

Argyle Conversations

by Argyle Executive ForumSM

Joe Ruck, CEO of BoardVantage discussed the rapid adoption of technology like the iPad by corporate boards and the benefits and risks that come with such changes.

Scott Robbin: Can you start by giving us a better understanding of BoardVantage and your role there?

Joe Ruck: BoardVantage is the leading provider of board portals for the browser and the iPad. We're based in Menlo Park, Ca. Our customer base encompasses about 1,000 organizations, over a third of which are in the Fortune 500. While our roots are in serving enterprise customers, today we also serve many smaller companies as well as non-profits.

Among my other duties as CEO I'm responsible for the company's direction, including product planning. In that role my focus is on improving the mobile director experience. My second area of concentration is assuring that our platform has the breadth and depth to capture all board processes online while delivering an experience that is better than paper.

Well speaking to that, how has new technology like the iPad led to shifts in the tech market?

The pace of change in the technology business is even faster today than it was five years ago. And the plain fact is that while technology has been in the boardroom for a number of years, the adoption of it has been scattered. That changed dramatically with the advent of the iPad. To truly understand what a game changer it has been, you need only look at a day in the life of a director.

As a director much of your day is filled with document review or travel, so device readability, portability and usability are essential. But in fairness, laptops were never particularly great in those areas. Now contrast that with the iPad. As a device, it truly shines in all three areas. So now where you fit on the spectrum of digital literacy is no longer a factor. It simply matters far less whether you're a traditional director who is a technology novice, or a progressive director who has been a technology fan for years. That's why we're now seeing a dramatic shift where traditional boards, who refused to consider technology before, now embrace it enthusiastically.

When it comes to the mindset of the general counsel and their boards, why have they suddenly seen the value of technology?

Besides the iPad, there has also been a great deal of advancement in areas which are of high value to the GC. I'm referring to process flows, control and security. Collectively they have created an online environment which is actually superior to paper. That wasn't the case a few years ago. So I would say that GCs are simply recognizing the accumulated advancement of board portal technology and the benefits it brings to their boards and their own office.

On that note, what are some issues involving technology like the iPad when it comes to discoverability and risk management?

The iPad is groundbreaking as a mobile device, but there's interplay between mobile technology on one hand and the risk of discoverability on the other. Let me give an example. If you're a director and you're flying to a meeting, you want access to the meeting materials for review while in transit. Of course on a flight you rarely have a network connection, which means you have to download the board book to your iPad. While that is convenient for preparation, it creates an exposure because directors will often forget to purge that information.

To address this, at BoardVantage we've designed our system so that the security umbrella of our server is extended onto the iPad. Now if the director downloads board information, it is stored in an encrypted folder that we refer to as the "Briefcase". And since the Briefcase is centrally controlled by the GC, once the meeting is over he or she can remotely purge that content from the director's iPad, thereby eliminating any discoverability risk.

So what happens for a general counsel when they decide to start using this technology in the board meetings?

When it comes to the preparation and distribution of the board book, a good board portal will provide the GC with a set of tools that creates, manages and distributes the board materials, while also addressing the need for last-minute updates. Typically customers find that if it took a week to prepare a paper board book in the past, with BoardVantage it will take only a day.

How can this help evolve their preparation for board meetings and accomplish more with regards to business decisions?

With an online system, the distribution of materials is instantaneous. So not only will the board get access more quickly, you can also provide information more frequently, simply because it's far less work to do so. In the traditional cycle of board meetings – perhaps a meeting once every month or every quarter, etc. – there wasn't a great deal of communication in between meetings. But with a good online system, there is no reason you are restricted to those cycles. Typically, directors appreciate the regular update because it's not always easy to digest information in one large batch. All of it improves the visibility of the directors, which in turn can improve the quality and the speed of their decision-making.

On the tactical side, what do you look for when you're assessing different board portals?

I think the process should start with a simple question: "Why buy a board portal in the first place?" In the past, the answer was for the convenience of a handful of tech-savvy directors, but today the goal is to go paperless because that's where boards realize the benefits.

With that in mind, there are five things to consider:

The first is to recognize that while in the world at large all the talk is about going online, in the world of boards there's still a very strong need to go offline. In other words, directors work in both modes, and need to be able to switch seamlessly. That means syncing technology, which is not easy technically, but without it directors will not have a good experience.

The second point goes back to my earlier observation, that mobility brings with it new challenges, particularly relative to discoverability. Of course that risk should be eliminated. The way to do that is to make sure that the GC maintains central control over everything that a director downloads from the portal.

