



Intel in the Boardroom

A GC's Guide to Governance Intelligence

Michael Pirovano | Diligent

More information is available online today than ever before. The availability of business and competitive intelligence has increased while quality and reliability have plummeted. Directors are drowning in data, yet starved for insights. This information paradox is reshaping the role of the proactive general counsel. Never before have GCs faced such an uphill battle in supporting informed decision-making in the boardroom. The need for actionable insights in modern governance has given way to a new form of intel. **Governance intelligence.**

So, what is **governance intelligence**?

What's its role in **modern governance**?

What role do **YOU** play in facilitating **governance intel** in the boardroom?

Diligent's Guide to Governance Intelligence helps the proactive GC promote informed decision-making in the information age, championing modern governance in the boardroom.

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Understanding the Modern Risk Landscape

The increased availability of information has raised the stakes on proactive governance. Not only are there more red flags for your board to miss, missing the wrong flag means going from “all quiet on the Western Front” to “trending on Twitter” in the span of an afternoon. This puts pressure on GCs to play defense before things get out of hand, championing a proactive (and not reactive) approach to governance. It’s easy to underestimate the arduousness demands of proactive governance.

Proactive boards must:

1. Synthesize massive amounts of content*,
 2. Articulate actionable insights,
 3. Deliberate on the best course of action, and
 4. Act in time to evade a risk or seize an opportunity.
- * Content includes information (such as news coverage or social media chatter) and metrics in business, competitive, and market intelligence.

It’s also easy to see why traditional practices in corporate governance have found boards struggling to keep up. It’s worth noting, however, that the objective of modern governance is not to reinvent the wheel, but rather to keep what works and update what doesn’t.

Modern Governance

(n.) The practice of empowering leaders with the technology, insights, and processes required to fuel good governance.

Similarly, the intent of governance intelligence is not to introduce a new breed of information, but rather to employ a new methodology for leveraging business, market, and competitive intel; one that’s attuned to the tempo of today’s fast-paced information environment.

For you, the *proactive GC*, governance intelligence is your best shot at leveling the playing field between business and consumer.

Defining Governance Intelligence

Governance intelligence is the application of competitive and market intelligence in executive and boardroom decision-making. Impactful intelligence is acquired via the distillation and articulation of **actionable insights** from industry metrics and media coverage. It's used to expose risk, identify opportunities, and inform a board's decisions.

Governance Intelligence

(n.) The application of insights and action items from competitive and market intelligence to the detection of risk and pursuit of opportunities.

While it's not uncommon to see the terms "competitive" and "market intelligence" used interchangeably, drawing distinctions between the two may broaden your understanding of their role in governance intel.

Competitive intelligence is business-focused and used to understand the strategies, market share, and decision-making of your competitors. Competitive intel can include public product and service announcements; economic supply and demand curves; and the size, share, or saturation of the market.

Market intelligence is consumer-focused and used to cultivate a stronger understanding of a market via consumer research. Market intel includes demographic and behavioral metrics; population and socioeconomic statistics; sales numbers and demand data.

Governance intelligence goes hand in hand with modern governance. Given the rise of **information disengagement**—with more content available on any single topic than is ever possible to read—modern governance requires that practitioners follow a single mantra:

“Learn more from reading less.”

Adhering to this mantra is an efficient means of combating information disengagement and ensuring that intelligence distilled from news coverage or industry metrics is effective in guiding impactful decisions.

Defining Governance Intelligence

Universal Truths of Governance Intelligence

Cutting through the noise to actionable insights is seldom easy. The work of a proactive GC in navigating the digital landscape can quickly become overwhelming. In these hectic moments, you may find clarity and composure in the constants; the small handful of universal truths in the fast-paced, full-throttle environment of information in the digital age.

1. “Big Data” Does Not Always Mean “Useful” Data

“Big data” is only “useful” data if you know how to use it (e.g. extrapolating actionable insights). “Big data” is a buzzword which has long overstayed its welcome. Everyone loves to talk about it, yet no one knows why. As it applies to governance intelligence, big data is a double-edged sword. On one hand, big data tells you everything you need to know. On the other hand, it tells you everything you don’t. In other words, “big data” does not equal “useful” data.

