

Diligent Entities the Best Choice for Entity Management Teams

Diligent Entities is our web-based entity management, governance and compliance solution, allowing users to access and manage their corporate compliance data 24/7, anytime, anywhere. With thousands of users worldwide, across every conceivable industry, our client-base features many of the largest companies in the world such as Microsoft, Exxon, Chevron, Disney, TimeWarner, General Motors, as well as high growth clients in Europe, Africa, the East, Far East and Australasia. We have dedicated sales and support offices in the UK (HQ), US (Stratford, CT), Australia (Sydney), the UAE (Dubai) and Hong Kong. We are also a multi-site Microsoft Gold Partner with both the ISV and Hosting competencies.

Our commitment to providing a suite of highly secure and integrated solutions is the reason why many **FTSE100**, **FORTUNE 1000**, **EURONEXT 100**, **ASX 200**, government organizations and public bodies trust us to manage their corporate information to deliver good governance.

We have a **98% client retention rate**, the highest client retention rate in our industry, achieved by providing superior customer service and support.



Why Entity Management Teams Use Excel

- ▶ Easy-to-use
- ▶ Available to most organizations through Microsoft Office
- ▶ Free Templates Online
- ▶ Cost-Effective Solution



Why Excel Puts Your Organization At Risk

- ▶ **~18 hours** a month spent by companies to modify, consolidate, correct and update information in Excel spreadsheets¹
- ▶ **23%** of all spreadsheets contain errors²
- ▶ **72%** of users report regularly emailing spreadsheets (creates GDPR risks for global companies)³
- ▶ **81%** of business users say they manually consolidate data from multiple spreadsheets creating data validity issues⁴

“Microsoft Excel is the most dangerous software on the planet [because] it’s handled in such a slapdash manner that no one is really on top of it anymore.”

Tim Worstall, Adam Smith Institute



Why SharePoint Is Also a Risk

- ▶ SharePoint requires customization through bespoke templates and web parts that need to be deployed, maintained and carefully monitored in house to ensure they work every time Microsoft updates SharePoint (which is almost a monthly occurrence)⁵
- ▶ Without the right team, SharePoint will require the hiring of an in-house developer – negating the costs savings of a “free software”
- ▶ Microsoft software is not protected with industry leading security standards and are prone to human error and negligent activity



Microsoft Excel/SharePoint vs. Diligent Entities

- ▶ Microsoft Excel/SharePoint doesn’t give you an audit trail to see what changed, why and when – **Diligent Entities does**
- ▶ Microsoft Excel/SharePoint doesn’t give you the ability to run a report relating to a specific point in time – **Diligent Entities does**
- ▶ Microsoft Excel/SharePoint doesn’t reduce the amount of email clogging your inbox – **Diligent Entities does**, by creating a holistic, real-time single source of truth for all entity needs
- ▶ Microsoft Excel does not allow multiple users to work on entity information at the same time, **Diligent Entities does**, which can create multiple instances of the same information with no audit trail to verify which is most accurate
- ▶ Microsoft Excel/SharePoint does not easily give the ability to track deadlines in a calendar view – **Diligent Entities does**. This reminds the user to file in advance of the deadline to ensure they are compliant.

¹ <https://www.sapphiresystems.com/en-gb/resources/resources-types/brochures-and-documents/10-hidden-costs-of-spreadsheets>

² <https://www.sapphiresystems.com/en-gb/resources/resources-types/brochures-and-documents/10-hidden-costs-of-spreadsheets>

³ <https://www.sapphiresystems.com/en-gb/resources/resources-types/brochures-and-documents/10-hidden-costs-of-spreadsheets>

⁴ <https://www.linkedin.com/pulse/hidden-cost-spreadsheets-impacting-your-organization-jb-kuppe/>

⁵ <https://docs.microsoft.com/en-us/officeupdates/sharepoint-updates>



Why Microsoft Excel Complicates Entity Management

The genius of Microsoft Excel for entity management is that it's so easy to use and there are free templates that exist online to get you started. It's software that is an integral part of most organizations across the world, with Microsoft the preferred corporate software supplier for decades. It is flexible to an extent; users can define the structure of information they need to manage.

And yet, research has found that companies spend an average of 18 hours each month modifying, consolidating, correcting and updating information in their company-created spreadsheets. To further the point, Deloitte notes that 23% of all spreadsheets contain errors, too. So a spreadsheet-based process can lead to errors, data leaks, inefficient processes – and that's just the beginning. Seventy-two percent of users even report regularly emailing spreadsheets – spreadsheets with highly sensitive information – to coworkers without thinking of GDPR.



Diligent

Is Microsoft Excel “dangerous software”?

