

# BOARDROOM TECHNOLOGY

THE BOARD PORTAL BUYER'S GUIDE



## INTRODUCTION

Since the early 2000s, the software category known as “board portals” – online tools focused on governance work – has grown dramatically. Board portals allow board directors and key staff members to access digital governance documents through mobile devices and securely communicate with one another. Today, the definition of “board portals” is evolving beyond basic online repositories of board documents and data; in fact, organizations have growing needs as both the digital and governance landscapes change rapidly. Board portals have transformed into governance management software platforms that digitize routine governance processes, freeing the board to focus on the organization’s mission.

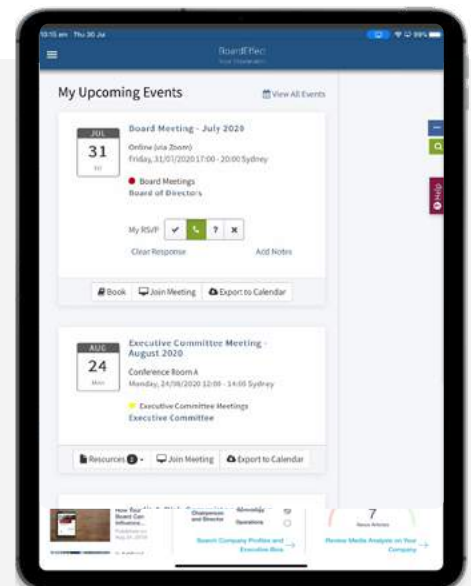
In an increasingly virtual world, delivering an optimal board experience requires having the right technology in place – and ensuring board members are comfortable using it.

The importance of providing better data and insights to leaders is impacting organizations in every industry, as is the need to ensure better cybersecurity and improve leaders’ ability to govern at the highest levels. Still, many boards – particularly in the nonprofit sector – haven’t yet crossed over the digital threshold and are stuck with time-consuming and error-prone manual processes. However, these boards’ adherence to “traditional” communication methods can increase organizational risk, as the fast pace of technological, economic, and political change requires leaders to be nimble. In other words, how can board and staff leaders make innovative, data-driven decisions if the only information they receive is presented in lengthy, manually created and outdated written reports?

Your board members and executives are likely already using governance management software elsewhere; therefore, adoption can help better position your board as innovative, tech-savvy leaders. That said, not all board portals are the same.

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## BENEFITS OF ADOPTING A BOARD PORTAL

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### Increased Efficiency

Boards that still rely on hard copies of meeting materials face numerous obstacles. If last-minute edits are made to board documents before the meeting, the staff must reprint the documents and resend the updates manually. Board meeting packets can range from 100-1,000+ pages, and the time involved in reproducing paper copies means staff members need longer lead times to deliver board materials. Consequently, board members don't have enough time to thoroughly review meeting documents, and the data is already outdated by the time it reaches the board members.

Board portals can increase the efficiency of this process dramatically. Posting board materials in an online board portal means board members and executives will have access to the most current information the moment it's posted and receive updates automatically. Additionally, having only one place where directors go to access information reduces the confusion that can occur if multiple versions of the same file have been sent to the board. Some board portals also allow organizations to create a library of governance documents for board member reference: bylaws, committee charters, board policies, strategic plans, minutes, annual reports and other documents board members regularly need.

Beyond providing a secure document repository, full-featured board portals can augment your board's governance practices – including facilitating online voting, consent agenda approvals, collecting e-signatures, remote meeting collaboration, automated anonymous questionnaires, and more. As the governance software industry has matured, there are now vendors with strong track records of investing in ongoing product innovation, ensuring the solution you select will be able to grow and adapt to your board's evolving governance needs.

### Improved Board Communication and Collaboration

A governance management solution can help promote effective communication between board members, executives and other key stakeholders. In order to allow board members adequate time to review materials and governance documents in advance of meetings, the technology you select should be flexible enough to allow continuous updates to published materials. Some cloud-based governance software providers have mobile apps that give directors a secure way to access files and communicate from tablets and smartphones.

Having a central location for board information also helps directors stay informed and current on the most pressing issues. Some solutions include secure messaging options that can help reduce directors' reliance on unsecured communication channels (e.g., email, SMS texting) for board business.

