



The business case for board portals: Saving money while saving the environment

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In the past, the decision to adopt portal-based solutions for boardrooms was often driven by efficiency. Companies sought to minimise the manual labour associated with paper-based board pack production and create a seamless flow of critical information to board members. Most directors adapted quickly to digital options. And why not? Doing so allowed them to access volumes of board materials on iPads or tablets and get near real-time updates at the speed of a sync for swifter and better-informed decision-making. For the company secretary, the advantages were equally compelling: With paper-based production, the manual effort of printing, collating and delivering board packs is immense compared with electronically developing and disseminating materials.

Now, however, it is becoming increasingly clear that the greatest benefit of portal approaches goes well beyond the qualitative. Digital solutions can also significantly cut costs. Consider the case of FirstRand, a leading South African-based financial services group. FirstRand conducts a robust calendar of meetings – upwards of 600 a year between its main board and all of the subsidiaries requiring the production of more than 8,700 individual board packs for its directors. Moving from paper-based to digital production of boardroom materials was prompted at first by a need to mitigate the tremendous burden inherent in manual report processing.

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Before using Diligent, FirstRand spent almost \$US 1.5 million per year on the production, assembly and delivery of board packs. After adopting the Diligent Boards solution, the company achieved savings of \$US 748,000 in their first year alone, a reduction of an estimated 50 percent of overall costs. The majority of these savings were attributed to a 78 percent reduction in staff costs. And more than 4 million sheets of paper – the equivalent of 527 trees¹ – were saved last year as a result of switching to a paperless solution, so there was measureable environmental impact as well.

Huntington Asset Services² is a US-based mutual fund service provider for clients with combined assets of more than \$45 billion. Board meetings for Huntington’s Valued Advisers Trust generated, on average, 1,000-plus page binders that were four or five inches thick. Although the company’s primary motivation for adopting the Diligent Boards solution was efficiency, the money managers soon discovered that their own capital went a lot further with a portal. In fact, switching from a paper-based approach resulted in savings of almost \$10,000 a year for two funds on original costs of almost \$40,000, or 24 percent. The same level of savings can be expected for each additional fund that adopts the portal solution. Beyond sheer material savings, Huntington Asset Services also notes that they save at least two days in the development and delivery process, and resources are freed up to focus on areas of more strategic importance.

Outside the financial services sector, other organisations have demonstrated a positive business case for adopting the Diligent Boards solution. The University of Toronto³ is yet another case in point. The school’s Governing Council and its committees switched to Diligent Boards two years ago. With 250 members in 19 different council organisations, before the switch, the university went through reams of paper and untold hours to produce meeting materials. Thanks to Diligent, the University cut paper consumption by 80 percent, saving

tens of thousands of pieces of paper every year, not to mention purchase costs. Other cost reductions included staff hours once allocated to collating and distributing documents and the retirement of the University’s printing equipment.

Wairarapa District Health Board (DHB)⁴ in New Zealand offers services that improve, promote and protect the health of area residents. While DHB was initially prompted to move to a paperless solution by the New Zealand Public Health and Disability Act of 2000 – legislation that calls for greater environmental responsibility – they saved more than trees. DHB estimates that its digital solution has cut costs by \$25,000 a year.

A CLEAR CASE FOR DIGITAL

While companies often initially adopt board portals to gain efficiencies, many also discover significant bottom-line savings. And they have proven that there is a clear business case for going digital. In many cases, the Diligent Boards solution can pay for itself.



Endnotes:

1. Source: Conservatree website, 2012, “How much paper can be made from a tree?” -- <http://conservatree.org/learn/EnviroIssues/TreeStats.shtml>
2. Source: Information Management article, May 13, 2013, “A Seat for Tablets in the Boardroom,” <http://www.information-management.com/news/a-seat-for-tablets-in-the-boardroom-10024067-1.html>
3. Source: University of Toronto website, 2013, “Where old meets new: Simcoe Hall goes Green,” <http://sustainability.utoronto.ca/news/calendar/simcoehall.htm>
4. Source: New Zealand Doctor Newspaper, “Paperless systems save DHBs money,” February 27, 2013 <http://www.nzdoctor.co.nz/in-print/2013/february-2013/27-february-2013/paperless-systems-save-dhbs-money.aspx>

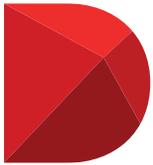
CALCULATE YOUR SAVINGS

| | Before Diligent Boards | | | | After Diligent Boards | | | | | |
|---|---|---|----------------------------|---|---|---|---------|-------------------------------------|--------------------|---------------------------|
| Production – Create & Manage | Hours per Meeting Pack | | Hourly Rate | | Cost per Meeting Pack (Labour) | Hours per Meeting | | Hourly Rate | | Cost per Meeting (Labour) |
| Company Secretary (research, manage, compile, distribute) | | x | | = | | | x | | = | |
| CEO/CFO/GC (approve) | | x | | = | | | x | | = | |
| | Labour Cost per Meeting | | | | Labour Cost per Meeting | | | | | |
| Production – Compile & Deliver | Pages per Meeting x Cost per Page | + | Cost of Binders + Dividers | = | Cost per Meeting Pack (Physical) | Board Portal Annual License Fee x Number of Users | + | Board Portal Install Fee (one-time) | = | Total Software Cost |
| | Physical Cost per Meeting Pack | | | | Tablet Cost ⁵ | x | # Users | = | Total Hardware | |
| | | | | | 3G/4G Cost ⁶ | x | # Users | = | Total Connectivity | |
| Frequency | Number of Meetings per Year x Labour Cost per Meeting = Total Labour Cost per Year | | | | Number of Meetings per Year x Labour Cost per Meeting = Total Labour Cost per Year | | | | | |
| | Number of Board Members x Number of Meetings per Year x Physical Cost per Meeting Pack = Total Physical Cost of Paper Packs per Year | | | | Total Software Cost + Total Hardware + Total Connectivity = Total Cost of Board Portal per Year | | | | | |
| | Total Labour Cost per Year + Total Physical Cost per Year = Total Cost of Paper Packs per Year | | | | Total Labour Cost per Year + Total Cost of Board Portal per Year = Total Cost of Electronic Packs per Year | | | | | |

| Total Cost Board Packs per Year | | | |
|---------------------------------|--|---|-----------------------------|
| Total Savings per Year | Total Cost of Paper Packs per Year – Total Cost of Electronic Packs per Year | = | Total Savings per Year |
| % Savings | (Total Savings x 100) ÷ Total Cost of Paper Pack per Year | = | Percentage Savings per Year |

- Companies that require board members to use company-purchased tablets instead of personally owned devices should consider this cost. If not, enter zero.
- Connectivity costs associated with company-issued tablets should also be considered. If not, enter zero.





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