

My portal or yours?

It wasn't so long ago that the boardroom was a bastion of paper and books. Everything's changed since the iPad

By Joel Kranc

Steve Jobs' vision and understanding of what people wanted—sometimes before they even knew it—runs the spectrum from everyday iPod user to the most senior directors at the boardroom table. Case in point: the iPad.

The iPad is single-handedly changing the way information is distributed, presented and archived by boards around the world. And from a business perspective, it has turned a relatively sleepy software product—board portal software—into a disruptive technology. Providers see enormous growth and replacement of old technologies with the new. Boards are buying in—at least half of all boards in the U.S. now use portal software, according to a KPMG Audit Committee Institute survey.

Simply, board portal software allows board members to collaborate and access documents with other board members electronically. It can act as an e-board book but has evolved to do more. “The most salient and dynamic thing in the market today is the advent of the iPad,” says Joe Ruck, president and CEO of Silicon Valley-based portal software maker BoardVantage. “Technology has been in the boardroom about eight or 10 years but its impact during that period leading up to the middle of 2010 had been muted.” The iPad has transformed the space, says Ruck, because it has crossed a usability threshold.

Case study

Four years ago, the Ontario Municipal Employees Retirement System (OMERS) set out to test board portal software for its members. John Sabo, OMERS board chair—and iPad-carrying board portal software user—says, “You have to start on the basis of being committed and focused on following leading governance practices. That is the context we started on this whole exercise.” He stresses that the reason for using the software is so that OMERS can meet its guiding principles first; the technology comes second.

Nevertheless, the iPad's arrival has given the pilot a new charge. OMERS is currently testing iPads with five of its board members. Items such as electronic board agendas, loading of all documents on the portal and the ability to make notes, allows OMERS to meet its guiding principle of providing all member's materials at least one week in advance of the meeting.

“My perspective is that this is a governance and management solution—not just a board portal,” notes David Craig, president and CEO, governance, risk and compliance with software supplier Thomson Reuters. According to Craig, portals can allow both boards and corporate secretaries better control of information—essential in an environment where scrutiny is ever more present.

What do they do?

Portal tools have come a long way whether they cater to large international boards with multi-jurisdictional locations or smaller local companies. For example, at the very basic end of the spectrum are software providers like Toronto-based Firmex. It provides a suite of applications for document management, mainly in the financial sector dealing with mergers and acquisitions. One of its applications is a board portal element, which allows sharing of documents among board



members or committee members, commenting on documents and notifications of new documents.

Higher up the scale are products from firms like Thomson, BoardVantage, Boardbooks and Aprio. Ruck says items like purging notes for discoverability purposes, written consents, and considerations on mergers and compensation are now part of the iPad-enabled board member experience. Surveying of board members by corporate secretaries on issues is also becoming more important—something Thomson's Craig notes would never have occurred on paper but is more likely to occur on an iPad.

In terms of fees, board portal software can range from \$6,000 up to \$25,000 per year on a subscription basis (for a typical 10-15 member board).

Trending

Social media is having an impact at the portal level. Board members can expect “Facebook-like” discussion walls allowing members to post comments, elicit comments and provide a two-way form of communication. Also, mini discussion areas (such as audit or other committees) will allow dialogue on the portal between those members only without others engaging in that part of the discussion.

At the same time, Firmex CEO Joel Lessem stresses keeping the functionality of the software relatively simple because usage is infrequent. OMERS' Sabo agrees and says, “The challenge for a board member is that the meetings are not daily. So it's important to have the training and regular connection to the tool because if you only do it once a quarter, you forget.”

On the plus side, interactivity can occur at any moment, on any issue relevant to the board without waiting for the quarterly briefing book to arrive. What was once a “single monolithic presentation,” according to Ruck, is now a two-way means of accessing information in nearly real time.

The only thing that hasn't changed, according to Sabo, is the challenge of ensuring the right information is provided to enable directors to make informed decisions. “Every board member should have that as a goal,” he says. ▼

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