

Board Portal Buyer's Guide

Five Essential Qualities

You probably know what a board portal is. You know that paper is heavy and hackers are scary, and by now you know there are multiple vendors that you have to choose between. You may not realise that with the right features, 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, not for profit, and government boards alike, finding an app that excels across all five will lead to better electronic security and a more productive board.



Security

Obviously, security is the #1 worry of boards adopting new technology, and with good reason. Hackers work 24/7 trying to leap electronic security fences and gain access to an organisation's systems to spy, steal, or extort information. Often, hackers are able to do this without a company even knowing it 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 usable or else board members are likely to find a less-secure workaround. Ask a potential vendor:

- ▶ Has your company 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 who have not been successfully breached. In the case a vendor has been breached, the vendor should have been forthright with its clients, and provided regular updates on what information had been compromised or stolen and how the vendor was working to further bolster its electronic security. Regardless of a breach, a vendor should be transparent about its security practices and provide clients with ample details on the processes in place.
- ▶ **Penetration Testing:** Penetration testing should be conducted at all levels on a continuous basis. 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 organisation standard controls reports—a must for any technology vendor handling sensitive information. Additionally, exceptional vendors may also have additional ISO 27001 certification. Basically, all those letters and numbers means the vendor is providing a rigorous methodology for the implementation of information security based on managing a multitude of risks from firewalls and virus control to legal protection and physical security.
- ▶ **Protecting Client Info:** Client's data should be encrypted at rest, in transit, and on users' devices. 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 her data.
- ▶ **Online vs. Offline Security:** When offline, some apps provide users access only 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 accessing the app online or offline.

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 a group of people, it needs to be accessible from a multitude of devices, easy to use, and accompanied by live help 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 version, with the advantage of having links to quickly send readers to different sections of the book.

- ▶ How do you ensure your app is 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 percent of clients end up not adopting? What percent partially adopt (i.e., the Board ends up using paper in addition to the software)?
- ▶ What percent of customers leave each year?
- ▶ What kind of support do you provide your users on a continuous basis?

ANSWERS YOU WANT TO HEAR...

- ▶ **App Suitability:** Whether your business is private, public, not for profit, 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. Available features should be permissioned all the way down to a user-level to ensure that consistency. A vendor should have clients like yours. If you're a small not for profit, ask for references of a similar makeup. Likewise, if you're a HWG100 company, ask for other FWG 100 company references.
- ▶ **Onboarding:** A smart vendor knows that adoption of any new technology is a challenge and the onboarding experience is critical to the company's long-term happiness with the app. Every onboarding experience should be customised 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.
- ▶ **Attrition Rates:** 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 retraining) on a new feature—should be provided for the duration of your contract and never for an additional fee.



While there are dozens of electronic board apps to choose from, board apps are not a commodities business. 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 organisation'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 excellent training and customer service?
- ▶ 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 organisations does your company belong?



ANSWERS YOU WANT TO HEAR...

- ▶ **Years Experience:** Work with a vendor that has a solid tenure in the corporate governance space, a vendor that understands the pain points of both directors and administrators, and one that can properly and regularly address them. Additionally, a vendor with extensive experience developing and implementing software is also critical. When you're effectively entrusting your board in 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 delivers the same world-class assistance you would provide your own board or customers.
- ▶ **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 customised implementation that reflects years of best practices and specialised support on how to utilise the app in ways that can maximise 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 more often than not are 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. You should never have to wait to have your question answered—settling for less than immediate help is a security risk and a sure way to upset your board directors.
- ▶ **Professional Organisations:** A vendor should be actively engaged in the corporate governance community and readily share best practices with its client base through professional organisations like the Institute of Corporate Governance (ICG) as well as other member organisations in your space.

