

A man with a grey beard and mustache, wearing a dark pinstriped suit jacket over a light blue shirt, is looking down and to the left with a thoughtful expression. The background is a blurred office setting with vertical blinds.

5 best practices for boards

Guide to Board Governance in the Digital Age

aprió

Board governance in the digital age

Modern board governance means being adaptive when it comes to evolving policies and the shifting business environment.

Add to that the lessons learned from the impact of the COVID-19 pandemic. When the crisis took hold in the spring of 2020, it forced remote work situations on countless organizations that were unwilling or unprepared. It even exposed weaknesses in some of the best business continuity plans.

It's never been more important to design a strategic approach to best practices in board governance. Administrators and directors need tools and techniques to be agile, which ensures the board operates efficiently and addresses the needs of stakeholders when it counts the most.

Here are 5 best practices to incorporate into your modern board governance.

5 BEST PRACTICES FOR MODERN BOARD GOVERNANCE:



1

Lead

with an eye to the future



2

Prioritize

security



3

Recruit

with a focus on diversity



4

Foster

board engagement



5

Improve

inclusion & transparency

BEST PRACTICE

1



Lead with an eye to the future

Adopting a forward-thinking philosophy involves readying your board to expect the unexpected, and that means empowering your board to work remotely and embracing new technology.

As the pandemic has illuminated, in times of business disruption or a crisis situation, your board must be able to function remotely. The pandemic upended everything, but many practices adopted out of necessity may be here to stay - like more virtual board meetings.

The silver lining of going virtual is that many directors have reported that the lack of travel time and location scheduling complexity has been a welcome convenience. Also, with all directors remote, there is now a priority to make virtual meetings work well versus focusing on running a live meeting with one or more directors on a conference call almost as an afterthought. Remote meetings have also widened the net for recruitment, taking location out of the requirements to attract top performing, next-generation directors.

With the shift to remote board work, board technology to help directors connect with each other and prepare for and participate in board meetings has become essential. Board communication and meeting management must be made time efficient for board administrators, as well as convenient to access for directors.

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BEST PRACTICE

2

Prioritize security

Just when we thought it couldn't get worse, the evidence is showing otherwise. The year 2019 was one of the worst years on record for cyberattacks. Add a pandemic to the mix, along with a surge in remote work in 2020, and the result is a dramatic rise in cybersecurity threats.

Hackers and scammers have seized the opportunity to prey on those who are conducting more of their business online. What does this mean for modern organizations and their boards? A new era of hyper-vigilance.

Experts at [Deloitte](#) point to a drastic escalation in phishing scams, hacking, and ransomware attacks. [Forbes Technology Council](#) warns, "As long as security is treated along the sidelines in a company's core principles, there will always be a threat to its functioning mechanism through cyberattacks." This group of experts raises concerns about insecure remote connections to company data, inadequate authentication procedures, vulnerability of information stored in the cloud, and even a rise in individuals impersonating CEOs.

The pressing advice? Make investments to improve cybersecurity that “keep pace with the speed and urgency of digital transformation.”

It’s enough to make you lose sleep. We’ve seen time and time again that data breaches can be disastrous in terms of disruption to operations, costly fixes, and reputational damage. The time is now to make it a priority to safeguard your data. Take inventory of the data protection and security measures you employ right now and take an honest look at any weaknesses. If you haven’t already done so, carry out an audit to gauge how your security measures up including for your board technology.

Directors can even put security at risk without being aware of it. According to Forrester, directors have been known to communicate about sensitive board matters over personal email, which leaves them open to potential cyberattacks, breaches, and data leaks. The same report also indicates that 30% of board members reported losing or misplacing a phone, tablet, or computer in the past year. Being able to remove board data in an instant from a lost device is essential to keep board material confidential.

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BEST PRACTICE

3

Recruit with a focus on diversity

Diversity - whether it's gender, age, or ethnicity - brings forth innovative ideas that help your organization best compete in the future.

Amy Nelson, CEO of Point West Credit Union and member of our [expert panel](#) on modern board management, explains why: "The value of having a diverse board is that we are better prepared to understand the needs of a variety of populations and hone our services to their specific needs."

Studies show a clear connection between board diversity and performance. [Researchers](#) at Tufts University found that decision making improves in diverse groups. And in its *Delivering through Diversity* report, McKinsey & Company shows that inclusion and diversity support business performance in a number of key areas:

Recruiting and retaining top talent

Better decision making

Increasing innovation and customer insight

Increasing employee satisfaction

Improving a company's global image

APRIO EXPERT PANEL



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AMY NELSON

CEO, Point West Credit Union



WILLIAM (BILL) ROBSON

CEO, C.D. Howe Institute

Bill Robson, CEO of C.D. Howe Institute and another member of our expert panel, describes one of the most valuable aspects of diversity for his organization: “The conversation about board diversity and recruitment at our board isn’t focused on younger recruits as much as on a diversity of perspectives and backgrounds - and an open mindset. A director that’s valuable must be comfortable hearing counter-perspectives.”

Recruitment of new leaders has also become more continuous, with director and CEO terms getting shorter. This adds an element of urgency to succession planning and ensuring that diversity goals are clearly defined.

Boards need to be efficient at both onboarding and retiring directors, while protecting board data. Recruiting new directors is a way to bring passion and fresh insight to your board. Getting recruitment and orientation right helps new directors to quickly contribute value and feel engaged and accountable to help realize your vision.