Third, in the world of boards it's all about who sees what and when they see it, so you have to make sure that you have that level of control embedded in the portal. That requires an ability to differentiate access between users, whether that pertains to what the chairman sees versus what an individual director sees, or what members of the governance committee see versus what those on the executive committee see. That means you have to look for a toolkit with a control matrix and content segregation capability.

Fourth, when you ask anyone to change a long-standing process, you have to give them something better than what they have today. That means that the user experience for your directors has to be more engaging than what they have with paper, which requires an app that takes advantage of the rich graphics and animation of the iPad to improve the director experience.

Lastly, keep in mind that a board portal is not an end, but rather a beginning. For years the board portal was a one-way communication tool. The GC distributed materials to the director; the director retrieved it online but did not communicate back. Now portals are shifting to platforms with two-way interactive capability between the directors and the GC. That trend will only get stronger as more boards experience the value of technology.

I'm sure you are often asked what happens if you lose your iPad with all that board meeting information. Is the data completely secure?

Since the Briefcase is encrypted, data cannot be accessed, even if the device is lost or stolen. In addition, the GC has the ability to remotely purge all that content in the Briefcase on that iPad. So there is a double layer of security to protect customer data.

Can smaller businesses benefit from this in the same way as larger corporations?

While there's more regulatory scrutiny as companies get bigger, many of the underlying dynamics of board processes are unrelated to the size of an organization. Also, expectations that board members have about the ease of use are the same, as are the GC's expectations about security. That's why we sell to boards of all stripes and organizations of all sizes.

What is the most surprising thing you've seen in the transformation of board portals?

The speed of the change; the iPad hit the market in early 2010 and by mid-2011 it was a part of every sales cycle. It was astounding to see a market go from a state of reluctant interest to one of broad-based enthusiasm, all in the span of 18 months.

Are there any best practices you can share from your experience at BoardVantage over the past decade?

We've learned that the user experience is much more important today than in the past, particularly in our marketplace. While that requires a large investment, it's well worth it because it increases customer satisfaction and loyalty.


What do you feel is the next step when it comes to technology?

The iPad has opened up a new world for directors and they're eager to take advantage of the opportunities it offers. Directors are asking for new functionality and new ways of doing things. As a GC, it is worthwhile to give some thought to the increased pervasiveness of technology and how to take advantage of it. It's a new mindset not just for the board, but also for the GC, a major change from the way things have been done in the past.

Will we see more adoption as the younger generation increasingly moves into the boardroom?

Definitely - as directors retire and new directors come aboard, they're likely more tech savvy than the generation that preceded it, which will help to accelerate that trend.

Before we conclude is there anything else you would like to add?

Traditionally, there has been a defined set of content that was communicated to the board. Much of that was constrained by the limitations of a paper process. But technology brings newfound flexibility, so old constraints are lifted. This means an opportunity for GCs to help define the norm and the form of the information that will be communicated. So once you've taken the steps to go paperless, it's time to take advantage of that new channel of communication and explore ways to improve the visibility of the board along with increasing the productivity for your own staff. 

BIOS:

Joe Ruck

Joe is the President and CEO of BoardVantage. Joe is responsible for setting the company direction and communicating it to the BoardVantage customer base. He has led the company from its startup beginnings to its current position as a technology leader in board and leadership team communications. Joe also serves on the board of directors of BoardVantage in order to ensure seamless communication between company stakeholders and leadership.

Joe has been the CEO of BoardVantage since its initial VC funding at the end of 2002. He has led the company through two rounds of institutional financing, most recently in 2006. Joe is a frequent speaker on the impact of technology in the boardroom and the author of many articles on that topic in the press and on his blog.

Joe actively participates in all aspects of planning and design of the BoardVantage product, particularly the mobile director experience and the ongoing effort to improve leadership communications in a geographically dispersed world.

Prior to joining BoardVantage, Joe was senior vice president of marketing at Interwoven. Previously, he held sales, marketing, and executive positions at Sun Microsystems and Network Appliance. Joe holds a BS in engineering from Oregon State University and an MBA from Santa Clara University.

Scott Robbin

Scott Robbin is a Director at Argyle Executive Forum. In this role, Mr. Robbin manages content development, editorial speaker recruitment, and execution for 20+ annual business events. He has over five years experience working on the production and implementation of senior-level events. He holds a Bachelor of Arts from Columbia University where he was the captain of the varsity tennis team.