### Greater Security

With the explosion of data breaches in the past two years, cyber risk now represents the greatest source of enterprise risk for nonprofits and companies alike. Directors and top executives are in the crosshairs of bad actors, who recognize these leaders rarely receive adequate cybersecurity training or oversight. Secure governance software can help keep board documents and communication confidential. While not all vendors approach security the same way, some providers offer strong data encryption, secure redundant server locations, sound retention policies, data recovery options and regular security audits. Vendors that adhere to industry-standards like the NIST Cybersecurity Framework, offer HIPAA compliance, and/or provide annual SOC1/SOC2 security audits can reduce your board's cyber risk.

## HOW TO SELECT A BOARD PORTAL SOLUTION

It pays to make the right board portal choice. Because boards can be slow to adopt new approaches, the solution you choose might be with you for many years. With so many options available, many organizations are unsure what to ask about and what to look for in a board portal:

- What's the reputation and expertise of board portal providers?
- Have their solutions been tested in real-world situations?
- How long have they been around, and what is their track record?
- What happens as your board's needs evolve?

This guide provides suggestions on how to make this important decision.

### Top Board Portal Evaluation Criteria

Fortunately, as the board portal industry has matured, it's become simpler to identify a few clear criteria that can help you choose the right solution.

Here's what to look for in a provider.

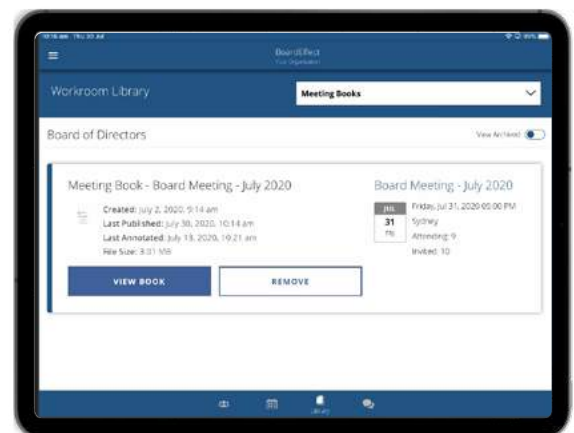
### Governance Focus

Good governance matters. When board members and executives have access to the right information and tools at the right moment, they are better able to ask the kinds of insightful questions that lead to stronger organizational performance. Organizations that are governed well are able to create more positive outcomes for all their stakeholders.

Today's governance management software solutions are moving beyond providing basic online repositories of board documents; best-in-class solutions can help free your board to focus on your mission.

### Considerations:

- Has the provider demonstrated any expertise in governance topics?
- Does their solution offer specific governance-enhancing features, such as meeting management, minutes creation, consent agendas, privacy for executive sessions, committee collaboration, board development and evaluations?
- Does the provider offer training and support to help your organization align the usage of the software to your specific governance goals?
- Does the vendor have a track record of releasing product enhancements that respond to changes in governance requirements?
- Does the solution support remote governance and business continuity in the event of a crisis?



## FEATURES, FUNCTIONALITY & VALUE

### Features & Functionality

At a basic level, board portal software should allow board members to securely access meeting materials as well as collaborate and communicate with other board members. Boards that haven't successfully made the digital switch are still dealing with paper board packs that are time-consuming, inefficient and frequently outdated. Virtual board meetings have proved necessary in a completely remote environment, highlighting the need for digital operations that don't rely on paper or unsecure online processes.

Consider your board's current needs and then seek a vendor that has a track record of being responsive to customer suggestions and continually creating innovative solutions to governance challenges.

#### Considerations:

- What devices and operating systems do your board members and staff use, and does the vendor support them all?
- How well does the solution handle the demands of live board meetings – such as multiple logins from multiple devices?
- Does the solution provide offline capabilities so board members can review materials while they travel?
- What type of communication and collaboration tools are available, and can they be implemented over time as the board's comfort level and needs change?
- Does the solution offer integration options with the other software the board uses, such as performance dashboards, web conferencing or financial reporting tools?
- How are the features packaged and priced? Can additional functions be added later?