2. Raw Data Means Nothing Until It’s Interpreted

It’s important to understand that, when gathering intel for modern governance, the work of a GC does not end with raw data. Rather, raw data is only the beginning. Good insights accomplish one or more of the following:

1. Identify unforeseen risks,
2. Highlight unclaimed opportunities, or
3. Present board members with a course of action.

It’s almost impossible to accomplish any of these using information alone. Instead, GCs must leverage available intel to “tell a story” in support of the objectives listed above. Structured intel is the leg on which your insights stand.

3. Insights Are Worthless if They’re Ignored

The proactive general counsel must commit to the fact that board members care about insights first, intel second. You can send board members one hundred informative articles and a mountain of useful data, but if no one reads it, what’s the point?

“If a tree falls in a forest and no one’s around to hear it, does it make a sound?”

To combat the influence of “information overload” and “analysis paralysis”, GCs will lead with insights and support with information. This is one of the most effective ways of ensuring board members learn more while reading less.

Role of a Proactive General Counsel

A general counsel’s job involves offering expert input on legality, liability, and compliance from the boardroom to the C-suite. Proactive GCs are committed to alerting the board to hot-button issues before they appear on a meeting agenda. They’re equally diligent in following up after board meeting, addressing topics that may have come up in the course of deliberations.

The scope and materials GCs monitor do not change once the concept of governance intelligence enters into the equation. Outside the realm of governance intelligence, a GC’s involvement with competitive and market intelligence is often limited to monitoring media coverage, regulatory changes, and legal news. Their focus centers on news and regulations related to their company, competitors, market, industry, and verticals.

The practice of governance intelligence requires the packaging of information and materials around a series of actionable insights and the presentation of those insights to key decision-makers. The skill and sound logic with which insights in governance intelligence are packaged and presented are the hallmarks of an effective GC.

Information Paradox

(n.) A phenomenon in which an abundance of information and the excessive or repetitive coverage of an event leads to inaction or indifference.

It has already been established that directors in the digital age are drowning in data and starving for insights. Many boards of directors have fallen prey to the information paradox, their information overload giving way to analysis paralysis. This is where the mantra of “reading less and learning more” earns its value. Applying it to the construction of actionable insights can be a powerful tool in fighting information disengagement in the boardroom.



Globalization

- Cultural and Legal Differences
- Lean and Far-flung Teams
- Emerging Market Risks

The icon set for Globalization includes symbols for international trade, currency exchange, global communication, and cross-cultural collaboration.



Technology

- Transparency
- Speed
- Access to Information
- Cyber and Privacy

The icon set for Technology features symbols for digital connectivity, data security, cloud computing, and information access.



Government Oversight

- Risk Management
- New Developments
- High Costs
- Disclosures
- Diverse Stakeholders

The icon set for Government Oversight depicts symbols of legislative bodies, public hearings, regulatory compliance, and stakeholder engagement.

Best Practices of Governance Intel

Before drilling down into the primary methods of gathering governance intelligence (passive collection and active collection), it's important to explore some best practices in constructing compelling insights. The success of a proactive GC is measured by their ability to support the board with actionable insights; exposing risk, identifying opportunities, and informing directors' decision-making. This gives you the context necessary to understanding how the two methodologies gradually bring you closer to the end goal of governance intel: action.

Effective governance intelligence is measured by the extent to which it empowers decision-makers to read less and learn more. Learning more from reading less means finding precisely the right amount of information; not enough to be overwhelming and ignored, but not so little that the board can't make an informed decision. It helps to think of structuring information around your insights like telling a story. Your story must "persuade" the board to take action, whether in direct response to an insight or by taking it into consideration when making decisions.

Crafting Compelling Insights

To be clear, there's no singular "right way" to build compelling insights. However, proactive GCs may find their insights to be more effective in "persuading" board members when they adhere to a quintessential structure of persuasive arguments: AEC format.

