

# Governance Notes

## Digitizing the Board for Efficiency

By Nasdaq Governance Solutions

The high-profile corporate scandals of the late 1990s ushered in legislation and mandates that substantially increased the workload of boards. Coupled with the acceleration of Internet use and the evolution of technology, this new corporate governance landscape has led to a higher level of board engagement. Boards now spend as much time looking forward to ensure the organization remains competitive as they do looking backward at previous quarter financials.

A robust board portal is a helpful platform for governance support professionals who want to facilitate meaningful interaction between board members and maximize their time. Board portals have evolved beyond paperless board books into integrated communication platforms with added security for boards and leadership teams that facilitate decision making and automate administrative aspects of governance. A digitized board is freed from cumbersome administrative processes to focus instead on core fiduciary duties including financial oversight, strategic planning, and risk management.

While many public company boards utilize a portal in some form or fashion, there is a wide range in the sophistication of how organizations and their boards are utilizing them. At the bare minimum, some use their portals merely to create paperless board books that are uploaded in a PDF format for secure delivery and sharing. Limiting use of the portal

to a virtual blackboard represents a lost opportunity, however, as there are tremendous efficiencies to be gained when the functionalities of a board portal are fully exploited. This article provides an overview of key board portal functionalities, followed by tips for integrating that software into governance infrastructure and workflows.

### Key Takeaways Digitizing the Board: How to Drive Adoption

Paperless boardrooms offer different benefits for board members, from improved productivity to enhanced communication and streamlined administrative processes. If board members understand the intricacies of the technology and readily implement best practices, efficiency levels may rise. The following guidelines help make adoption simple, intuitive, and practical:

- **Keep it familiar.** A solution that's accessible via an iPad app helps make it easy for board members to work from anywhere and access company documents, meeting agendas, and board-related information. Consider providing board members an iPad if they don't have one or need an upgrade.
- **Include training as needed.** While board members may have some experience with board portals, the specific steps required to use the software at your organization may be different from what they've seen in the past. If board members haven't used the software previously, provide a training session to demonstrate the steps involved and ensure someone is available to answer any questions or provide helpful tips and best practices after initial training is completed.
- **Make it part of the onboarding process.** Orientation materials can be distributed to new directors through the portal. This setup provides directors with key information about the company. It also gives them a chance to use the software and see how it works.
- **Use the board portal to connect.** Explain to board members that the software offers a space to communicate sensitive information. All emails between the company and the directors can be sent through the portal. As board members interact with others, they may form habits to continue using the software in the future.



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## Board portals help recapture precious time for board members.

### The Paperless Boardroom

Paper processes are far too slow to keep up with the pace of today's boardroom, and don't address the security and communication needs of governance support professionals and modern boards. Board portals facilitate communication and streamline governance processes, for both boards and governance support professionals.

### *Empowers Decision Making*

Board portals help recapture precious time for board members. Regulatory scrutiny, globalization, competitive pressures, and an increase in shareholder activity have increased the scope and volume of board work, and a great deal of communication

and preparation is now taking place between board meetings. When board members collaborate and plan offline in a secure portal, they are better able to focus on important strategic work during board meetings. Governance support professionals and boards can use portals between meetings to edit documents, share notes, ask questions, conduct surveys, take votes, and schedule committee meetings. Auto-syncing capabilities of portals are an indispensable tool because board members can make changes and share notes within the documents that appear real-time or as soon as the director is online.

### *Streamlines Corporate Governance Administration*

Board portal features and

functionalities help automate and streamline administrative functions of corporate governance. A board portal includes a toolkit for creating online agendas, scheduling meetings, managing and tallying director input, running board presentations, and assembling digital board books. Board meeting agendas no longer devote precious time to opening remarks, approval of the minutes, or review of administrative matters like upcoming calendars. Consent agendas, regulatory matters, and board meeting minutes are reviewed and approved by unanimous written consent or delegated authority through the board portal. Board members have a space to ask questions and engage in conversations prior to approvals.

Governance support professionals may be concerned with ensuring that sensitive corporate information doesn't fall into the wrong hands. Board portals centralize record keeping by maintaining key documents and records in a library. Digitized file cabinets within the portal offer push-button security enhancements like permission settings that control who sees what documents and remote purging of downloaded board materials and directors' notes at the end of each quarter.

### *Digitizes Assessment and Compliance Processes*

In addition to the convenience of paperless board books and streamlined communication, some portals include sophisticated digital D&O questionnaires and board assessment tools. Governance support professionals can also coordinate online voting, eSignatures, and conflict-of-interest statements. These tools bring data integrity and efficiencies to processes that are foundational to corporate compensation, compliance, and board refreshment.

**N**asdaq Boardvantage® is a board portal available as part of The Governance Institute's membership, facilitating strategic and efficient collaboration for boards and committees and offering benefits such as:

- One login that allows access to The Governance Institute's resources and tools, therefore optimizing the boards access to timely and applicable educational materials and governance resources
- A customizable dashboard that provides a sophisticated way to present a volume of content in a single view (for example, upcoming meetings, calendars, valuable files, internal and external links, and custom content)
- Time-saving tools such as board book creation, a robust search function, task management capabilities, and meeting planning tools
- Annotation tools to help board members prepare and engage in meetings (shared annotations create new collaboration channels that encourage board members to engage in materials *before* meetings)
- Communication capabilities that allow governance support professionals, board members, and committee members to easily engage with one another
- The ability to approve and vote on written consents, budget approvals, meeting minute approvals, resolutions, and more
- Easily build and distribute questionnaires and surveys
- A central location for board-facing communications, easing the way for board members

And more! For more information, contact your Governance Institute Service Manager or email [memberservices@governanceinstitute.com](mailto:memberservices@governanceinstitute.com).

## Tips for Implementing Board Portal Technology

Companies that utilize board portals have found that iPads are a board member's device of choice for working remotely and accessing key documents, agendas, and information—so adopting a portal that integrates an iPad app is helpful. At Nasdaq, we see our board portal as an extension of the professional relationship we maintain with our board members, one that illustrates tangibly to our directors that we have the greatest respect for their roles and for their time. The portal is a tool that enables us to communicate efficiently and effectively, to teach our directors about our company and industry, and to maximize the voices of our directors.

To ensure that new directors are quickly up to speed on our portal technology, we integrate it into the onboarding process at Nasdaq in the following ways:

- Provide an iPad for any director who doesn't already have one or needs an upgrade.
- Offer training on the software if they haven't used it before.
- Upload all orientation materials to the portal.
- Use the portal for all email communications between the company and our directors

An efficient way for executives and governance support professionals to test a board portal without inconveniencing board members is to implement it in-house. There are a number of corporate inter-departmental administrative workflows and tasks that can be automated or streamlined through a board portal, including:

- Scheduling department meetings

- Sharing agendas and supporting documents prior to departmental meetings
- Collaborating on project planning documents with department staff
- Approving and signing documents
- Conducting inter-departmental surveys

Ultimately, a board portal may help governance support professionals tackle boardroom inefficiencies head on. Digitization helps streamline governance processes and communications, create a central space for meeting and educational materials, and save time so board members can focus on strategically planning for their organization's future.

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*The Governance Institute thanks Nasdaq Governance Solutions for contributing this article. For more information, visit [www.nasdaq.com/boardvantage](http://www.nasdaq.com/boardvantage).*

