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# Ultimate Corporate Counsel Guide

## More Corporate Boards Taking Advantage of Digital Boardbooks and Board Web Portal Technology

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Remember the hype about the advent of the paperless office? Business and technology media spent countless articles proclaiming a computer revolution that freed both executives and line worker alike from the folders, forms and memos cluttering their desks. And while this was a reality for many, until recently there was no paperless light at the end of the corporate secretaries' tunnel.

Corporate directors have long been awash in paper, primarily in the form of board books that are required reading before every full board meeting, and even many committee board meetings.

That's beginning to change, though, as digital board book technology has grown more popular with corporate directors, as well as corporate secretaries, first in the United States, and now, in Canada. Digital board books, delivered to corporate directors via secure web portals, are used by one in five corporate boards, according to the U.S.-based National Association of Corporate Directors. And while there are no figures available yet for Canadian usage, Diligent Boardbooks has seen extraordinary interest at the most recent Corporate Secretaries conference, held in September in Quebec.

Digital board books and board portals address one of the largest challenges facing corporate boards: the ability to review, dissect and analyze company information in a timely manner.

As a new generation of corporate directors comes on board at many corporations, many are finding the advantages of technology-based communications systems that

go beyond mere email. More and more, the stereotype of a corporate director as an old technophobe is falling by the wayside, as Blackberries and iPhones become standard operating equipment in many boardrooms. Aside from directors growing tech literacy, boards today are well aware they are being watched more closely and that there's a heightened pressure to perform their fiduciary duties. The bottom line is that board portals are not just convenient, but necessary.

### How Board Portals Work

A corporate board portal is a web site designed to facilitate data exchange, often with the capacity to work on multiple platforms such as personal computers and personal digital assistants. The portal – and the software that operates it – resides in the software provider's system and is accessed by a company and its directors through a normal web browser in most cases. This “outsourced” approach replaces the costs of buying, integrating and maintaining specialized software with a single, predictable monthly fee. In return, the vendor provides a “ready-to-go” service complete with 24/7 expert technical support and a high level of physical and electronic security.

General counsels, corporate secretaries and directors all receive training on the system. Typically both digital and hard copy books are created simultaneously for one or two meetings, while all the key players become familiar with the process. Once fully integrated, general counsels and corporate secretaries create material, post the material internally, and use the board portal technology to assist in the approval process. Once documents are approved, they are posted to the board portal site, and made available for directors.

Corporate secretaries e-mail or otherwise electronically notify directors when new documents are posted to the site. Directors seeking updates and information log into the secure web site, enter in their passwords, and can view newly posted material, archived material, and more. Directors can review their documents as they are posted, or wait until the entire book has been posted. Based on earlier reviews of material, directors typically have a better opportunity of commenting on or questioning a firm's activity in advance of the board meeting.

As board books are put together, materials often change, are updated and amended because of changing market conditions, etc. Corporate secretaries can update the web portal in real time to reflect these changes, replacing the cumbersome task of mailing out updated materials, and asking directors to insert new material man-

ually. If directors have questions or want to communicate with corporate secretaries about archived material, corporate secretaries can easily add pages to the digital board book or web portal for viewing by all directors.

Preparing board materials for major meetings at most companies is highly paper-intensive and time-consuming. Each director receives hundreds, maybe thousands, of pages for each meeting – ideally in time for them to study before the meeting starts.

### Security Issues

From a security standpoint, collecting and compiling so much sensitive material in one volume and dispatching it to all points of the compass can be fraught with potential for disaster: from board books compiled incorrectly to materials left behind in hotels and airports by directors.

Web-based portals provide for a single, centralized database of documents that directors view using their standard web browser. All the documents are encrypted so only the “right” eyes can read them, and access is restricted to a select user group. Unlike e-mails, they are never “forwarded” or “sent” anywhere.

### Future of Web-Based Board Communications

As with other technologies, the move from non-use to acceptance is often the biggest step. Once director usage reaches critical mass, other directors and companies may feel a need to keep up. When usage increases, corporate secretaries will also see more and better feedback and a relatively rapid pace of change in terms of customization and functionality to meet the changing needs of a company's directors.

Board portals, for instance, can be adapted to accommodate customized news feeds from various sources. These sources can include regulatory agencies, trusted news sites and industry associations. The goal of such an enhancement would be to provide directors with the information necessary – whether generated from within a company or outside – to allow them the best opportunity to add value to an organization.

From the corporate director's point of view, though, the goal of this customization is to create a board portal that is the “go to” location for access to all the material they need to better perform their fiduciary duty.