Assertion

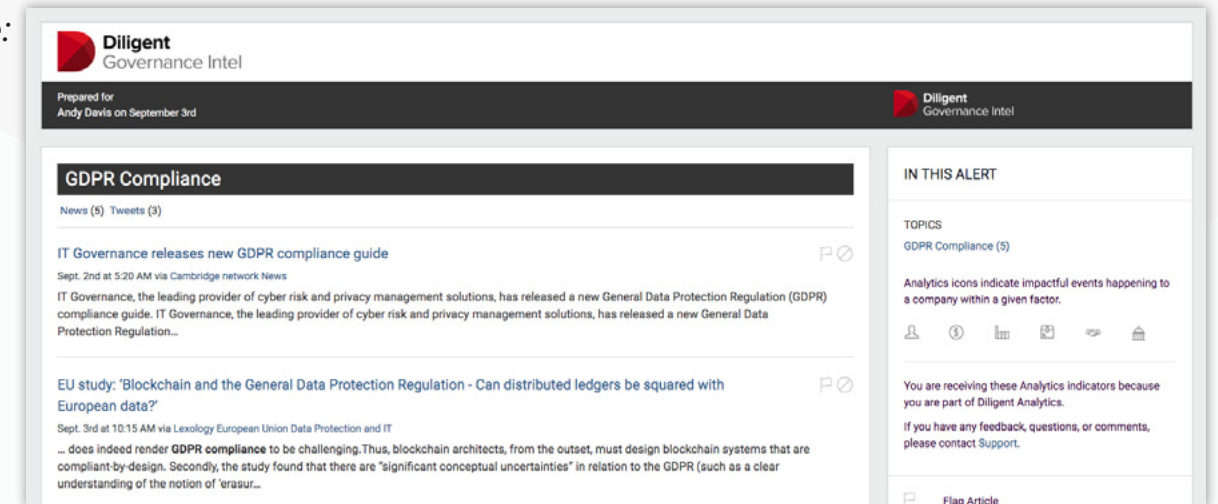
Your assertion refers to the main idea of an insight. This is your thesis. Everything else in your "argument" exists to support this idea.

Example: "We should work with the CTO to prioritize GDPR compliance."

Evidence

Your evidence is where your argument goes from "insight" to "info". You've given them the main idea. Now you have to back it up. Your evidence, the content supporting an insight, must demonstrate a smooth, structurally-sound flow of logic. The logic laid out in your evidence should build towards making your assertion seem like the "obvious" idea or course of action. This "build" towards an assertion is rarely ever achieved in a single metric or news article. Arrange your content like stepping stones, guiding directors to a logical conclusion. Offering a brief recap or key takeaways with each piece of content can stave off the onset of "information overload".

Example:



Commentary

Your commentary lays out how your evidence ties back into your assertion and why that demonstrates a sufficient need to act upon, consider, or discuss your assertion. Often, in answering the "why", it helps to explain the benefits of action and consequences of inaction.

Example: "Working with the CTO to achieve GDPR compliance allows us to continue offering services in Europe and helps avoid liabilities and processing bans."

Best Practices of Governance Intel

Passive Collection vs. Active Collection

Proactive GCs engage in two forms of collection when it comes to governance intelligence.

Active collection refers to the gathering of intel ahead of or following board and committee meetings. Ahead of board meetings, intel generally focuses around specific agenda items. Following up on board meetings often means gathering intel on topics that come up spontaneously in conversation.

Passive collection refers to the ongoing collection of intel and monitoring of relevant content. Intel gathered in passive collection is generally applied toward helping boards govern proactively, not reactively.

Passive Collection Best Practices

GCs perform passive collection to stay on top of industry, competitor, or regulatory developments and present valuable insights for the board's consideration. There are three factors to consider when implementing passive collection.

Content

It's important to configure your search settings to account for the scope of information you wish to monitor. You may choose to include or exclude content at the company, competitor, market, industry, or vertical level. Narrowing in on the appropriate scope helps remove unwanted or irrelevant content. The more unnecessary material you receive, the harder it becomes to articulate actionable insights.

