Board Portal Buyer's Guide

Five Essential Qualities

You may already know what a board portal is. You probably know that paper is heavy and hackers are a risk, and by now, you know there are multiple vendors that offer board portals. You may not realize that by making the right choice, a board can improve governance and efficiency while collaborating in a secure setting. With lots of vendors to choose from, here are the most important questions to ask during your search, divided into the five essential categories. For private, public, nonprofit and government boards alike, finding an app that excels across all five categories will lead to better electronic security and a more productive board.

Diligent

Security

Security is the #1 worry of boards adopting a new technology, and with good reason. Hackers work 24/7 trying to break electronic security and gain access to an organization's systems to spy, steal, or extort. Often, hackers are able to do this without a company even knowing its security has been compromised. If you want a secure solution, you need state-of-the-art security methodologies and encryption, not just another file management system. However, the most secure route must also be the most user-friendly or board members may try to find a (less-secure) workaround. Ask potential vendors:

▶ Has your company's security ever been breached? How did you alert users?

▶ How often do you conduct third-party penetration and security testing?

▶ Which third-party certifications do you have and how long have you had them?

▶ How will you protect our information and any notes we add on the app?

▶ How does security differ when the app is online vs. offline?

ANSWERS YOU WANT TO HEAR...

▶ **Breaches:** Breach attempts are not unusual, but look for vendors that have never been successfully breached. If a vendor has been breached, make sure they were forthright with clients, and provided regular updates on what information had been compromised and how the vendor was working to bolster its security. A vendor should be transparent about security practices and provide ample details on the processes in place.

▶ **Penetration Testing:** Penetration testing should be regularly conducted at all levels. If a vendor is following best practices, it will conduct a full penetration test at least once a year and run automated application penetration testing at least monthly. Additionally, vulnerability scanning should occur at least weekly.

▶ **Independent Audits:** SSAE 16 and ISAE 3402 are the current service organization standard controls reports – a must for any technology vendor handling sensitive information. Additionally, exceptional vendors will also have ISO 27001 certification. All those letters and numbers mean the vendor is using a rigorous methodology for information security based on managing a multitude of tactics, from firewalls and virus control to legal protection and physical security. The longer an organization has had a certification the better.

▶ **Protecting Client Info:** A client's data should be encrypted in the data center, in transit and on users' devices, with at least 128-bit encryption. A vendor should ensure that encryption key handling and storage are provided with strong key management using Hardware Security Modules. Each customer should have a unique set of keys protecting their data.

▶ **Online vs. Offline Security:** When offline, some apps only provide users access to PDF files, which can be more easily compromised, or in some cases, even removed entirely from the app, leaving the security of these documents to chance. Your board books should remain completely secure regardless of where and how you access the app.

Adoptability

If the app you choose isn't adopted, it's a wasted investment that may leave you less secure than you were before. For an application to be embraced by your board, it needs to be accessible from a multitude of devices, easy-to-use, and accompanied by live support at any time. Having the ability to read and annotate board materials like you could do with a hard copy is comfortable and functional; an electronic board book should be as simple to flip through as paper, but with lots of additional advantages, of course.

▶ How can you be sure your solution will be suitable for my business?

▶ What is your onboarding process? Do clients have a dedicated success team? How much training/onboarding support is included with the subscription?

▶ What percentage of clients end up not adopting? What percentage only partially adopt (i.e., the board ends up using paper in addition to the software)?

▶ What percentage of customers leave each year?

▶ What kind of support do you provide your users?

ANSWERS YOU WANT TO HEAR...

▶ **App Suitability:** Whether your business is private, public, nonprofit or a government, look for a robust, yet flexible app that allows you to maintain your current governance practices and in some instances, heighten them, making it easier and more helpful for directors to perform their duties. A vendor should have clients like yours. If you're a small nonprofit, ask for references of a similar makeup. Likewise, if you're a Fortune 1000 company.

▶ **Onboarding:** A smart vendor knows that adoption of any new technology is a challenge and the onboarding experience is critical to the long-term success of the app. Every onboarding experience should be customized not only for each customer, but each individual end user. This means offering a variety of training types and styles, and most importantly, unlimited, one-on-one and/or in-person training.

▶ **Adoption and Attrition Rates:** Find out how many customers have boards that are totally paperless; many companies may buy a board portal but it is important to know how many have achieved the goal of going paperless. Also, be sure to ask for total customers that leave each year divided by the total number of customers. Companies have lots of tricky ways to make attrition rates look better than they are.

▶ **Continued Support:** Ongoing support is also critical to the sustained adoption of the tool. Support — whether via a quick phone call or in-depth training (or re-training) on a new feature — should be provided for the duration of your contract and never for an additional fee.

Reputation and Service

While there are dozens of electronic board apps to choose from, board apps are not a commodity. It's like buying a car – while there are seemingly endless options, all cars are not equal. How do you know if the company you choose will actually understand your pain points and be able to solve your organization's problems? Excellent customer service is necessary at the outset to train the administrator and end users, but this should remain a vital component on a continued basis so that all users have the support they need to feel comfortable using the product.