Tim Worstall certainly thinks that could be the case. In Forbes back in 2013, Worstall argued that Microsoft Excel could be the “most dangerous software on the planet” because “it’s handled in such a slapdash manner that no one is really on top of it anymore.”

Worstall was talking about the use of Microsoft Excel in the financial markets, referencing comments from the Basel Committee on Banking Supervision (BCBS) and the UK’s Financial Services Authority, in which they brought attention to the issues of managing risk around incorrect, false and fraudulent data when working in manual spreadsheets. One could expand upon Worstall’s argument against the financial markets and ask the same questions of organizations using Microsoft Excel for the storage of the corporate record and ongoing entity management activities.

With that said, users will commonly justify the use of Microsoft Excel by focusing on how easy it is to use and its natural intuitiveness. If you’re just wanting to set up a table and add a few data points, then it is quite easy to use; however, if you want to get into more complex data categorization and management, you’ll need integrations to turn Microsoft Excel from basic spreadsheet to powerful business insights tool. It’s hardly user-friendly if you have to bring in partner add-on

software, macros, VLOOKUPS and special shortcuts.

The danger of using Microsoft Excel for entity management doesn’t just lie in the core application, though; there’s also the matter of how your people work with it. Let’s say you start with one spreadsheet listing all entities and necessary data, such as directors, filing dates and so on. But you then send that spreadsheet, or a link to that spreadsheet if it’s stored on an intranet, to 10 colleagues to work on. And they each then send the same spreadsheet to another five colleagues and external partners for comment, and so on and so forth. How do you know the result you get back is reflective of all the necessary edits and additions without a laborious process of version control and manual reconciliation?

And with all that manual copying and pasting between spreadsheets – 81% of business users say they manually consolidate data from multiple spreadsheets – there’s a huge risk of human error leading to a missed filing or incorrect data being submitted to regulators. One can’t help but wonder whether such a manual approach to entity management with “free” software can be justified with such substantive potential risk to the organization.

The tech battle: dedicated software vs. Microsoft Excel for entity management

Company secretaries no longer need to worry about the glut of spreadsheets, and can instead turn to entity management software to connect entity data, documents, individuals, tasks and third-party platforms to manage the corporate record more effectively.

This technology takes the humble spreadsheet and adds the tremendous amount of additional functionality necessary for effective entity management success.





More efficient processes

Microsoft Excel doesn't give you an audit trail to see who changed what and when. It doesn't give you the ability to run a report relating to a specific point in time. It doesn't reduce the amount of email clogging your inbox. Moving to entity management software means those around the business who currently email the company secretary for information could access it themselves, given the right user permissions.

Then there's the manual error issue of Microsoft Excel for entity management. Need to make a change? Would you rather go into 30 different spreadsheets or one line of software to make that change? Any changes made in entity management software can, of course, be tracked through that audit trail, or backtracked simply and easily. You can also add in multilayered validations so that no one person is responsible for important changes – they need to get them validated by a second pair of eyes before the changes take effect.



Better task management

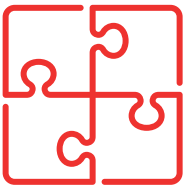
Missing compliance, regulatory and securities filing deadlines can result in financial penalties, and a platform like Microsoft Excel doesn't allow for users to manage the tasks associated with ensuring compliance and mitigating risk. Instead users resort to logging regulatory filing dates in Microsoft Outlook or Google Calendar. This results in difficulties staying in compliance because users and organizations can't effectively pay attention to two important factors: renewal requirements and changed information related to their business.



Better security and data handling

Entity management software brings you more data integrity and consistency than Microsoft Excel. For example, when recording a corporate action, it's likely that you'll need to record this in more places than just the master Excel file. Say you've had a resignation: Entity management software can give you a single integrated place to see how a resignation may affect ownership, signing authorities, powers of attorney and so on, and then produces the appropriate documentation to record the resignation.

And on the topic of security, Microsoft Excel just isn't the most secure location for materials as sensitive as your company's entire corporate life or additional information on Directors or Officers, like the birthdates, addresses and Social Security numbers required under new FinCEN rules. A cloud-based entity management platform brings robust security to levels compliant with major legislation around the world, and lets you handle user permissions centrally. You wouldn't want a spreadsheet with details about director passport numbers, eye color and nationalities to go astray, would you?



An all-in-one central repository

Entity management software can also help you to automatically create an organizational chart that visualizes pertinent information – there's no need to create your organizational chart in Microsoft Excel or PowerPoint and then tailor it to specific asks from around the business.

Plus, it lets you store data alongside your documents, meaning everything is held in one central place and no one needs to track down documents while battling version-control issues.

Turn to entity management software for greater visibility of risks and opportunities

Best practices in entity management include a holistic view that integrates people, processes and systems.