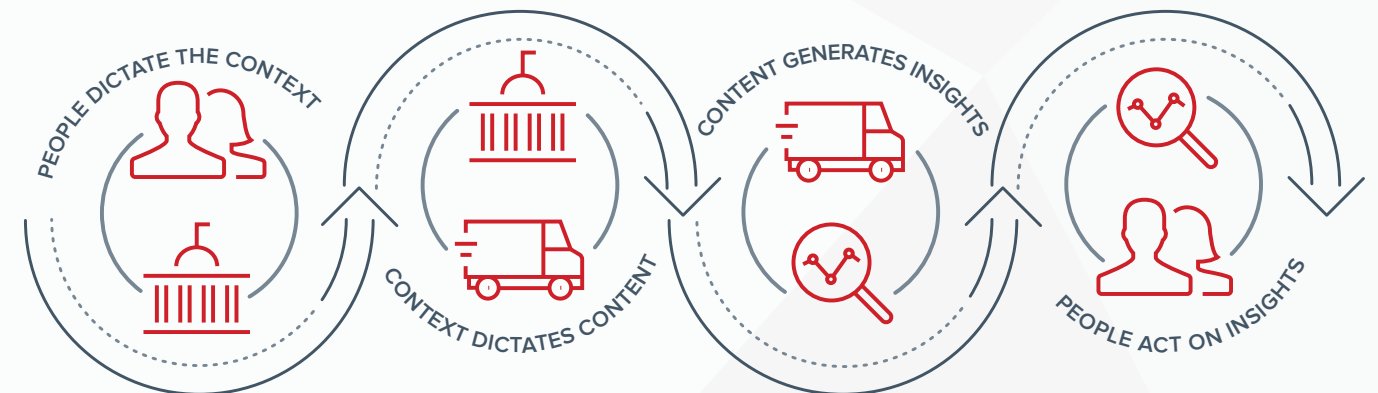
Context

Contextualizing content during collection and curation is critical to yielding actionable insights. Isolating the appropriate context for different topics plays a larger role in active monitoring than it does in passive. This is largely due to the fact that passive monitoring is generally broader in scope. However, it's easiest to account for context in passive monitoring through boolean logic. Semantic or natural language searches are typically less effective in filtering out irrelevancy related to context.

In accounting for context, it's important to consider relevant circumstances. This may include external circumstances such as regulatory rollbacks, new tax laws, or updated compliance standards. It may also include internal circumstances like changes to the company's terms and services, internal policy revisions, or developments which might expose the company to new or increased legal risk.

People

People dictate the context as they operate within the unique circumstances and goals of their respective roles, departments, companies, and markets. Acting on insights refines the context by recalibrating the role of a company (and its "people") relative to previous internal and external circumstances. In this way, these factors create a feedback loop in governance intelligence:



Best Practices of Governance Intel

The best practices of effective passive collection demand that you understand and apply this feedback loop to efficiently gather governance intelligence. Given what you know about your company, its goals, and existing market conditions, how might those internal and external circumstances (the “context”) shape your search for intel?

Content Collection Categories

There are six categories worth taking into account for effective passive monitoring. Each has a number of subcategories. Consider how that context applies to these categories. What might a search for information and metrics (the “content”) within those categories look like, given the circumstances?

|  MANAGEMENT |  OPERATIONS |  FINANCIALS |  PRODUCTS & SERVICES |  PARTNERS & COMPETITORS |  GOVERNMENT |
|--|--|--|---|--|--|
| Executive Movement | Expansion & Contraction | Analyst | Product | Deals | Regulations |
| Executives | Employees | Financials | Sales | Mergers & Acquisitions | Taxes |
| Misconduct | Supply Chain | Bankruptcy | Public Sentiment | Competition | Politics |
| Shareholders | Attacks & Disasters | Stock News | Intellectual Property | | |
| Insider Transactions | Cyber Issues | | Product Liability | | |

These categories provide broad-reaching coverage for a wide range of topics. This is useful for ensuring that no important insights fall through the cracks. A proactive GC must also account for the quality of the content. Expecting high-quality insights from low-quality information and metrics is unrealistic.

Passive Collection Content Categories

As you contextualize the core content categories, challenge yourself with a few objective questions. Probing at the logic of your search parameters helps you spot vulnerabilities, minimizing the chance of key insights, risks, and opportunities falling through the cracks.

