



THE BOARD EDUCATION PROGRAM

Board Portals: A Case Study of a More Effective Board

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1. What is a board portal?

There are three major attributes in a board portal: a) online access for directors, b) toolkit for the corporate secretary and c) security which meets or exceeds the standards of the IT organization. Directors access the portal from a browser or an iPad but the iPad is overwhelmingly the device of choice today.

2. What due diligence is undertaken by customers before signing on?

Typically customers request a Web demo to learn about features and functions. This may be followed by a Test Instance where the sponsor gains an in-depth understanding of the user experience, whether from a director or CS point of view. In parallel IT assesses security in terms of its protection against external hacks, internal breaches, human error and discoverability.

3. What obstacles might a company encounter in the transition to a portal?

The three most common obstacles are a) inadequate network bandwidth in the boardroom, b) director unfamiliarity with the Apple iTunes process and c) CS office learning curve. Those obstacles are typically overcome in one or two meetings, or can be entirely avoided with proper preparation.

4. Are companies doing away with paper or running in parallel?

Up to the middle of 2010, most companies ran in parallel indefinitely, with some companies making a break after an extended transition. That has changed dramatically since the advent of the iPad. Now companies will run in parallel for a single meeting and “go electronic” immediately thereafter.

5. How have iPads changed the environment?

Since the introduction of the iPad, board portal adoption has jumped. The iPad has crossed a usability threshold because it combines the immediacy of online communication with the legibility of print. So not only is the iPad a more effective communication tool than the browser, it is also better than print.

6. Can iPads handle 6-inch thick board books?

There are no constraints on the capacity of a board portal but there may be constraints on the bandwidth of the customer network. For example, several dozen large board books downloaded simultaneously can bog down a boardroom network. However modern Briefcase technology addresses this problem. It lets director pre-load boardbooks prior to the meeting and sync any last-minute updates right before the meeting.





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7. Are boards holding their meetings on iPads?

Yes. A common scenario is one where the general counsel displays the board book on a projection screen while directors follow along on their iPads, consulting their notes and raising questions accordingly.

8. Do directors use the browser or an app?

As a device, the iPad is well-suited for content consumption but for content contribution, the browser remains superior today. Typical ratios are as follows. In-Between Meeting Use Case: Half the Directors split time between browser and iPad while the other half has standardized exclusively on the iPad. In Meetings Use Case: Nine out of ten directors have switched to the iPad entirely.

9. In addition to access to materials online what other features are available?

Increasingly board portals are used as platforms for all board process and communication, including written consents, repository access, alerting, messaging, conferencing, director questionnaires, and a directory.

10. Won't notes be discoverable?

Best-of-breed portals actually lower the risk of discoverability compared to other means of communication. Not only is a director able to remove notes individually, the corporate secretary is able to remove all notes collectively. Also, notes can be readily purged if a device is lost or stolen.

11. Are companies giving out iPads?

Companies traditionally have purchased laptops for their boards, while keeping the device as an asset on their books. But this practice is undergoing change. The current trend is moving from procurement towards gifting. The reason is that the traditional model of procurement is in conflict with the implied iTunes model (device owner = device user), and it requires the owner, in this case IT, to install and upgrade the app. This has proven impractical.

12. What are the steps from initial inquiry to paperless board meeting?

1. **Initial Web demo** – with project manager
2. **Socialization** – customer review of documentation and 'day-in-the-life' videos
3. **Follow-on Web demo** – with executive sponsors
4. **Test Instance** – if required by the customer to verify the user experience
5. **Documentation Review** – focused on vendor security and process
6. **Contract** – Determination of number users





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7. **Provisioning** - User name and password
8. **Board Presentation** – Content pre-loaded by corporate secretary
9. **Director Phone Training** – Fifteen minutes in duration
10. **First Online Meeting** – Director portal access prior to meeting

13. What has been the experience of boards that have gone paperless?

After one year of iPads in the boardroom, it is clear that the paperless boardroom is here to stay and that the iPad is supplanting the browser for the reasons mentioned above. The iPad is also creating a more inclusive technology experience, when compared to predecessor technology, because all directors, whether progressive or traditional, are comfortable with its use.

14. What is on the horizon of board portals?

Not only is the market switching from laptops to iPads, it is also expanding from documents to data. Near-term applications include investor relations or other use cases where the iPad's data visualization capability makes previously impenetrable data accessible to directors, creating a channel for board intelligence. Also, new architectures enable richer functionality, accelerating the transition from single-purpose access-only repositories to multi-purpose interactive platforms.



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