By turning to entity management software, instead of relying on multiple copies of manually completed spreadsheets, company secretaries gain flexibility through automation as well as a single source of data truth. All director and officer information, business licenses, registrations, filings, lists of corporate boards, ownership information, organizational charts and so on are held in one central repository – not a menagerie of spreadsheets that may or may not be accurate and up-to-date.

More than that, though, entity management software can actually save the company secretary time and money – they can spend less time on manual searches and filings, reducing the impact of human error and giving them more time to think strategically about entity management. An investment in software can help move manual tasks to technology, so legal resources can be freed for redeployment away from traditional entity administrative tasks to larger strategic initiatives.

Effective governance of the legal-entity structure allows organizations to think proactively about how to best structure their legal entities in relation to their business strategy and eliminate components that are irrelevant as the business strategy evolves.

Entity management doesn't have to be complicated, overwhelming or time-consuming. While it is the essential behind-the-scenes work to keep a company operating smoothly, it does not have to be a whirlwind of endless email requests for information and version control. Entity management software can help organizations to centralize and manage the corporate record to improve entity governance globally to better ensure compliance, manage risk and improve decision-making.

You can manage your business end to end with one integrated system – no more juggling Microsoft Excel spreadsheets and wasting time with manual processes – and, importantly, you will be able to report with accuracy, drilling down to the finer details of your entity management.

Diligent Entities, the #1 entity management software, provides assurance, expertise and security to company secretaries and the whole compliance team. Learn more about our software and schedule a demo to see how Diligent Entities can help you ditch the complications of Microsoft Excel to elevate your entity management efforts.



For more information or to request a demo, please contact us by:

☎ 1-866-877-5865

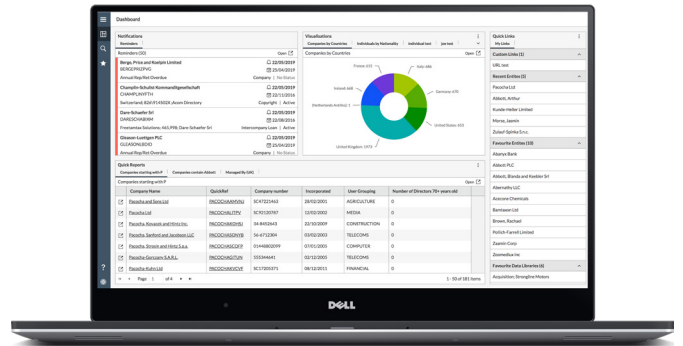
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The Negative Impact of Using Microsoft Excel As An Entity Management Solution

Many firms are still using Microsoft Excel for entity management. Although it's cheap and easy to use, it does not provide enough control over large volumes of complex data, which if managed poorly can have big regulatory and compliance implications. The risks associated with this can be easily resolved with software built specifically for the needs of managing local and international entities.



The Importance of Entity Management Solutions

- ▶ A single source of truth will easily help unite multiple business units within one system of record. For all its flexibility, Excel will only ever give you limited views of your data. Multiple users and constant change to the data, means Excel will become increasingly complex as users try to achieve a view that suits them. Instead, legal teams should find a system that can easily provide users with a connected view across entities to deliver better insights.
- ▶ Managing changes is not something easily controlled in Excel. There is an inherent lack of version control and any approval process, which creates an environment where potentially manual errors can be made. This makes it difficult to trust the data, to ensure it is up-to-date and accurate. A legal entity solution should have these features built in and should automatically generate an audit trail.
- ▶ Ease of use is often a reason for using Excel, since most people know how to minimally use the software. However, perhaps the greatest feature missing is the ability to configure your solution to your needs. Excel is not a flexible and customizable software. Custom fields and document libraries are available in specific entity management software, making it easier to store, manage, report and analyze your entity data.
- ▶ Peace of mind comes from having a system that notifies you when you need to act, and ensures all actions are completed with automated workflows. Using Excel is a very manual process that can easily fall prey to human error. Once you get beyond a handful of entities, you don't want your compliance to be on a wing and a prayer, you want it locked down.

Achieving Effective Entity Governance

Diligent Entities is an entity governance solution that can better manage compliance and risk to increase efficiency within legal teams. The ability to surface accurate, up-to-date entity information quickly can better equip you for today's challenges and give your company a competitive edge.

Take a modern approach to governance with Entities:



Unite multiple business units in one system of record globally for a single source of truth



Reduce the burden of filing with automated forms or e-filing for timely, accurate compliance



Provide excellent discoverability across entity data, documents, individuals and tasks making it easier to find what you need quickly



Offer better structure charting capabilities to present your corporate structure in multiple different formats



Surface information with fewer clicks and more formatting options for better reporting