These questions include:

“Do my search parameters reflect the scope, context, and topic/category?”

“Do I risk excluding any relevant topics by structuring my search in this way?”

“Do I need to filter content to limit the date range or exclude specific sources?”

“Do I need to incorporate dates, locations, and other differentiating elements for specificity (e.g. ‘FY 2019’, ‘New Jersey Tax Laws’)?”

“Do I need to ADJUST EXISTING search parameters to account for the scope, context, topic/category, or inclusivity/exclusivity of results?”

“Do I need to INTRODUCE NEW search parameters to account for topics which fall outside of the six core content categories?”

“Do I need to INTRODUCE NEW search parameters to account for how a different depth/breadth of scope, contextual circumstance, or span of inclusivity/exclusivity might apply to the same topic/category?”

Best Practices of Governance Intel

Well-structured, thoughtfully-configured filters and search parameters easily streamline the passive collection process. At the same time, it's important to note that taking a "set it and forget it" approach to these parameters is ill-advised. The more your contextual circumstances change—in response to new internal goals or market conditions, for example—the more adjustments you'll need to make. Unlike changes made in active collection, adjustments to passive collection parameters occur less frequently and are often slow to take effect. An easy best practice for updating your passive collection settings is to commit to quarterly or semiannual maintenance schedule.

Active Collection Best Practices

Unlike passive collection, active collection of governance intel requires much less work up front. However, the proactive general counsel will likely find active collection to be more time-intensive overall. This is because active collection requires GCs to both get out in front of and follow up on board meetings.

While passive collection involves casting a broad net when gathering governance intel, active collection involves searching for something specific. When gathering intel ahead of a board meeting, the subject matter typically relates to upcoming agenda items. GCs often engage in active collection after a board meeting to follow up on specific topics of conversation. For many companies, active collection is where the value of governance intel receives the broadest acknowledgement and greatest appreciation.

Before Board Meetings

A proactive general counsel will do as much as possible before board meetings to ensure directors are as prepared, informed, and ready to make the best use



Best Practices of Governance Intel

of their meeting time. This means reading through the meeting agenda or board book as soon as it's available and noting any topics on which to gather intel. Once you have a list of topics to research, log into your governance intel platform to start pulling content.

As with passive collection, it's important to keep the governance intel feedback loop in mind when pulling content. Considering the relationship between content, context, and people as you define your search parameters cuts down on the amount of low quality, irrelevant (or less relevant) content you retrieve.

It's essential, particularly in active collection, to make every second count. Unlike passive collection, the turnaround is often much tighter to synthesize intel such that it is effective in guiding decision-making or worthy of further discussion. The actual practice of "collection" is only half the battle. Raw data means nothing until insights have been extracted; a universal truth of the modern digital landscape. You need time to organize, process, visualize (if necessary), and articulate actionable insights.

After Board Meetings

No matter how much work you put in ahead of time, there will always be opportunities to follow up with directors. Board members will likely discuss certain topics, ideas, and solutions which aren't listed on the agenda. Simply hearing multiple perspectives on an issue will reveal new opportunities for elaboration and further research. Take notes on these opportunities throughout the board meeting.

Once the meeting has adjourned, the same active collection practices used to keep board members informed on agenda items, can be applied in your follow-up. It's important to reach out to board members soon after the meeting so the topics are still fresh in their memories. Proactive GCs will assess a board member's

response to governance intel. There are two things you should be looking for:

1. Whether the director feels sufficiently informed based on the intel you've provided.
2. Whether, the government intel you've provided has raised additional questions.

It's worth asking these questions outright if you are unable to intuit answers to these questions from their initial response. Proactive GCs will ensure that follow-up topics or questions from one meeting are addressed before sharing governance intel and insights ahead of another.

Optimizing Governance Intelligence

The process of streamlining and optimizing processes in governance intelligence—from collecting information to getting actionable insights into the right hands—can make the difference between a board that governs proactively and one that governs reactively. Not only do you need time to articulate actionable insights, you need to give board members (and the company at large) time to act on those insights.