Governance

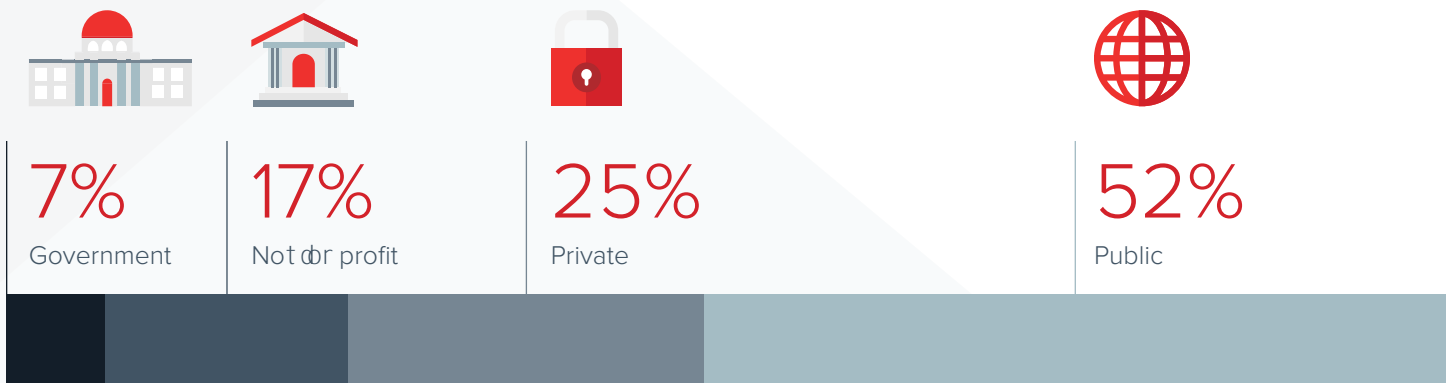
Some portals provide solutions to improve governance and efficiency. From viewing and signing documents to having the ability to vote on items and share notes with colleagues, apps with governance-focused features can help your board collaborate productively and securely. Having an app that allows board committee collaboration outside of full board meetings frees up more in-person time for strategic work. Facilitating director evaluations on an app can also make a stressful process a little less anxiety-inducing. Of course, a portal company that understands various countries' laws 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.
- ▶ **Real-Time Updates:** In order to allow directors ample time to review meeting materials in advance of or in between sessions, a solution must be flexible enough to allow for continuous and real-time updates to published materials. The process to make these updates for administrators 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 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 ORGANIVATIONS ARE USING DILIGENT BOARDS?



Functionality

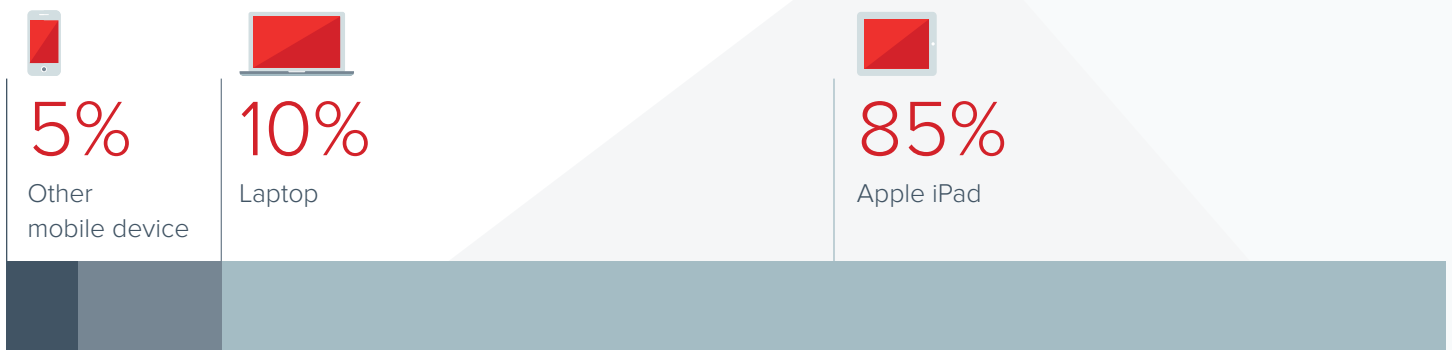
Imagine logging in our your preferred device to prepare for your board meeting and receiving real-time notifications of any changes to your board book. Choosing to share your annotations with others, or purge them, is another important capability. Basic functionality, like accessing your board books online or offline, and working during a computer operating update, seem simple, but may not be offered by a potential vendor. If a page is updated after a user has written notes on that page, what happens to the user's notes?

- ▶ Do board members sitting on multiple boards require multiple user names and passwords to access the various board materials?
- ▶ In how many languages can we operate your app?
- ▶ How do you handle operating system updates (like IOS) so it won't disrupt your users?
- ▶ When did you launch your electronic board app? How often do you update the app to add more functionality?
- ▶ 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...

- ▶ **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.
- ▶ **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.
- ▶ **Languages:** Vendors serving global clients should have a handful of languages that users can choose from to best utilise the app, for directors and the company employees compiling and distributing materials.
- ▶ **Handling Updates:** An operating system update shouldn't leave you without access to your board books. Look for companies who can make IOS-style updates seamless, so you don't suffer downtime in the app.
- ▶ **Board Launch & Updated Functionality:** Look for companies that have been in business for years and that work to frequently improve the app with greater functionality.
- ▶ **Advanced Features:** Some vendors offer e-signatures, questionnaires, global search, and note sharing capabilities that allow for better governance practices.
- ▶ **Digital Shredding:** A vendor should always provide its clients 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?





The five essential qualities and accompanying questions and answers should help you cut through the clutter of portal companies and find the right fit for you and your board. Financial institutions, defense contractors, public and private businesses, not for profits and governments require the best service, most secure data, and 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.



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