

BoardVantage ROI

BoardVantage
Security with Simplicity

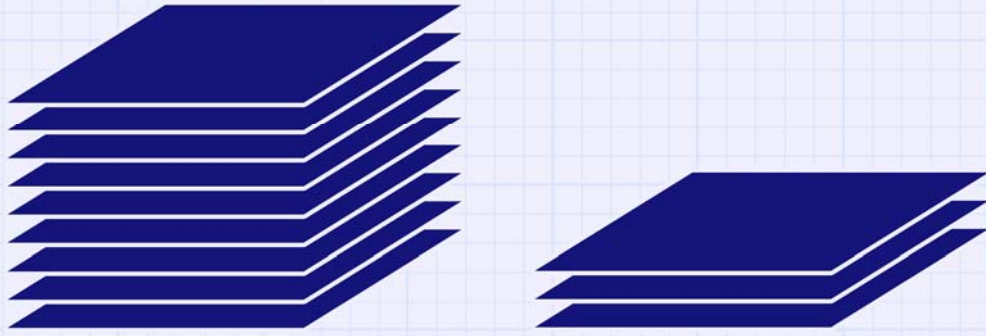


Fig 1. Less Paper

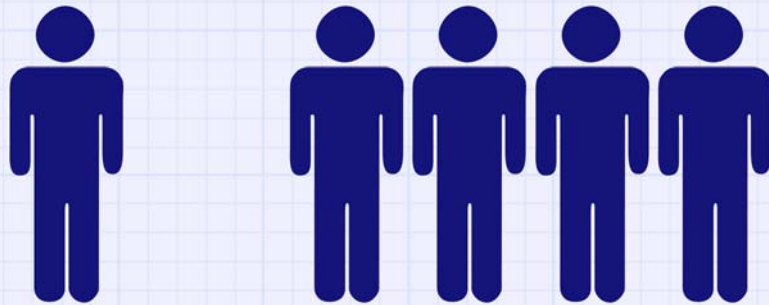


Fig 2. More Productivity



Fig 3. Higher Profit

Abstract

In addition to well-documented improvements in productivity and visibility, many companies have realized significant hard dollar savings by subscribing to BoardVantage. These cost savings derive from both reduced printing costs and increased headcount efficiency. Depending on board process and size and volume of communications BoardVantage pays for itself through savings in printing costs alone.

The absolute amount a company can save depends on a number of factors. The most critical one being the degree to which a new electronic process can be substituted for the existing print-based process. And although print cost reductions are the most dramatic if a company goes entirely paperless, even in paper-light cases cost reductions can be substantial. This is particularly true for Fortune 1000 companies which rely on paralegal support for coordination of their board communications.

Savings through Print Cost Reductions

It is quite common for BoardVantage customers to encounter rapid adoption of the portal among their directors. As a result, many customers have been able to go entirely paperless. Of course, one size does not fit all. Whereas certain companies go paperless quickly, others find their sweet spot in a twin-track approach, producing printed board books for their traditional directors, while relying on electronic board books for their progressive directors. A third class of customers will let use case dictate the right approach, by making print available in board meetings but restricting pre-meeting communication to electronic form.

The dollar amounts involved are not insignificant. A typical Fortune 1000 company spends about \$40,000 per year in print cost for their board. Simply by cutting the number of board books distributed in half, companies will realize a significant savings. This approach lets them:

- Print for traditional directors
- Offer a board portal to progressive directors
- Improve productivity of the corporate secretary office.
- Realize a substantial cost savings

For very large companies, particularly in regulated industries, cost reductions can be substantially greater. For example, a

telecommunications company has saved \$60,000 per year by cutting their printed board book volume in half, and an asset management firm has lowered printing costs by over \$100,000 per year through similar percentage print reductions. For small and midsize companies the numbers are smaller but can still be significant.

Companies interested in using the portal to realize savings should place themselves on the continuum of paperless to paper-based. The more the board process is moved to the left, the greater the cost savings.

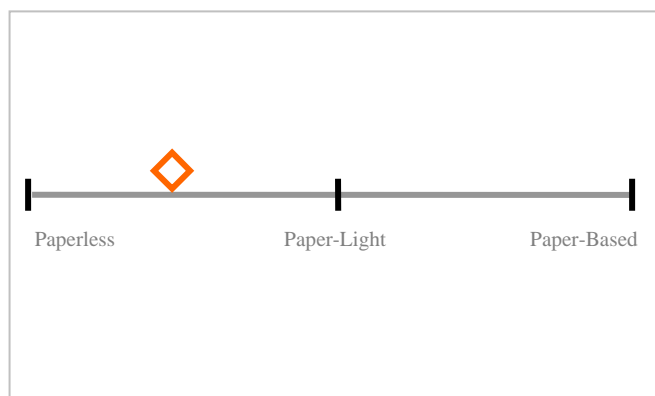


Figure 1: Paperless to Paper-based Continuum

Savings for going Paperless are often 2X savings for going Paper-Light.