▶ How many years has your company been in the governance and technology space?

▶ What awards/recognition have you won for customer service or app usability?

▶ Who are some marquee clients in our industry?

▶ What is the average wait time for support calls? Do you outsource your help desk?

▶ To what professional bodies and organizations does your company belong?

ANSWERS YOU WANT TO HEAR...

▶ **Years Experience:** Work with a vendor that has at least 10 years of tenure in the corporate governance space so you can be sure that they understand the pain points of both directors and administrators and can properly address them. Additionally, look for a vendor with extensive experience with developing software. When you're effectively entrusting your board to the hands of a vendor, you can never be too careful.

▶ **Awards:** Awards serve as an important independent benchmark for performance. Look for a vendor that has been recognized for delivering the same world-class assistance you would provide your own board.

▶ **Clients:** A vendor needs to have a breadth and depth of experience within your particular industry. With an industry-experienced vendor, you will receive a more customized implementation that reflects years of best practices and specialized support on how to utilize the app in ways that can maximize effectiveness.

▶ **Wait Time:** It is imperative to find a vendor that understands the importance of your and your directors' time. Due to the nature of board meetings, questions often arise at off-hours and are often very urgent. Don't get stuck with a company that does "call-backs" or has hold times of more than a few seconds. And that support should come from a true expert on the app: an in-house employee, trained to resolve problems efficiently and effectively. Support delays may introduce security risks as board members may look for work-arounds to solve an immediate need.

▶ **Professional Organizations:** A vendor should be actively engaged in the corporate governance community and readily share best practices with its client base through professional organizations like the Society of Corporate Secretaries, the National Investor Relations Institute, the National Association of Corporate Directors, as well as other member organizations in your space.

Governance

Some portals provide solutions to improve governance and efficiency. From viewing and signing documents to having the ability to vote on items and share notes with colleagues, apps with governance-focused features can help your board collaborate productively and securely. Having an app that allows board committee collaboration outside of full board meetings also frees up more in-person time for strategic work. Facilitating director evaluations on an app can also make that process less anxiety-inducing. Of course, a company that understands laws in your countries is also imperative. For example, discoverability is a major concern and a board app should be able to mitigate discoverability worries.

▶ What kind of governance-enhancing features will our board have access to you with your app?

▶ What kind of governance library can clients build on your app?

▶ What ability do users have to make real-time updates?

▶ How often do you add governance features to the app? What new features have you launched in the past 12 months?

ANSWERS YOU WANT TO HEAR...

▶ **Governance Features:** Look for a vendor that offers voting, consent signing, and a robust survey module that allows for D&O questionnaires to be completed all within the secure app.

▶ **Governance Library:** Look for a vendor with enough storage to provide clients the room they need to build a robust library of documents that board members may want to reference. This could include investor reports, press releases, earnings statements and other docs boards may want to see, all in one easy-to-find, secure location. These should all be easily searchable.

▶ **Real-Time Updates:** In order to allow directors ample time to review meeting materials in advance of or in between sessions, a solution should be flexible enough to allow continuous updates to published materials. The process for administrators to make these updates should allow for quick and easy replacement of documents. When updates are made, make sure that the app won't remove or misplace notes directors have made in the documents.

▶ **Adding Features:** A vendor's job should never be finished. Seek a vendor who is constantly working to improve the app, both in security and feature enhancements. Clients use the app to streamline the governance process so look for a vendor that is leading the pack by introducing new governance-related features every year.

WHAT KINDS OF ORGANIZATIONS ARE USING DILIGENT BOARDS?

