



10 Ways to Run More Effective Board Meetings

Running an Effective, Digital Board Meeting

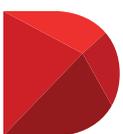
Digital transformation is truly changing every aspect of the modern organisation. The board of directors will be an important beneficiary of new digital technologies that bring speed, agility and insight to their activities. Enhancing the meeting process with these technologies to ensure that the board is aligned with the demands of the digital business is critical to success.

10 Ways to Improve Board Meeting Effectiveness

Any interested party – general counsel, corporate secretary, directors and executives – has a vested interest in optimising the value, wisdom and insight that the board can provide. This list provides specific steps that you can take to enhance board meetings and operations within ecosystems of modern governance technologies.

- 1. Ensure that the board's work doesn't stop at the boardroom door.** The traditional quarterly board meeting will be out of sync with an organisation that operates in nearly real time. Interaction with directors will move from operating in a “batch mode” process and toward continuous interaction with executives, board committees and even employee teams.

The board needs technologies that allow it to be constantly engaged with the organisation. Utilising a single “portal” for the board's files, reports, communications and archival information will deliver on that promise. As the organisation reaches out to directors to effect this change, using a consistent technology solution that delivers tools for their regular activities will increase success. This technology must support “work from anywhere” to enhance director engagement.



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- 2. Clarify who does what on the board and committees** — As directors become more engaged and the breadth of their engagement with the organisation increases, it is critical to optimise the directors' interactions by increasing the specificity of the directors' roles and responsibilities. Directors bring different skills and levels of experience, and these should be matched to the needs of the organisation.

There are some excellent methods for solving this problem. Using a governance technology platform that makes it clear to all what projects or initiatives each director is engaged with is the starting point. This solution can also improve the visibility into board sub-committees to better align specific directors to sub-committees. This also makes it clear to operating or line of business (LOB) teams which director may be involved with their work.

- 3. Automate routine tasks** – The number and breadth of manual processes that are currently used to support the board and the board meeting are often surprisingly high. Legacy systems for voting, meeting RSVPs and agendas are just some of the common processes that have yet to be fully automated. Without automation, these fundamental tasks take more time, and flexibility and agility will be far lower than with an automated solution.

With automation, the entire timeline for preparing for and holding the board meeting can be compressed to maximise the value of the meeting by incorporating changes closer to the meeting time and updating documents far more quickly. A digital system will provide a better platform for voting, allowing directors to vote and engage from anywhere and providing a better audit trail and record of past decisions. The goal should be to automate board activities. Any process using a paper or manual system must be updated with a digital solution.

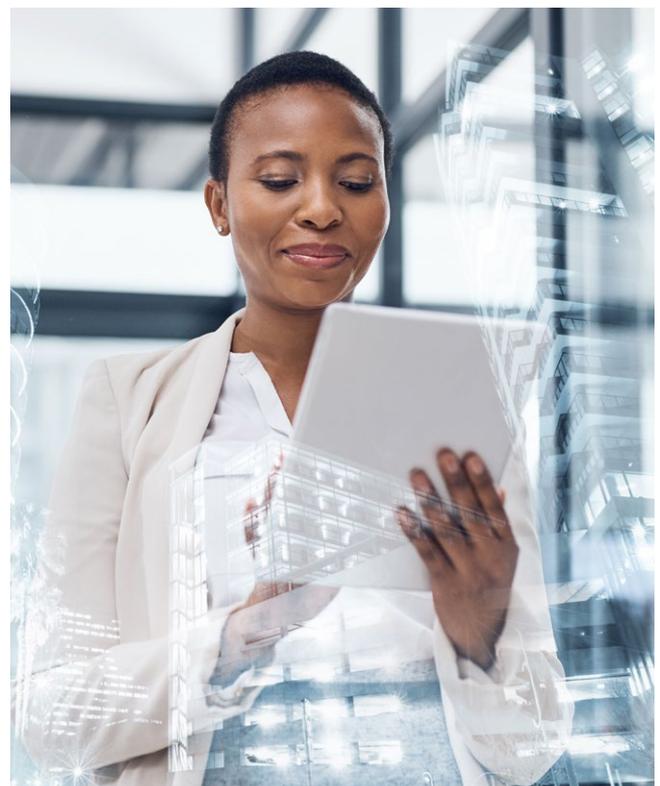
- 4. Foster secure communications and interaction** – The #1 issue for many boards is cybersecurity. Usually, this is focused on the business's information, data and systems. However, the board also needs a secure platform for its own communications and interactions. The manual and paper-based processes mentioned above are quite difficult to secure, and once any information is printed, the organisation will no longer be able to ensure that it is secure.