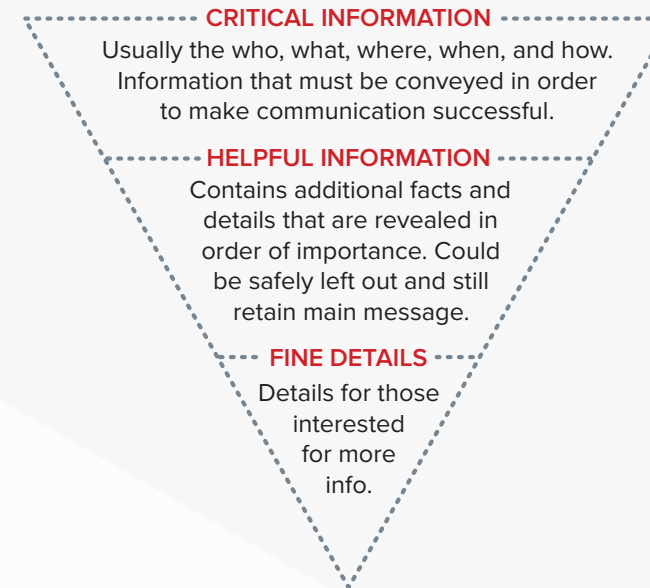
Setting Alerts & Notifications

Implementing a thoughtful system of alerts and notifications can go a long way in increasing the effectiveness of your passive collection efforts. A “thoughtful” notification system is one that best accounts for how you prefer to consume content. For those who make time for reading the latest industry developments, a daily or weekly recap email may be all the alert you need. For others, notifications received in regular intervals may be ignored (and would therefore be counterproductive). Few prefer to receive email alerts or mobile notifications every time new content is available as this can quickly become obnoxious and is more likely to be ignored. The goal is to find the balance, setting alerts and notifications to appear frequently enough to feel engaged with the collection process without becoming annoying and being ignored.

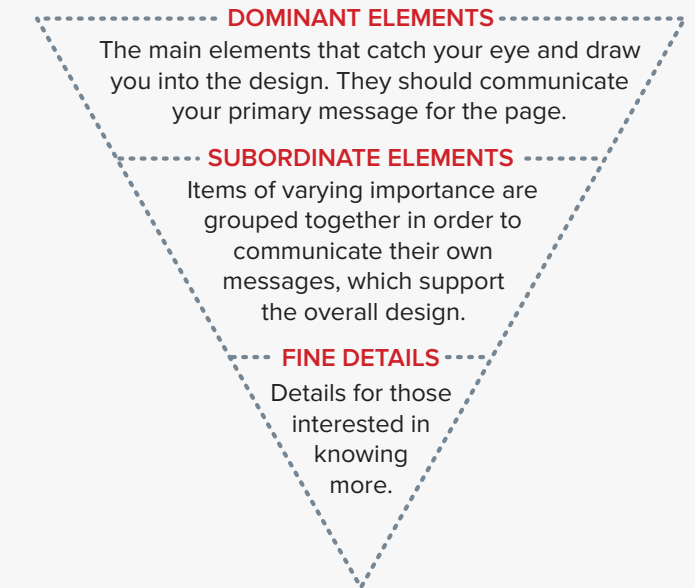
Presenting Insights

There’s a certain art to the effective presentation of insights. A 500-word article can feel as daunting as doctoral thesis when previewed in 9-point Comic Sans. As long as the evidence supporting your insight is sufficient, you can organize information like an inverted pyramid. The widest part at the top of your pyramid should contain the main insight (or “assertion”). It’s important to avoid overwhelming directors by presenting them with all the information supporting an insight at once. This hierarchical approach to structuring information is a technique commonly used in journalism to hold a reader’s interest and avoid “burying the lede”.

