



Board Meeting Minutes Software Buyer's Guide: Improving the Board Minutes Process

How to Choose the Optimal Solution for Directors, Executives,
Administrators and Minutes-takers



Diligent

The minutes that summarize corporate board meetings need to be accurate, succinct and timely. Board meeting minutes are more than just the documentation of board meetings, discussions, decisions and plans; they are also an important legal record that organizations are required to retain. Important as they are, minutes are easily overlooked, and as organizations have gone digital and enhanced how they operate, the minutes' process has not evolved with the times.

The minutes' process must support a move to modern governance, and it must be upgraded to support an organization that is competing in the digital age. A minutes' process that can support modern governance is faster, more accurate and more efficient, and it has consistent formatting; all this is backed by the necessary security.

The most common legacy approach to taking and creating minutes uses a basic text app such as Microsoft Word. This results in a manual process for creating, editing, approving and distributing minutes, with the potential for compromising the integrity of the document at every stage. In addition, the agenda and the minutes are treated as separate entities. This adds another layer of complexity, while also creating a potential source of errors because it makes it more likely that there will be inconsistencies between the two documents. Furthermore, it is not uncommon for multiple versions of both the agenda and the minutes to exist in competition with each other, with no easy way to determine which version is right. Time is wasted in trying to determine which changes, from possibly several versions of the minutes document, should take precedence.

With the advent of modern governance, the lack of security in legacy processes is becoming untenable. Very little control can be exercised over a Word document, especially when it exists in many different locations. It is very unlikely that encryption, password protection and document controls are even possible with a legacy approach. If minutes are to receive the care that their importance demands, what is needed is to keep them within a secure digital ecosystem.



Most Organizations' Minutes Processes Are a Disaster

Legacy minutes processes are often inefficient and laborious. By their very nature, minutes will be edited by many individuals who need to incorporate a great deal of feedback and updates. A manual process will nearly always result in errors, because it's impossible to ensure against people editing an outdated version or giving their input to the wrong person. If someone discovers that edits have been made to the wrong document, the entire process will be slowed down while the changes are rectified. And with legacy systems, that's a best-case scenario; it's much worse if no one realizes that additions were made but aren't showing up in the "official" current document. Another complication is the increasing use of multiple minutes-takers. Adding more people to a cumbersome manual process only increases delays, creates the potential for more errors and may lead to the disclosure of incorrect versions of the minutes.

Finally, legacy minutes processes don't easily support consistent formatting and templates. Bringing in other templates or exporting documents and retaining the right template layout can be very difficult. In addition, riffling through format or template changes requires changing every document individually. This is not an efficient use of anyone's time.

A Buyer's Checklist for Identifying the Optimal Solution for Modernizing the Minutes Process

If delays, inaccuracies, data loss and constant revisions of the minutes document are creating problems for your organization, it is time to modernize the process. Modern governance principles are nearly impossible to support if the record of the board meeting can't keep up. Changing to a more modern, digital process is mandatory, but making the right choice is critical.

Before beginning the upgrade process, the organization must properly evaluate and select a product from a vendor that meets all the usability, governance, security and legal requirements of the organization's board.

The following are the key attributes to consider:

- **The solution must meet the needs of directors, administrators, corporate secretaries and minutes-takers.** The minutes process requires a very specific set of features that meets the needs of those who interact most with it. The solution must have demonstrable features that are clearly better than the status

quo. The need for specialization is quite high; generic tools are not designed for the specific requirements of board meeting minutes. The right product should also support easy integration into your existing board portal solution. Trying to do it yourself with discrete technology components is not cost-effective, and the resulting process will be difficult to update and could also pose a security risk.

- **The vendor must be trusted by this target market.** Minutes contain highly confidential information and must be completed by senior executives and highly skilled support teams. When a new solution for minutes is deployed, it is critical that it engender immediate trust among the users. For this reason, focusing on vendors that are leaders in modern governance and that are known and trusted by corporate secretaries, directors, executives and minutes-takers is the best approach.
- **The vendor must offer best-in-class customer service and support.** A solution for the meeting minutes process is critical to the smooth functioning of the board of directors. When a question arises about what occurred in a meeting, answers must come fast and solve the problem the first time. Few vendors closely focus on this market, and most are therefore likely to lack a service/support organization that meets the board's needs. The right vendor will be available 24/7, every day of the year, to make sure that delivering the minutes is never affected by technology issues.