7% Government

17% Nonprofit

25% Private

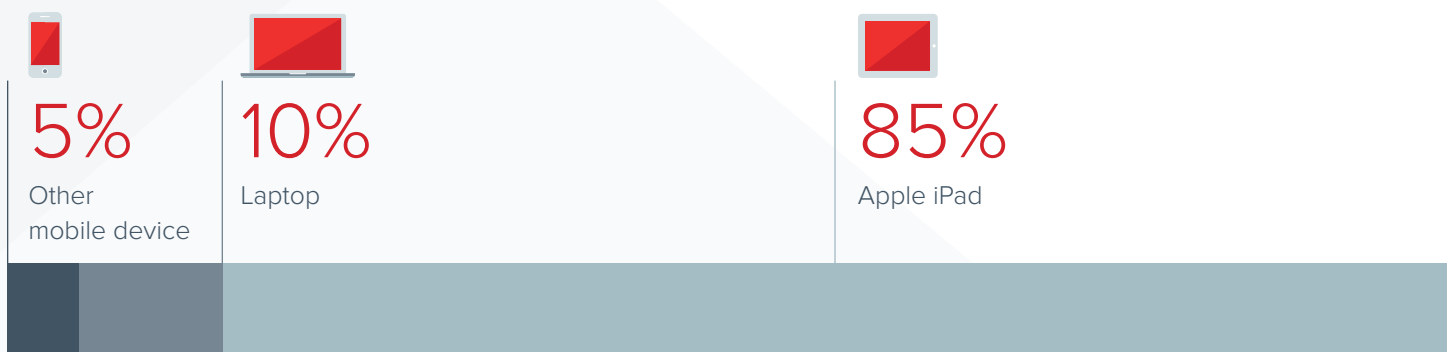**51%** Public
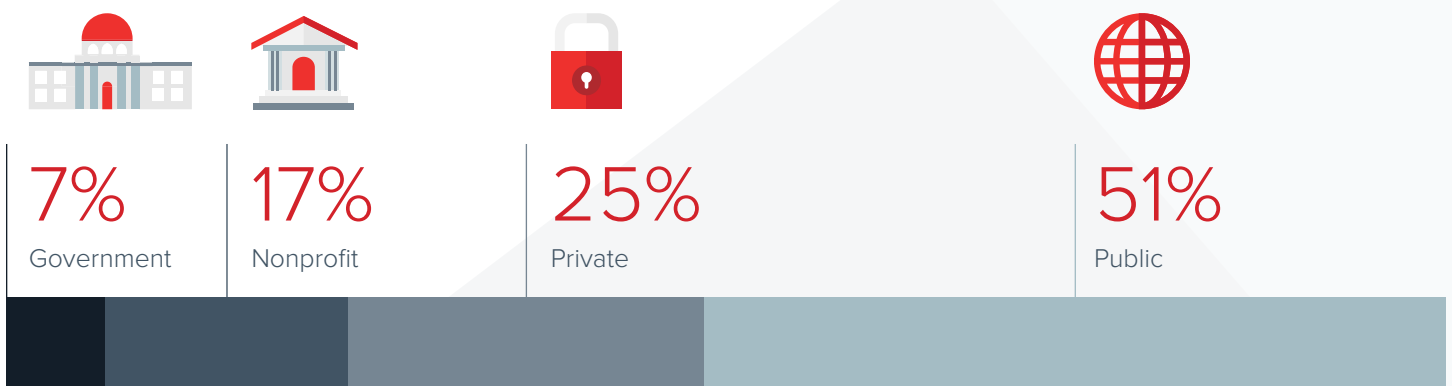
Functionality

Preparing for a board meeting is time-consuming, let alone if you sit on multiple boards. Documents are frequently updated, but it can be confusing for board members to keep track of changes and manage note-taking effectively. Imagine logging in on your preferred device to prepare for your board meeting and receiving real-time notifications of any changes to your board book, along with any notes that may have been on edited or removed pages. Choosing if and how to share your annotations with others, or purge them, is another important capability. Basic functionality, like accessing your board books online or offline, and working during a computer operating update seem simple, but may not be offered by a potential vendor.

▶ What happens if board members are sitting on multiple boards?

▶ How many languages does the app support?

▶ How do you handle software updates (like IOS and Java) so it doesn't disrupt users?

▶ What kind of advanced features do you offer?

▶ Does the app have the ability to digitally shred the end-user notes after the meeting to limit discoverability?

ANSWERS YOU WANT TO HEAR...

▶ **Multiple Log-ins:** Many directors sit on multiple boards. A sophisticated vendor will be able to give its clients the ability to use a single sign-on for access to multiple boards' books.

▶ **Updating Notes & Pages:** Changes to materials before or during a meeting are inevitable. A well-designed technology will allow directors to retain notes, even if pages of a published document are edited or removed.

▶ **Languages:** Vendors serving global clients need a few languages that users can choose from for the app, training and support.

▶ **Handling Updates:** An operating system update shouldn't leave you without access to your board books. Look for companies that can make IOS-style updates seamless, so you don't suffer downtime in the app.

▶ **Advanced Features:** Some vendors offer additional features that allow for better governance practices. E-signatures and voting, along with questionnaires, afford your board members more mobility and cut down on administrative work. Other functionality, like note sharing, can enhance collaboration, and global search and a document library can provide board members a robust amount of information very quickly and in one location.

▶ **Digital Shredding:** A vendor should always provide its clients with the ability to completely wipe all user notes and annotations, leaving no digital record. The timing of this wipe should also be controlled by the client and can be automatic or done on-demand. Alternatively, the solution should be flexible enough to allow user notes to be archived, if necessary.

HOW DO USERS PRIMARILY ACCESS DILIGENT BOARDS?

5%
Other mobile device

10%
Laptop

85%
Apple iPad

The five essential qualities and accompanying questions and answers should help you cut through the clutter of board portal companies and find the right fit for you and your board. Financial institutions, defense contractors, public and private businesses, nonprofits and governments require the best service, the most secure data and the easiest to use technology. To be efficient, boards of all sizes should be able to communicate between meetings in a secure environment, on a variety of devices, and have live IT help only a phone call away at all times. Making board decisions isn't always easy; using an electronic board app should be.

For more information or to request a demo, contact us today:
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