with legal and compliance requirements.

MOBILITY: ADDRESSING GLOBALIZATION

As Boards become more culturally diverse and global and as the Boardroom becomes more virtual, today's Board members and executives come equipped with iPad in-hand and the expectation of solutions tailored to meet today's challenges and their needs. Whether plugged-in or on-the-go, Board members require full-functionality and access to all of their important materials. Look for tools that allow:

- iPad app
- Board book and document review with text annotation capabilities
- Secure messaging
- Calendar tools
- News, regulatory data, research, and reference materials on-demand
- Dashboard display with easy tap and view interface
- Redundant security systems and encryption to ensure data protection and recovery

EYES-ONLY: ENSURING BOARD SECURITY

Board materials are often highly sensitive and filled with critical business intelligence whose privilege and confidentiality must be protected. With network security under constant threat of attack and hackers and viruses becoming ever more prevalent and dangerous, the highest level of security is paramount to a successful Board Portal.

- *Authentication* — Two-factor authentication ensures materials are safe and protected from hacking, and is easy for directors to use.
- *Offline Security* — Offline security ensures that materials and documents downloaded to a Board member's home computer or laptop in their native format are encrypted with expiration policies to ensure intrusion-proof security levels.
- *Intrusion Detection Systems* — Any Board Portal solution should offer an intrusion detection system that monitors incoming and outgoing network traffic with anomaly detection, monitoring systems and log files to ensure the network, where your information is stored, is always protected.
- *Anti-Virus/Malware* — Your Board Portal should ensure that viruses and malware are identified in real-time with automatic updates and removal so that your data is always secure.
- *Encrypted Document Storage* — Encrypted storage ensures that all information stored on servers is encrypted and only accessible to authorized viewers.

- *Document Retention* — According to state and federal regulation, companies are required to retain documents for a specified period of time based on the type of document. An appropriate solution will ensure document retention according to your corporate policies.
- *Disaster Recovery* — Proactive measures of disaster prevention are your best line of defense in ensuring data protection. However, in the event of disaster, it's important to have protection against numerous points of failure with redundant systems and ensure precautions and remedies are in place in the event of flooding, fire, loss of electricity and other natural disasters.

A TRUSTED PARTNERSHIP

When selecting a Board Portal technology solution, step one is evaluating the field of providers. Many vendors will promise the world, but who do you trust — the venture-backed start-up, or the long-standing partner with over 100 years of global business experience and reliability?

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