Some additional points of focus should be the available features and capabilities of the contending solutions. Your evaluation process should focus on narrowing choices down to products that meet these three key demands:

- **Organizational optimization and governance**
- **Security**
- **Usability**

This buyer's guide will focus on each of these three areas individually in the subsequent sections. All three aspects are important. For example, prioritizing ease of use while ignoring security could result in an unfortunate buying decision. Cutting corners on one of these criteria could result in little improvement over legacy processes.

Meeting Organizational Optimization and Governance Demands

The need to upgrade the minutes process is an outgrowth of the increasing focus on meeting enhanced governance requirements in order to improve how the firm operates. As other operational processes of the board are improved, minutes must keep step. Key questions to help measure potential vendors include:

- **Can the vendor provide a solution that will substantially speed up the minutes process?**
- **Does it support a group collaboration approach to the minutes process?**
- **Will it deliver a solution that ensures that there is only a single version of the minutes document at every point in time?**
- **Can the solution enable multiple contributors to work on the minutes document at the same time (while still ensuring that one single, unique document exists)?**
- **Does the product have strong version control that provides a thorough audit trail of all changes made to the document in the course of its existence?**

The Answers to Key Optimization/Governance Questions an Improved Minutes Management Solution Should Provide:

The process is faster at every step. One of the most frustrating aspects of legacy minutes processes is that it takes far too long to complete the task. A best-in-class solution starts with better integration with the agenda-building process. The minutes should be closely related to the agenda, and having the same format and template for the minutes and agenda will save time. From that step, the solution must make it simpler and quicker for the minutes-takers to create the first draft of the minutes. Improving collaboration and supporting a single version of the document helps a great deal. From there, the ability to solicit both input and approval from the directors is enhanced when the minutes solution is part of a dedicated director portal.

There's strong support for group collaboration. As noted above, enhanced collaboration capabilities will deliver speed. Yet that is just the beginning. Many organizations employ multiple minutes-takers, and the process of exchanging versions of the minutes document among them is fraught with problems. No one can really be sure that they have the latest version, comments can be duplicated, and input may be given for sections that were earlier

deleted in a different version. Finally, improved collaboration is not only essential for those creating the minutes; the directors also need better collaboration tools that will save them time and make their input easier to incorporate.

A single version of the minutes document is maintained. There is perhaps no more frustrating task than investing the time to either add to or edit the minutes document, only to find out you have worked on the wrong version. In most legacy systems, this problem is as common as it is frustrating and a waste of time. The answer is a product that guarantees that there is only one version of the minutes document at any point in time.

Strong version-control capabilities are built in. The starting point for an effective minutes solution is to ensure that there is a single version. However, that should not mean that all past versions are lost, and that it is not possible to see historical edits. Strong version control makes it possible to not only view the current version, but also to review superseded versions as well. In addition, the solution must also enable multiple contributors to work on the minutes without creating conflicting versions. It is very likely that at some point in time, more than one person will be working on the minutes document.



Meeting Security Demands

Board meeting minutes often include very sensitive information or discussion summaries. In some cases, the minutes may include information that could move the stock price, such as discussion of a merger or change of management. Legacy minutes processes usually have little effective security for keeping this information confidential, oftentimes relying on individuals to protect the information. Security needs to be built into the minutes solution, not bolted on. Key security questions you should ask potential vendors include:

- **Is the minutes document shielded from public access and kept in a secure portal?**
- **Is there effective protection for the minutes document?**
- **Does the solution provide support for a comprehensive review process to ensure minutes don't contain privileged data?**
- **Does the solution securely store past or outdated versions of the minutes?**
- **Can the solution provide an audit trail to track who has had access to the minutes document?**

Answers to the Key Security Questions an Ideal Minutes Solution Should Provide:

Minutes documents are stored in a secure portal. Securing any file or document starts with storing it in a non-public environment. Any document stored in a publicly accessible location is at risk. Securing the sensitive information in a minutes' document requires a secure storage location that has limited and controlled access. Your board should look for board meeting minutes software that integrates with a board portal to meet standards and properly secure storage of the document.

