

The company secretary as air traffic controller

Dottie Schindlinger is Vice President of Diligent Corporation in the United States. As she herself says, she is the technology evangelist of the company and has specialized in thought leadership in the field of digital transformation and boardroom technology for more than 20 years. Together with Brian Stafford, CEO of Diligent, Schindlinger wrote *Governance in the Digital Age*. The book, which will be published in March 2019, covers, among other things, the way board directors deal with technology, innovation and disruption.

The digitization of information flows not only creates a broader information need among board directors, but also leads to greater demand for a new type of board secretary, according to Dottie Schindlinger, Vice President of software company Diligent. “He or she should give the creativity of board directors a boost.”

In our conversation with Dottie Schindlinger, Vice President of Diligent in the United States, about the consequences of the digitalization for board work and the role that the company secretary plays in this, two things soon become clear. One: digitalization will change the world permanently. And two: digitalization will only make the role of the company secretary within the company even more important.

Can you outline the impact of digitalization on board directors?

“A lot of companies are introducing technology to promote communication with and between board directors and to improve the security of this communication. At the beginning of that process, the underlying principle is always clear: companies want to get rid of paper, get rid of inefficiency and get rid of high costs. As work progresses, you see something interesting happen. As soon as companies or organizations take steps on the path of digitalization, you see that there is a sharp increase in the board directors’ need for information. Not only do they want information to reach them faster, more easily and more securely, they also place higher demands on the quality of the information.”

What does this mean for the company secretary?

“I recently spoke to Pamela Coles, the company secretary of Rolls-Royce in the UK, about the changes in her company after the information flows had been digitized. She noticed that the company stopped asking for other information. Board directors no longer wanted a 50-page report

with figures and lots of details, but a summary of at most half an A4 sheet with the most important points. In addition, they asked the company secretary to indicate what subjects required further attention, what topics should be the subject of discussion at the next meeting and what relevant documents would be involved.”

Is that a big change for the company secretary?

“That is a completely different way of working for the company secretary. In the past, his or her primary role was to collect the documents, combine files from across the company and distribute them. In the new situation, it is no longer a matter of collecting and distributing information. There is a need for a much more proactive company secretary who makes documents transparent to board directors, formulates questions to which an answer must be given and provides relevant background information.”

Is this a worldwide trend?

“Yes, this is certainly an international trend. Really in every country there are examples of companies that are at the forefront of this trend. And not only with companies like Rolls Royce, but right across all sectors. But it has less to do with business trends than with the entire way of providing information. This has changed incredibly over a few decades. Nowadays we don’t have to spend hours in libraries and read complete books to be well informed, we don’t necessarily have to take out a newspaper subscription. We are no longer dependent on people or agencies that give us the information; we can easily search for it ourselves. That is what you see happening in companies.



In the past, the company secretary used to provide dozens of pages of information for a meeting, but this information was usually at least a week old by the time it was discussed in the board meeting. Moreover, this information was often a good news show: just look how well things are going. But in a changing world, this way of providing information is no longer sufficient.”

Does the call for more transparency have an impact on change?

“Certainly. Far-reaching transparency is one of the characteristics of our time. A company like Netflix has even elevated radical transparency to corporate culture. Nowadays, it is easy to do fact checks, to hear both sides of the argument or to find other opinions. It is also easy to delve deep into the matter. This really requires a different role for the company secretary. The role of the company secretary is to ensure that board directors are well prepared. They want a company secretary who anticipates, who not only ‘throws a lot of data over the fence,’ but also points out what the important points of discussion are. In other words: ‘Think about it yourself first.’ At Rolls-Royce, every

piece that goes to the board must be supplemented with a mindset or a consideration, a first move made by the company secretary. At Netflix, every document for the board starts as a memo. Then all board members can complete that message online or ask questions about it. In this way a dynamic story is created that can be discussed at the next board meeting. In this role, a company secretary becomes a kind of air traffic controller. And that is a trend we are observing worldwide at an increasing number of companies, listed or not, large or small.”

To what extent has the digital transformation changed board directors?

“The involvement of board directors is at a totally different level than a few years ago. The horizon has broadened. Modern board directors like to receive input. I have interviewed many board directors and they are all hungry for information. They want to look around other companies and learn from them. We have conducted a study into the Google search terms used by board directors. The results were fascinating. At the top of their list of search terms was blockchain. That is typical of the hunger for information. They hear about developments in other sectors, in other companies and they start browsing. They want to know more about it. I think that should be an important lesson for the company secretary. The company secretary must keep abreast of important trends and feed the directors with relevant information; give the creativity of the directors a boost, as it were.”

What is the biggest challenge for the company secretary of the future?

“What that future will look like is very difficult to predict. The fact is that everything that comes will be different from what it was before. And another thing that is certain: there is a great need for resilient company secretaries who, for their part, ensure that there are resilient directors. In these uncertain, complex times, only companies with enough dynamism and resilience will survive, companies that are flexible and proactive. The best advice I can give to company secretaries is resilience first – resilience above all.”

Is the digital transformation a threat to the company secretary?

“At best for the company secretary ‘old style’. Of course, things will change. If, thanks to artificial intelligence, board directors will soon be able to get answers to the most complicated questions within a few seconds, the company secretary will no longer have to provide that answer. I attend many meetings where the question is asked openly whether the company secretary still has a future, or whether that position will disappear. Let me tell you this: in the future there will be a greater need for company secretaries than ever before. Artificial intelligence is fantastic when looking for answers or solutions. But it always takes a human being to first formulate what the question or problem is. So, company secretary, they need you more desperately than they ever have.”