Below is an example of how to calculate your actual printing costs. Once the cost is calculated, savings become a function of where your firm lands on the Paper-less to Paper-based Continuum.

Actual Savings for Asset Management Firm Going Paper-Light with BoardVantage	
Trustees	10
Books/Meeting	6
Meetings/Year	6 (4 quarterly, 1 performance, 1 organizational)
Books/Year	360
Cost/Book	\$600
Annual Print Cost	\$216K
% Reduction in Printed Materials	50%
Savings	\$108K per year

Table 2: Savings Example

In addition to the cost savings, we have found that boards appreciate going paperless for other reasons as well. For many directors, navigating thru softcopy rather than hardcopy documents is easier. Directors almost universally prefer to not have to carry or store binders of information. And many directors appreciate the environmental benefits of using less paper.

"We've gone totally paperless. Our trustees said this is the best things we've done. They download the files and bring their laptops to the meetings. Our last board package was 640 pages."

Insurance Company

Typical Savings for Firms Going Paper-Light with BoardVantage				
Segment	Books Annually	Cost per Book	Original Costs	Typical Savings with BV
Asset Mgmt	360	\$600	\$216k	\$100K+
Fortune 100	240	\$500	\$120k	\$60K+
Fortune 1000	160	\$250	\$40k	\$20K+
Medium Size	100-150	\$100-\$200	\$10-30K	\$3-10K

Table 1: Typical Savings

Figures based on actual printing costs/savings as indicated by representative companies that have gone Paper-Light.

Savings through Efficiency Gains

Following the introduction of the portal, customers also realize a dramatic reduction in the amount of time consumed by board book preparation. What used to take days can now be done in hours. Conversely, simple board updates that used to take hours of printing and distribution now can be accomplished in mere minutes. These efficiency gains are attributable to process improvement on one hand, in particular the introduction of best practices, as well as time-saving features and functionality on the other.

Needless to say these order-of-magnitude efficiency gains often translate into tangible headcount savings. And although specifics vary from firm to firm, depending the number of staff dedicated to the process, and to what degree the process is outsourced, large firms have been able to either reduce several headcounts or redeploy staff to other parts of the organization, while at the same time improving responsiveness of the team to the needs of their board.

“What used to take 2 days now takes 2 hours as we have gone totally paperless”

Delta Dental of Colorado

Cost Savings Predicated on Functionality

Although possible in principle, cost savings will not be realized in practice unless functionality is available to make the process of aggregating, organizing and disseminating content painless. Without those tools the onus on the Corporate Secretary office will be simply be too great to support efforts to go paperless or even paper-light. The features below are of particular importance to support this effort:

Key Features in the BoardVantage Toolkit for a Paperless Boardroom	
Desktop integration	Seamless integration with Microsoft Office and Adobe Acrobat
Board book builder	Wizards for the creation and distribution of board books
Auto-conversion	Automated conversion of documents to PDF with 100% fidelity
Auto-update	Support for last minute changes with a single click
Auto-collation	Indexing and assembling of multiple disparate documents

Table 3: Key Features

Conclusions

Companies which are considering a board portal should take into account cost savings as an essential part of their decision making process. Depending on company size cost savings can be compelling and efficiencies gained will lead to a far more productive staff. Also, companies create a greener work environment by choosing a paperless and eco-friendly process over a highly paper-intensive one.

Good portal design makes information access easier than traditional paper-based methods. Current meeting material is a click away while hyper-linking allows scanning of subject headings followed by drilling down if necessary. Powerful search tools allow directors to retrieve archival documents for benchmarking and automated distribution enables more frequent updates from management without placing an unreasonable burden on the executives responsible. Also, support for two-way communication gives directors a reach that previously wasn't possible while remote. It's easy to see that in this "new normal" board environment, portals are a far more effective medium for than the old-school paper process.

Any decision is only as good as the quality, timeliness and security of the information upon which it is based. By improving visibility into operations, assuring privacy of deliberation and providing a rapid response capability to geographically

dispersed directors, portals can affect all three and therefore the quality of corporate governance.

About BoardVantage

BoardVantage is the leading provider of secure board portals for the browser and the iPad. Trusted by dozens of Fortune 100 boards, BoardVantage portals centralize documents, processes and communications. BoardVantage is SAS 70 Type II certified, and meets or exceeds the standards of the most security conscious IT departments, including those of major financial institutions.

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