The minutes document or file is fully protected. Storing the file in a secure location is the starting point. Next is to ensure that the file itself is protected with encryption and restricted access. Both features are important because they keep stolen copies of the file from being viewed and protect against unauthorized access.

Comprehensive review process stops unauthorized disclosures. Many organizations have come to realize that board meeting minutes should be reticent about information that is confidential. The best way to ensure that sensitive or confidential information is not disclosed in the minutes is a thorough review process that includes all parties who can identify this kind of information. This

makes the ability to identify any executive or director who has not approved the minutes an important feature.

Older or outdated versions of the minutes are stored securely. Another important aspect of security that is often overlooked is to store prior versions of the minutes securely. Many legacy processes can leave older versions of the minutes on someone's PC with no controls. Leaking these documents can result in confusion or disclosures that could prove embarrassing. Storing all prior versions in a protected platform that has full security and in a protected physical device is a necessary feature.

Audit trail creation is supported. Comprehensive security requires an audit trail that tracks who has accessed the minutes document and when. If there is a breach or accidental disclosure, the audit trail will be essential in identifying the source or time of the breach and in determining whether someone's device has been compromised.



Meeting User Demands

The usability of any new technology solution is an important part of choosing the best alternative. If the people who need the solution have difficulty learning to use it or find it cumbersome, the deployment will fail. In addition, the solution must deliver the key features and capabilities that the users need to complete the process of delivering minutes. Key usability questions you should ask potential vendors include:

- **Is it easy to use consistent and correct document format and templates?**
- **Can the solution support the needs of professional minutes-takers?**
- **Is it possible to create, update and deliver minutes within a single comprehensive board platform or portal?**
- **Will it be easy to integrate minutes changes and edits from multiple sources?**
- **Does the solution ensure that all approvals are documented, and missing approvals are identified?**

The Answers to Key User Demand Questions that an Ideal Evaluation Should Provide:

Using templates and formatting the minutes document are easy to do. The ability to deliver board meeting minutes in a format that executives expect is an important feature. And seamlessly pulling minutes into the meeting book format simplifies the process for the corporate secretary and administrators. In addition, the ability to deliver reports in the style and format that directors know and understand is a key usability feature. Diligent Minutes provides the ability to utilize existing formats and templates and integrate them into other documents across the entire minutes process.

The needs of professional minutes-takers are supported. The use of professional minutes-takers has increased substantially in the last few years. This is a highly specialized skillset. Simplifying how the minutes-takers interact with the board by using a single portal for all communication enables more efficient collaboration. In addition, the solution should allow minutes-takers to use multiple tools for creating the actual text of the minutes.

Creating and delivering minutes can be done with a single tool or platform. One of the most common causes of complexity and errors occurs when those involved in the minutes process must

use several different apps and platforms to complete the process. When there is a single platform or portal where all the work, collaboration and approvals are done, the process has much less friction and moves much more quickly and efficiently.

Input and editing from many sources is easy to do. By its very nature, the minutes document will have many authors and contributors. Without the right solution, managing all the input and changes will be highly complex and will become very time-consuming. The best-in-class solutions will make it easy for anyone to provide input or edits by supporting a single current version of the minutes document that can be updated in real time, with the ability to document the changes made by each person.

The approval process is documented and managed. Every minutes document must obtain several approvals from both directors and executives. The new solution must automate the approval process in two ways. First, there should be automated delivery of the minutes document to those who need to approve it and the capture of their approval. The second capability is harder to find. This feature provides proactive notification of missing approvals and the ability to “tickle” those who have not approved the document so that they will act on it.