Deploying a secure, digital governance system for the directors' communications and data is essential to protecting them from being stolen. The secure digital data storage system also makes it far easier to identify how directors were involved in key decisions and it provides an audit trail when necessary. The ability to accurately track how directors have interacted with specific initiatives or projects, and what their actions were, has become critical information for optimising the input of the board.

- 5. Improve development and delivery of information and agendas in advance of meetings** – Among the most common – and yet most vexing – problems is the long lead time for board meeting documents. This stems from the difficulty of an interrupt-driven manual process for managing the board meeting. The identification and delivery of critical content, along with the provision of an accurate and timely agenda, is a nightmare without an automated governance solution.

The team that builds the meeting documents must be empowered with the right digital governance technology. With the ability to electronically distribute both the agenda and meeting documents, it is far simpler to incorporate changes much closer to the actual meeting. In addition, a digital governance system provides more opportunity for the directors to make changes or add to the agenda. In addition, the directors can more easily review documents on any device they prefer, allowing them to be better prepared.

- 6. Provide a single system of record for all board information** – The director's purview may extend across every aspect of the organisation. In addition, a director will often have many individuals they are communicating with inside the organisation. This is in addition to the common board minutes and meeting notes that are shared. When this large amount of interaction is spread among many different systems, it not only becomes complex and inefficient for the director, but it also creates very real security and compliance problems.



- 7. Give directors access to a single, searchable archive of board documents** – The value of search functionality cannot be underestimated; it has changed the nature of many things we all do every day. Providing the same type of digital search capability for board documents, reports and data is of huge benefit to every director and to those who support the board. However, to do this, the organisation needs to have a digital platform for storing this information that also delivers excellent search functionality.

For directors, the ability to utilise a self-service search function to comb through old documents and files is a huge productivity advantage. Without a digital platform, most directors will off-load the search task to the corporate secretary, or possibly to members of a board sub-committee. This is a waste of time for those staff members, plus the likelihood of finding the right information is low and the same search may be repeated many times. And, of course, while this delegated search process is going on, the director is left waiting and is essentially unproductive.

- 8. Facilitate more secure director communication and collaboration** – As the demands for data privacy and security increase and compliance requirements become more onerous, the organisation needs improved protection for communication and information-sharing among directors. Without a single digital governance system for directors' deliberations and communications, highly confidential information can end up on personal email accounts and data may be stored on unsecured and unencrypted devices.

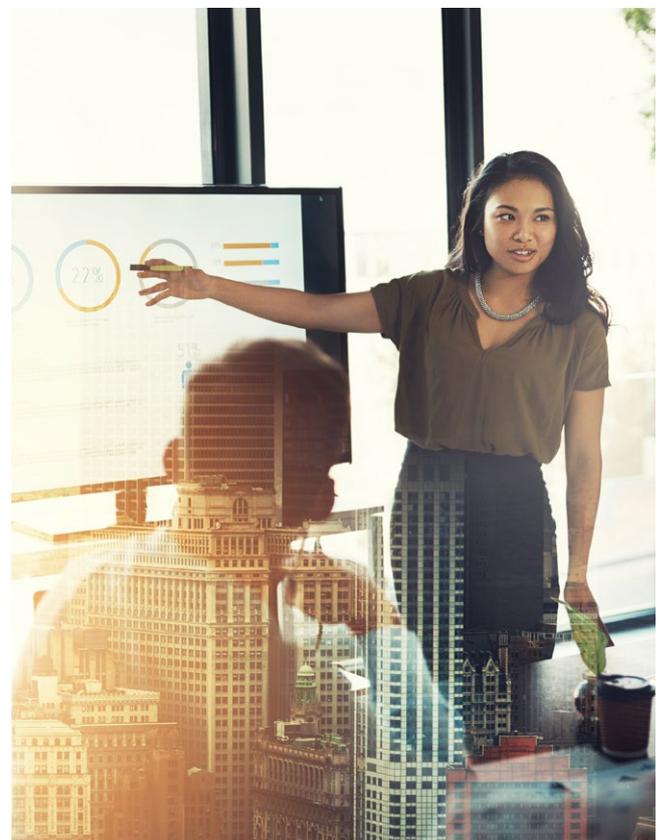
Utilising the single "system of record" noted above, all directors can access a secure system that protects data and communications. Further, it becomes possible to use this secure environment for communications among board sub-committees and interactions with management. As the number of phishing attacks designed to compromise personal email accounts increases, directors who are not provided with this type of technology solution will be at greater risk if their personal email or applications are breached.

