

Why Public Companies Need a Board Portal

Written by Fred Walsh on April 10, 2019



As an adviser to public companies, I see corporate governance as the key to the proper functioning of a company board and ultimately a means of increasing shareholder value. Investors, after all, invest to make a return. Although most of the corporate governance codes are designed with listed companies in mind, both public and private companies can benefit from adopting appropriate corporate governance controls and procedures.

For corporate governance to be effective, these measures should be tailored to a company's requirements given its stage of growth and developed through engagements with key stakeholders. In my personal experience, boards that apply a principles-based approach to corporate governance help both private and public companies as they grow and seek to build trust with not only their key shareholders but also their employees and stakeholders.

One of the key aspects that is often overlooked in the functioning of a board is the use of technology; very simply to make life easier for both the Non-Executives and Executives.

Making directors' lives easier


Board meetings only work if board members are prepared and have sufficient information to be able to perform the tasks assigned to them, in a timely and efficient manner – the most simplistic example of this being the board pack and agenda. By the very nature of being an international businessman, travel is a part of the job. I would imagine most international executives have experienced the disappearing board pack, the pack that is sent by email but is either blocked, spammed or is to arrive being too large especially if they are powerpoint files.

What a board portal does is conceptually very simple; it provides a secure facility to access confidential information in a timely and efficient manner. There are still board directors who insist on printing out all their emails and having the attachments neatly physically attached. You may laugh, but they do still exist – a suitcase for board documents, and a suitcase for everything else.

Most executives nowadays would rather have meeting papers that can be easily downloaded onto their laptops or tablets at an airport lounge, that they can read through undisturbed on a long haul flight, than carting on board 10kg worth of paperwork in powerpoint, excel and word documents. This is before consideration goes to the mysteriously missing pages, inside the full stack of print outs the one that is missing is the committee the board director is actually chairing.

A more efficient and secure way to manage sensitive information

What then is the primary reason to use a board portal, it is just simply a more effective environment for the board to operate within. It is also far more secure than sending board packs as unencrypted, or inadequately protected email attachments often to personal email accounts of non-executive directors. From a technological point of view,



executives do need to familiarise themselves with the functionality to get the best out of it; but ultimately it is there to help them to do their jobs better.

Board portal as a risk management solution

There is also though another far less obvious but no less important application for the board portal. It is what a CEO of a software company once referred to as “Dollars” and “Lives”. If you ask a board what really gives them sleepless nights – it is anything that will cost them a lot of money if they get wrong or has drastic consequences. Regulatory fines are particularly disastrous. If you are fined by your regulator for not being fit for purpose, this not only carries immediate financial impact; but can have drastic repercussions for your business both in the standing of your company and its future prospects, let alone the reputation or potential legal consequences for the executives. Some of the most prominent modern corporate disasters have been caused by a gross failure in systems and controls – which is fundamentally the reason why you have a board in the first place.

One of the things that public companies have to demonstrate is that they have a properly functioning board. A board portal not only uses technology to support the functioning of the board, but it also provides a means of demonstrating that the board takes corporate governance seriously, and has adequate controls and procedures in place to execute their roles effectively and to the benefit of shareholders.



ABOUT THE AUTHOR

Fred is a Non-executive Director at Praxonomy. Fred has over 15 years of experience providing strategic advice to public and private companies, and their shareholders, across a broad range of transactions globally. Fred currently serves as MD in the European Technology team of Stifel. Fred holds an MSc in Corporate and International Finance from Durham University.