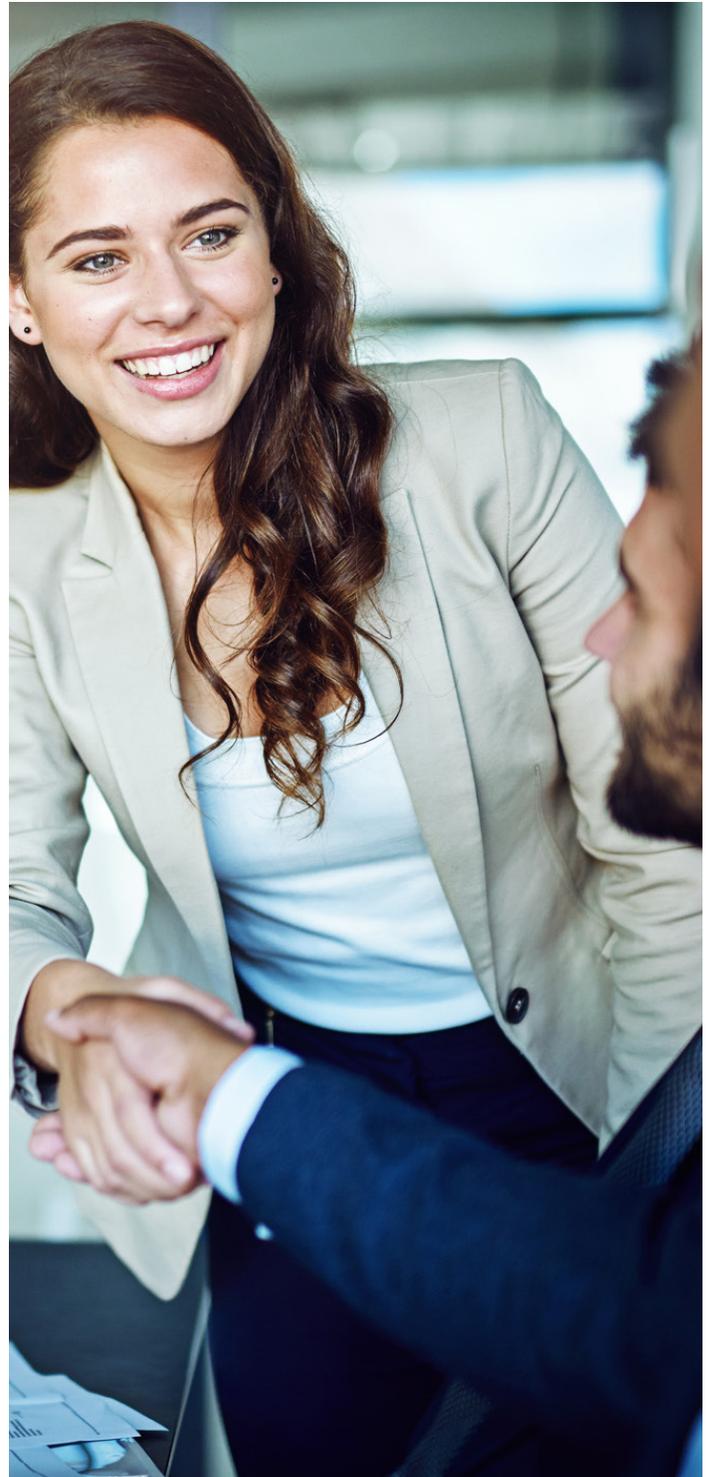


Diligent Minutes Is an Easy-to-Use, Secure and Compliant Solution

Diligent is a proven provider of governance solutions for boards and senior executives. One differentiator of the company is its Governance Cloud ecosystem, which includes the Diligent Minutes product. Diligent Governance Cloud is a comprehensive platform that meets the governance/optimization, security and usability requirements that are necessary in a next-generation solution. This solution provides the necessary upgrades to legacy minutes processes. Every feature of Diligent Minutes is informed by Diligent's experience working with the boards of corporations, nonprofits and financial/banking institutions worldwide.

Compared to legacy approaches, Diligent Minutes enhances security. With a controlled environment that is not open to the broader internet, there is greater protection against cyber-attacks. Files and information associated with creating the minutes document are protected in a secure database that is owned by the organization, not any one employee. This prevents embarrassing or costly data leakage.

Most importantly, Diligent Minutes is designed to make the process far simpler for the corporate secretary, minutes-takers and directors. With a single, well-controlled process that covers the entire process, minutes can be produced more quickly and with the assurance that all approvals are in place. An optimized process for producing minutes is also a key element of improved and more effective governance.



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