Set the stage now for the next generation of leaders. Create the conditions necessary for success by shaping an environment that values diversity, welcomes new ideas, and draws out the best performance from your board.

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BEST PRACTICE

4

Foster board engagement

Boards are most effective when they achieve top engagement from directors.

Board engagement is more than showing up on time, attending meetings, reading board packets, participating in discussions, and casting votes. It also means having directors who challenge the status quo, initiate productive debates, and consistently consider how they make a contribution to the board, organization, and community at large.

They're tapped into the organization's mission, have a clear understanding of their role, and are able to collaborate with their fellow directors in a way that makes board meetings productive and efficient.

Diversity naturally leads to a level of increased board engagement, and so does board culture. An environment that's conducive to engagement and collaboration is a critical component of strong organizational culture, which in turn helps attract and retain talented leaders. Boards play a significant role, setting the "tone at the top" which trickles down to all levels. In recent years, workers are placing more value on corporate culture than ever before.



Another factor in the board engagement equation is communication - specifically the degree to which directors can exchange information quickly, easily, and securely. Simplifying communication and enabling functions like remote voting go a long way towards boosting engagement. Features like annotation tools help directors get organized for meetings, and preparation is key in order to make the most of the time when the board convenes.

When board engagement conditions are right, innovative thinking emerges along with the ability to take on new challenges. Some corporate governance experts advise that facing challenges head-on - even embracing risk - has become necessary in 2020 in “the scramble for competitive advantage,” as reported in Harvard Business Review.

Several strategies may be used to boost director motivation and engagement, such as effectively onboarding new directors so they are adequately informed and prepared to make meaningful contributions on the board and do it quickly; as well as collaboration and social interaction between meetings.

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BEST PRACTICE

5

Improve inclusion & transparency

One of the foundations of good governance is ensuring every director has a voice and the opportunity to be heard.

The pandemic certainly put the spotlight on the need for flexibility - even creativity - to push ahead with board meetings and remotely engaging directors to make key decisions even in the midst of unprecedented circumstances.

Providing leadership during a crisis should be a key consideration for every board, as directors are responsible for safeguarding the governance and viability of an organization.

However, finding the right balance between action and oversight is critical. The board should play a supportive, internal, and independent role while also ensuring that the organization is acting in the best interest of its stakeholders.



The role of board technology

Just like organizations have business continuity plans for maintaining essential operations in times of disruption, good [corporate governance](#) requires that boards have technology in place to continue board meetings and ensure secure board communication in times of disruption or crisis. It's not enough to have video conferencing infrastructure; boards need secure technology in place to access key board contacts, materials, reports, and archives to make well-informed, essential decisions wherever they are.

There's no question that boards already using [board portal technology](#) when the COVID-19 pandemic hit were easily able to pivot to working and holding meetings remotely because documents and discussions were accessible online from their smartphones, tablets, or desktop computers.

Expect to see renewed emphasis on adopting board portal technology ahead as boards tackle their own continuity planning going forward.



Research resources:

Deloitte. [COVID-19's impact on Cybersecurity](#).

Kabir, K. (2020) [Digital Transformation and Cybersecurity during COVID-19](#). *Forbes*.

Hill L., Davis, G. (2017). [The Board's New Innovation Imperative](#). *Harvard Business Review*.

Why consider Aprio?

When you choose board portal software that's the best fit for your organization, modern board governance best practices fall into place.

If your board is looking to support remote board meetings as well as boost director engagement, protect board data, recruit for diversity, and operate with inclusion and efficiency, then we invite you to consider Aprio. The Aprio board portal stands out for providing full features, industry-leading security, and unmatched service at an affordable price.

We'd be happy to help you achieve modern board governance, whether you're switching from another tool or using board software for the first time.

Get in touch.

Top reasons boards choose us:

- 1 Future-ready board communication** - Directors have 24/7 remote access to current board materials, even on mobile devices, with full support for virtual board meetings.
- 2 Industry-leading security** - Layers of advanced security protect board data, control access, and empower boards to remotely wipe board data from lost or stolen devices.
- 3 Easy board engagement** - Directors can collaborate more easily on decisions with tools such as remote voting and annotation features to take and share notes on board materials.
- 4 Inclusion and transparency from day one** - Provide new recruits and veteran directors equal access to board information and updates for better decisions.
- 5 Personalized, expert help** - Any time an administrator or director contacts Aprio, they reach a skilled board expert. We listen and solve your needs with outstanding helpfulness.

WHAT OUR CUSTOMERS SAY:

Vancity

“Aprio was quick to set up and easy to use for both our administrators and directors. Our directors particularly like the ability to view and access documents immediately, no matter where they are.”

VANCITY



“I’ve won back some time that I used to have to spend preparing for meetings and I’m getting praise from directors on the choice to go with Aprio. All our meetings are on it and the switch proved far easier than we thought.”

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EFFICIENT BOARD MEETINGS & EASY BOARD COMMUNICATION

Discover why hundreds of admins and board members love Aprío. We make good governance simple and affordable.

The Aprío board portal helps organizations large and small to efficiently run board meetings, keep directors up to date, and keep information secure. Aprío provides premium features without premium pricing, all delivered with unmatched service.

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