# Board Portal Adoption Trends in Singapore:
A recent Diligent/CSIS survey examined the top-five board portal adoption considerations

Data, devices and employees are no longer just on premise today. Mobile technology and the cloud create more opportunities for connectivity and collaboration for board directors and corporate secretaries. In today's fast-paced environment, enterprises and company boards are global, require real-time collaboration and are investing in the ubiquitous power of the cloud. Independent research firm Gartner predicts that more than US$1 trillion in IT spending will be directly or indirectly affected by the shift to the cloud by 2020[1]. While public clouds generally deliver a pay-by-the-hour plan for the computer resources you use, private clouds are dedicated to a single organisation, with increased security, compliance and "knowing where the data resides." In Singapore, many organisations currently use — or are considering the adoption of — digital board portals. However, these boards also have concerns over security, governance, implementation of the digital solution, hosting, ease of use and cost.

As an industry leader in digital board technology, Diligent is uniquely positioned to provide strategic and actionable insights on the rapidly changing digital landscape. A recent board portal market survey jointly conducted by the Chartered Secretaries Institute of Singapore (CSIS) and Diligent examined board portal adoption trends among 105 executives.

This Diligent white paper will examine the findings from the recent CSIS/Diligent survey, the challenges and concerns of executives surveyed, the potential benefits of adopting board portals and what to consider when adopting a board portal solution. This report spotlights boards in Singapore, which is a leading market in Asia for harnessing the benefits of adopting digital technology, such as increased business productivity and innovation supported by the Singapore Government Smart Nation Initiative (https://www.smartnation.sg/about-smart-nation).
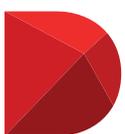
BOARD PORTAL DEFINED

Simply defined, a board portal is collaborative software that allows board directors and corporate secretaries to securely access board documents in order to collaborate and communicate with each other digitally.

As company boards abandon paper-based board packs in favour of adopting digital portal-based solutions, there are other advantages. These include reduced costs, secured sensitive data, real-time updates, increased communication, improved governance and augmented mobility.

However, not all board portals are created equal. Some lack features, security and support, while other solutions champion these attributes. Furthermore, what about company boards in Singapore? What are their views on security, governance and hosting? Are there cultural or structural differences that might influence specific needs for board portals to address?

Let's examine the CSIS/Diligent survey findings to uncover insights on the top-five topics, trends and challenges corporate secretaries face within the Singapore region.

SECURITY OF SOLUTION

Today, so much depends on data and keeping it secure. While mobile devices and the cloud augment collaboration and convenience, corporate secretaries face the challenge of securing not only sensitive board/company data at rest and on premise, but data that is also on the go and in the cloud.

The CSIS/Diligent survey found 83% of respondents ranked security as an important benefit when adopting a board portal. As company boards know, it's vital to keep confidential information secure and safe. When asked about the "Security of Board Materials," 75% surveyed regarded it as "Very Important."

When evaluating a board portal, you should ask the vendor some security-related questions:

▶ Have criminals ever breached your solution?

▶ When a security breach happens, how does your team respond to it and remediate it?

▶ Does the solution use any encryption, and if so, how robust is the technology?

Information shared among board directors is often highly sensitive and confidential in nature. Unfortunately, cybercriminals also know the value of your organisation's information and are scheming about ways to penetrate your defences and steal your data. While data breaches of large corporations make the headlines, small and midsize organisations are also at risk. The 2017 Verizon Data Breach Investigations Report found that 62% of breach victims are businesses with fewer than 1,000 employees.[2]

It's critical that the board portal you select values security and will help keep your sensitive organisation and board information secure.

While no organisation is 100% secure, you must make sure your board portal solution is backed by solid security and encryption technology.

DISTRIBUTION OF BOARD MATERIALS

The CSIS/Diligent survey found that 50% of respondents said that "100% of our board receives printed paper materials at some point" and only 25% surveyed identified themselves as truly "paperless." The survey also found that 75% said board materials are distributed by email, with 20% still delivering paper copies (such as board packs). Overall, 75% of executives surveyed in the Singapore region said that a "Simpler distribution process" is "very important."

Paper board packs present a myriad of challenges: the cost of building board packs, physical printing and mailing/delivery methods. Furthermore, paper board packs represent information that is static; therefore, when last-minute updates are required, the paper board pack must be revised and reprinted.

As mentioned, 75% surveyed distribute board materials via email. This is problematic, as email is not always reliable, secure or even on the same platform; in fact, a Diligent and NYSE Governance Services Report[3] found that "nearly 60% of directors report they regularly use personal email to communicate with fellow directors." More than 90% use this unsecure method to communicate about board business at least some of the time. Email remains a popular attack vector for criminals, so having board directors email sensitive information via personal email creates more risks for data breaches.

These considerations regarding distribution of materials must be evaluated:

▶ Does the solution have a centralised repository for current and archived information?

▶ Does the solution support all types of mobile devices, as well as operating systems?

▶ Does the vendor have a secure email/messaging feature?

▶ What are the various communications and collaboration tools?