### Value

The board portal marketplace is expanding with new vendors each year, some offering low-cost or "free" services. On the surface, these providers may seem to offer great value, but buyer beware: Boards that select so-called "free" software may find themselves grappling with solutions lacking in critical functionality, training, governance expertise, support or security. In some cases, "free" tools come with hidden costs like end-user agreements that grant the vendor ownership rights over your data. In terms of adoptability, functionality and ease-of-use, some board portals try to push a "one size fits all" approach, rather than a flexible solution that can be configured to meet your board's needs.

#### Considerations:

- Ultimately, the price and number of features a solution offers is less important than how well your organization is able to leverage the solution to meet real governance challenges. For example, look for features that might help you:
- Facilitate completely anonymous board evaluations, so directors can provide candid feedback with confidence
  - Provide the ability for directors to take private notes and annotate board documents to enhance their level of meeting preparation
  - Collect electronic signatures on documents to help fulfill compliance requirements even when directors are not physically available to sign something
  - Provide support for multiple languages, ensuring all directors can participate in discussions
  - Leverage cloud and mobile capabilities to support increasingly mobile boards and workforces

## SECURITY & EASE OF USE

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### Security

The average cost of a data breach is \$3.62 million USD, according to the IBM 2017 Ponemon Cost of a Data Breach Study. Protecting confidential information and ensuring data privacy is a concern for the boards of organizations across industries – especially for nonprofits, which are often under-resourced and can become easy targets for hackers. Implementing a board portal solution can not only help your board’s sensitive documents remain secure, but it can also signal to your stakeholders that your board takes cyber risk seriously.

When evaluating board portals, look for vendors that have a demonstrated data security track record.

#### Considerations:

- What is the vendor’s approach to data privacy and security? Do they conduct third-party security audits and penetration tests, and do they retain security certifications?
- Does the solution provide adequate data encryption?
- Does the vendor readily provide copies of their security reports and privacy policy?
- Does the vendor’s agreement allow you to retain full ownership of your data?

### Ease of Use

Most providers will purport their solution is easy to use – but what does that actually mean? A full-featured board portal can increase your board’s efficiency and effectiveness, but if the software is too complex, or if the board doesn’t commit to training and reinforcing software usage, it won’t be fully adopted and will become a waste of effort, time and money.

Overall, it comes down to finding the right balance. Does the technology create complexity rather than solving it? Can you configure the solution to meet the needs you have right now, and enable other features later, as your needs change? Select software that is easy to deploy, adopt, use and adapt.

Also, consider how the board portal could integrate with your existing technology investments; this may include collaboration, security and analytic solutions your board and organization are currently using. Software solutions should work together to support the diverse needs of organizations, not become incompatible and create fragmentation. This kind of integration helps increase “ease of use” by providing board members a single place to go for access to information.

#### Considerations:

- What is involved in the deployment process? What’s the average lead time for a board to implement the solution?
- How user-friendly is the look and feel of the solution? Is it intuitive to navigate and use?
- What kind of support and training is included? How is ongoing training handled beyond the initial implementation?
- Does the provider offer user guides, a knowledgebase, videos or other wrap-around content to help the board use the software successfully?



## HOW BOARDEFFECT DRIVES EFFICIENCY

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BoardEffect, a modern governance company, allows truly easy management of board information, while also enabling board directors to fulfill their responsibilities of elevating organizational performance. Boards operate in a series of demanding, interdependent cycles. The functionality and workflows of BoardEffect's board portal software are designed to support boards as they manage the responsibilities inherent within these complex, mission-critical cycles.

BoardEffect is a part of Diligent, the pioneer in modern governance. We empower leaders to turn governance into a strategic advantage through unparalleled insight and highly secure, collaborative board management software, helping mission-focused organizations thrive in today's digital age. Our trusted technology streamlines the day-to-day work of board management, supports secure collaboration and information sharing and delivers the insights and information boards and organizations need to mitigate governance deficits and drive better outcomes.

BoardEffect strives to provide solutions that meet these evaluation criteria. We address the challenges organizations of all sizes and industries face with board governance. BoardEffect offers robust training options

from in person to self-service; we work with you to define an implementation strategy that fits your needs.