Inverted Pyramid of Journalism



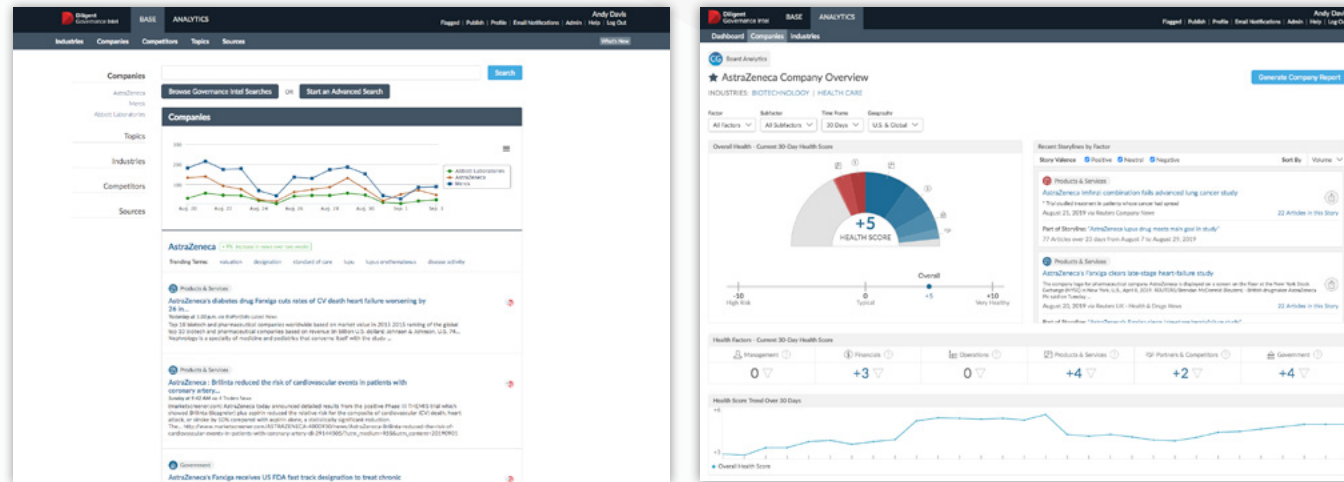
Inverted Pyramid of Design



Distributing Actionable Insights

The medium through which your insights are delivered are unique to the preferences of your board and the limitations of your governance intel software. Well-designed intel software will streamline the distribution of insights via email, typically by sharing intel and insights via an email newsletter or PDF. It’s important to consider the hierarchy of information when structuring insights in a newsletter or PDF report. Board members must have the option to drill down into the support behind each individual insight without being overwhelmed by receiving too much information all at once. Distributing insights using an unfamiliar medium (or one which is unable to support a hierarchical structure) reduces the likelihood of directors taking action or using the insights to inform their decision-making.

Solutions in Governance Intelligence



Diligent offers Governance Intelligence Software to help the proactive general counsel stay up to date and in the loop. Our best-in-class governance intel software helps GCs track the latest industry developments and metrics, streamlining active and passive collection for easy articulation of actionable insights.

Personalized Governance Intelligence

By securely aggregating intelligence from media subscriptions and internal data with over 70,000 trusted public news outlets, Diligent Governance Intel (DGI) breaks down barriers between public information, subscription-based news outlets, and proprietary data.

Diligent eliminates the time-consuming task of collecting, curating, and synthesizing massive amounts of information, leveraging artificial intelligence (AI) and machine learning (ML) algorithms to swiftly hone in on key insights, developments, and trends.

Unrivaled Value for Informed Decisions

Our software boasts a powerful array of features, consolidating market research and competitor insights to empower smarter decision-making from the boardroom to the C-suite.

- Streamlined identification of risks and opportunities
- Automated monitoring of industry news and market trends
- Highly-configurable notifications with cross-device compatibility
- Sentiment scoring and health matrices at the industry and competitor level
- Granular customization and personalization settings for information and data sources, topic scope, content volume, update frequency, and media variety
- Seamless accessibility and sharing options via mobile and email alerts, comprehensive dashboards, curated newsletters, customizable reporting, and API integration

Diligent Governance Intel equips GCs with the tools to serve as champions of proactive governance, turn insights into action and empower better decisions across the board.



Your Knowledge Advantage

 Current Awareness Monitoring of 85K+ Sources

 Personalized Alerts for Individuals & Groups

 Curated Reports and Automated Newsletters

 CRM, Portal, and API Integrations

 Advanced Search and Filtering

 Used Globally by 220+ Organizations

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