Overall, board portals can help your board directors communicate effectively, but as covered previously, it should be done efficiently, securely and intuitively.

EASE OF USE

According to the CSIS/Diligent survey, executives in Singapore were asked how important "ease of use" is when using or considering board portals. The survey found that 27% of respondents answered "important" and 25% answered "very important."

In addition to surveying opinions on "better convenience," the survey asked about board portal functionality. When asked about the "Ability to automate votes, surveys and other board activities," 58% were "neutral" while 21% said these functions were "important."

When selecting a board portal, one should examine not only the solution's features and functions, but how easy it is to implement the solution and have users adapt to it. Board portal technology aims to improve communication, security and work for organisations — not make them more complicated. If the solution is too hard to adopt, users will abandon it.

Consider the following in terms of ease of use, adoptability and adaptability:

► How intuitive is the board portal solution?

► What is the implementation process?

► Does the board portal handle directors who sit on multiple boards?

► Is the solution static, or does the vendor introduce new features periodically?

► Does the board portal solution provide any training and support, particularly in different locations and languages?

Lack of technology adoption and misuse of a board portal solution is a waste of investment. If there's no training and support, compounded with a difficult-to-use solution, users will not want to use the board portal. Furthermore, without proper training on features, some users may also create security vulnerabilities themselves. Overall, look for a board portal solution that adapts to the demands of evolving technology and can help your organisation easily adopt the solution.

COST OF SOLUTION

When considering a board portal solution, surveyed corporate secretaries and executives responded with 50% saying cost was "important" and 25% saying it was "very important" as an evaluation criterion.

Implementing and investing in new technology, whether it's a board portal or another technology solution, is an obvious and important consideration. However, not all board portal solutions offer the same facets, especially when it comes to budget constraints. Free and so-called "budget" board portal solutions may come with a surprise upgrade price tag, lack features and functionality, and offer no support or training.

► Does your vendor provide complimentary training and support, or only offer it for an additional fee?

► Are there additional features that come at a cost

A free or budget solution may lack stringent security features that might put your board's sensitive information at risk. While the cost of the solution is a valid evaluation criterion, it's important to place value on security, ease of use and the overall robustness of the technology as well.

REPUTATION OF VENDOR

When asked about the reputation of a board portal vendor, 75% of respondents in Singapore said it was "important" and 25% said a solution's reputation is "very important." The CSIS/Diligent survey found that 25% of corporate secretaries and executives surveyed identified that "Recommendation(s) of a board portal" is "important."

Organisations in Singapore may face several challenges when selecting technology they are unfamiliar with; therefore, the recognised reputation of the vendor may assuage any fears and concerns. As mentioned earlier in this report, not all board portals are created equal. A new board portal vendor may enter the market, but has their platform been truly tested? Furthermore, what about a vendor with only a few clients? Is that a good choice when they've only had experience with a limited number of customers?

Additional evaluation questions and best practices include:

► Look for a trusted vendor with experience and a proven track record

► Has the board portal solution won any awards to confirm their leadership?

► What are some of the customers they have worked with? Are they from various industries, sizes and regions?

For boards in Singapore, it's critical to find a solution that has experience and expertise serving organisations in that region. Choosing a board portal vendor with no experience with international clients may not be a wise decision because the vendor may not be fully prepared to meet your specific needs and challenges.

CONCLUSION

Board portal technology, combined with the ubiquity of the cloud, is enabling many organisations to communicate and collaborate efficiently, effectively and securely. The findings of the CSIS/Diligent survey show common trends among corporate secretaries and executives surveyed in Asia, but many organisations around the global share these concerns and considerations when adopting a board portal solution.

Fortunately, Diligent is backed by a proven track record, expertise and the recognition of being a leader in the digital board portal technology space for more than 16 years. More than 145,000 executive users worldwide choose Diligent's intuitive functionality, industry-leading security, and customisable, collaborative features. Currently, Diligent has more than 162 customers across Asia. With Diligent, you'll gain greater control, visibility, collaboration and ease of use. Diligent is also backed by 24/7/365 award-winning customer support for more than 75 countries. Overall, when considering a board portal, be sure to select an industry leader that better positions your organisation for today and future horizons. Diligent is such a leader and is committed to sharing strategic insights while innovating for our customers, partners and industry.

1. "Cloud Shift - The Transition of IT Spending from Traditional Systems to Cloud". Gartner Market Insight.

2. "Verizon 2017 Data Breach Investigations Report". Verizon.

3. "The Price of Convenience: Communications, Cyber Risk, and Cybersecurity Practices of Corporate Boards". NYSE Governance Services & Diligent.
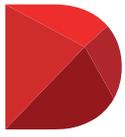
About survey methodology and participant profile

Participants were surveyed in the second quarter of 2017 to assess their use of board portal technology, the importance of different factors when choosing a board portal platform and attitudes toward various industry participants. The anonymous online survey was completed in the third quarter of 2017, and more than 100 responses were received. Survey respondents are highly knowledgeable about the challenges of managing the board preparation process, reporting that they either managed the entire process or were highly involved in the process. More than half of the respondents described their roles as "Corporate Secretaries."

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