We are leading the industry in defining governance management software platforms. Overall, BoardEffect's commitment to innovation puts you in control of an intuitive environment that improves efficiency, collaboration, communication, security and board governance.



## Board Meeting Cycle

Board governance is oriented around a regular meeting cycle that can be quarterly, bimonthly, monthly, or sporadic in its timing. BoardEffect's board portal software helps you prepare for and hold the meeting as well as manage follow-up and follow through activities post meeting. Features include:

- Online board books and secure document delivery
- Board member annotations and private notes
- Scheduling and attendance tracking
- Approvals and e-signatures
- Tasks and collaboration tools
- Archives and full search capabilities

## Annual Board Cycle

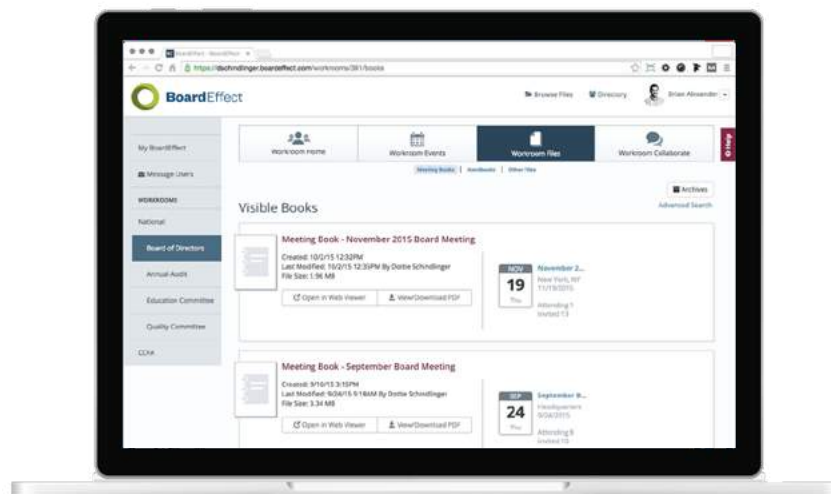
A large number of board compliance requirements are annual in nature and carried out at specific times throughout the year. Policy and bylaws reviews, budget development, audits, appointments/elections, yearly work-plans, board self-evaluations – BoardEffect supports your annual compliance obligations simply and elegantly.

- Questionnaires and automated forms
- Board policy handbooks
- Online voting tools
- New board member orientation tools

## Board Development Cycle

Boards typically proceed through a development and engagement cycle, lasting (on average) 3-5 years. This tracks with the length of a single board member's term, and ensures the board's sustainability and continuity over time. Easily manage recruitment, nominations, onboarding and board education with BoardEffect to cultivate a high-performing board.

- Ad hoc groups and committees
- Collaboration tools
- Board education features
- Customized profiles and board composition tracking
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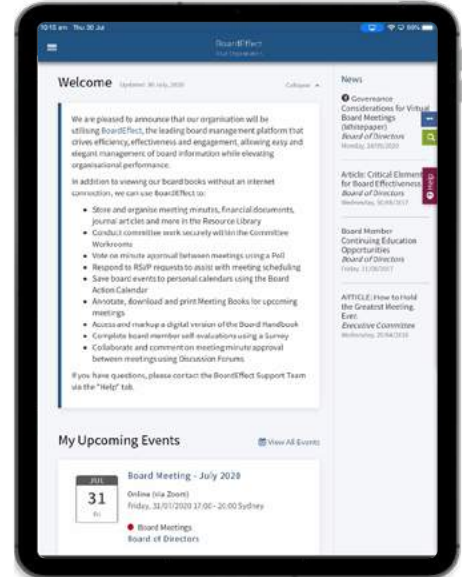




## ABOUT BOARDEFFECT

**We're passionate about the work of boards, which drives how we develop the BoardEffect solution.**

Boards operate in a series of overlapping cycles: a regularly scheduled meeting cycle, an annual operating cycle, and the cycle of longer-term board development and engagement. BoardEffect's solution supports a modern approach to governance, powering boards' interdependent responsibilities across these ongoing cycles.



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