



Going Green . . . All the Way to the Board

By Marc L. Daniels



ONE BILLION SHEETS OF PAPER ARE USED BY BANKS EACH YEAR to provide traditional paper books to support their board and committee meetings. And these 1 billion sheets of paper* translate to more than 120,000 trees.

It does not stop with the trees, though. The bright-white heavy bond paper used in the boardroom is bleached with chlorine. The dioxins released by the paper mills don't easily bio-degrade and eventually build up in our air, water and soil.

It does not stop with the dioxins, either. The delivery of trees to the mills, shipping of paper and toner supplies to the bank, and even the final shipment of a conventional board package to the directors, all drives the amount of carbon dioxide released into the environment.

Enough of this inconvenient truth. What can your bank do about it? The answer: Create business value for your bank board based on environmental sustainability.

Financial and environmental issues are causing banks to rethink their products and services, operations, and even their business models. Banks of all sizes are finding opportunities to be more competitive and profitable by aligning sustainability goals with their core business strategies. Most banks already have a green initiative in place, such as eliminating the mailing of traditional paper statements and bills. Now, with the advent of board portals, there is a unique opportunity to drive environmental sustainability all the way to the board.

Board portal technology is already considered a boardroom standard for many banks, saving time, resources and money, while enhancing the presentation and the availability of information to the

board. A board portal allows a board member using the Internet to log on from wherever they are in the world and securely view their board material. Board members can view their information online (connected to the Internet) or with some board portals they can even view it when not connected to the Internet. The board material is always up-to date in that last-minute revisions' updates and postings can be posted immediately.

***The Math:**

8,430 – FDIC Insured Banks
75,870 – Board and Committee Meetings
3,641,760 – Board and Committee Binders or Books
1,001,484,000 – Pieces of Paper

Additional features found in some board portals include calendars, contact information, resource materials and even the ability to execute written consents or resolutions. The board portal also acts as a basis for an ongoing historical archive. Most board portals can have unique areas for their committees and can even be used for the gathering and organizing documents for the auditors.

When selecting a board portal a number of questions and considerations should be taken into account:

1. **Ease-of-use** – Board members have been using conventional paper books since they learned to read. To transition smoothly from a paper environment, be sure the chosen board portal provides an intuitive easy-to-use interface. Simplicity is key to user usage, acceptance and ultimately to the success of the project.
2. **Streamlined workflow** — The board portal should include workflow features that provide time and resources savings in the assembly, approval and distribution of the board package.
3. **Security** – Be sure the hosting environment is secure, is fault tolerant, and all data are transmitted and stored using encryption. The vendor should be able to provide a recent copy of a SAS-70, type II audit, a third-party vulnerability and penetration test, as well as an ethical hack audit.
4. **Software Development** — Is the vendor staying current with the latest technologies and continuing to enhance its product? When was the last major rewrite? And when was the last major release or update of the board portal software? Does the board portal use or require the use of any of third-party software components that can create security vulnerabilities or cause dependence on a third party to address security weaknesses?
5. **Flexibility** – In order to transition from a paper environment to an electronic environment, be sure the system is flexible enough to move at the bank's pace. Does the system allow the board material to be projected? Can you print a board or committee book if needed?
6. **Customer Support** – Does the vendor provide 24-7 support, implementation consulting, on-site training and Director training? What is their response time to an inbound call?
7. **Experience** – How long is has the vendor been providing the service, how many clients do they have and do they have experience with banks?
8. **Vendor Viability** – Is board communication the vendor's primary business and core competency? Are they public, transparent and can they provide audited financials?
9. **Features** – The board portal should provide features that enhance board communication beyond just the current meeting. Review the features and benefits for all users, including; the board members, executives and most importantly the staff members that assemble and approve the board material.
10. **Cost** – Cost is always an important consideration; however, a well-thought-out and properly implemented board portal should have a positive impact to the bottom line.

Implementing a board portal is an ideal way to create true business value based on environmental sustainability. An immediate return on Investment will be recognized in the reduction of labor, paper and toner, and shipping expenses. Other benefits include improved availability of information for board members; enhanced corporate governance for the bank; and green, sustainable business practices that reach all the way to the board level!

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