- 9. Ensure that the directors' physical location doesn't limit their participation** – One of the most powerful capabilities of a digital business is the ability to support a virtual workforce that can contribute from anywhere. This benefit must also be extended to the directors with governance technology that allows them to participate from anywhere. This includes not only meeting attendance, but also support for voting and engagement with other directors and the organisation. Support for "mobile" directors should include a number of features. The first is to support a broad range of personal

devices, including PCs, smartphones and tablets, with a secure means of communication with those devices. The second key feature is to make the mobile experience similar to the office-based experience. Providing this type of functionality will result in fewer directors missing meetings and better overall engagement.

- 10. Simplify documenting and tracking compliance** – Although there is now a great deal of focus on compliance targeted to protecting customers' personal data, the reality is that there are also compliance directives that impact the board of directors. These will vary by industry, but the most common regimens focus on disclosures. When directors use many different applications and personal email accounts, the chance for accidental disclosures increases significantly. Using a single secure system will greatly reduce or eliminate this risk.

The other side of the coin is that this same system can also be used to proactively document that the directors' activities and processes are compliant. Further, as new compliance or legal requirements are enacted, the vendor providing your digital governance ecosystem can easily update a single digital system and certify that updates have been made. This will reduce the complexity of meeting new compliance or legal demands and speed the process for implementing them.



How Diligent Supports Modern Board Meeting Best Practices

As a leader in supporting directors and those involved with the board, Diligent is driving new governance processes and technologies to better support the board. A key initiative that the Diligent offerings support is the creation of the Enterprise Governance Management (EGM) initiative. EGM is often aligned with the Chief Governance Officer role that is being created at many firms. Diligent defines EGM as:

The discipline of applying technical tools and resources to the full range of governance needs to govern at the highest level and deliver long-term success and sustainability.

Diligent also has a new ecosystem of digital services – Governance Cloud. This technology ecosystem delivers the 10 benefits listed above. Diligent Governance Cloud changes the game. Governance Cloud is a new concept to deliver the highest-quality governance technology to boards of directors:

Governance Cloud is an integrated enterprise governance management solution that enables organisations to achieve best-in-class governance. It is an ecosystem of software tools that digitises the various activities and tasks for the board of directors. As organisations grow more complex and regulations more stringent, the scope of governance responsibilities evolves. Governance Cloud allows boards of directors to meet the demands in the boardroom and beyond with the ability to select the products they need that help them perform their best work.

Governance Cloud is aligned with the fundamental shift to cloud-based digital architectures that enable a digital business. Moving to a cloud-based solution enables a faster migration and provides a better ownership experience with lower costs.

Key Takeaways

Digital transformation will not only change the regular operations of businesses, but it will also change how the board operates and interacts with the organisation it supports. Making this migration from the past to the future requires enhancing and augmenting the processes of the board to a digital platform. The simplest, most effective and most secure way to do this is by implementing a single digital Governance Cloud ecosystem that delivers the 10 improvements listed in this white paper, along with many more.

For more information about Diligent Governance Cloud and delivering a digital board experience, please go to:

<https://diligent.com/en-gb/request-a-demo/>



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