

# Board behaviour: 5 new working styles

Enable your board  
to work productively  
and securely





# Introduction

In the last two years, businesses have accelerated digital transformation to better cope with disruption and put customers first.

At the same time, the boards responsible for overseeing those businesses have had to change their own way of working to adapt and reflect new demands.

In this eBook, we focus on what it means to be a digital-first board, the day-to-day working habits they need to adopt, and the technology and tools they need to use to keep pace.

## **We cover:**

- ✓ The best methods for virtual collaboration
- ✓ Tools for rapid decision making
- ✓ Keeping digital work at board level secure
- ✓ The importance of improving digital literacy at board level
- ✓ The use of data to model and predict risk

## THE 5 BEHAVIOURS OF THE DIGITAL-READY BOARD

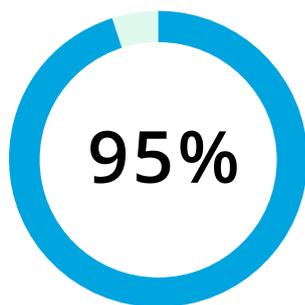
# 1 Productive virtual collaboration

The big change recently for organisations has been the need to embrace digital collaboration and hybrid working to keep the wheels of business turning. This has had a major influence on how employees operate and how they are managed. What's been less well recognised is that board directors have also had to fundamentally change the way they work and convene.

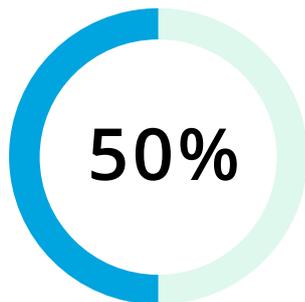
According to data from Tricor Group<sup>1</sup>, "prior to the pandemic, just 5% of board meetings were conducted virtually. During the pandemic, that number has jumped up to 95% – and our research suggests that even after the pandemic, more than 50% of boards will pursue a hybrid meeting model."

This has been a big adjustment for boards that have been used to meeting face-to-face. They have also had to meet more frequently to:

- ▶ Stay up to speed with the rate of digital change
- ▶ Approve and govern new digital strategies
- ▶ Assess the balance of short term wins with long term impacts
- ▶ Understand the impact on employees
- ▶ Assess corporate risk
- ▶ Communicate value to shareholders
- ▶ Assess and understand new commercial opportunities



**95%** of board meetings were conducted virtually during the pandemic



**50%** of boards will pursue a hybrid meeting model after the pandemic





There are obvious ways of meeting the challenge. Most boards and management teams have already embraced the increased use of video and conferencing technology. This is only a minimum requirement though. The most advanced and digitally-minded boards have also taken a step further by using specialist technology like board portals to support them in their roles.

With a board portal, directors can get easy access to both current and historical information from wherever they are located. If they sit on multiple boards, they can also access all the information they need using

a single login. All information is also digital and searchable, so board members can research issues and make decisions more quickly. They can also communicate with other directors within the portal, sign off minutes, and agree actions on the go.

By working this way, board members can more easily address the rush of decisions with which they are faced. As an added benefit, they can also support and comply with company security policies by ensuring that all information and communication stays within the portal.

#### ACTION POINT FOR CEOS AND CFOS

**Invest in advanced and specialised board portal technology to support directors in their transition to digital working.**

## 2 Rapid decision making

We've already touched on the need for boards to speed up decision making within the context of rapid transformation. There's no doubt the pace of change has been unprecedented and requires this. According to a McKinsey Global Survey of executives carried out during the pandemic<sup>2</sup>, businesses had already "accelerated the digitisation of their customers and supply-chain interactions and of their internal operations by three to four years."

The pace hasn't let up since, and one of the major outcomes of this shift is that boards are liaising more frequently with executive leadership teams to provide appropriate and responsive governance. As McKinsey<sup>3</sup> puts the situation: "Never before have CEOs and their teams been more in need of the foresight and seasoned judgement that a well-functioning board of directors can provide".

Many boards are using board portals to facilitate this process, providing a secure environment in which directors and executive leadership teams can share information, strategies, assess risk and reach decisions more quickly.

In today's hybrid working world, the most advanced boards are also realising that the digital workflow needs to be end-to-end. That means it also needs to include the facility to sign off on decisions through digital e-signature solutions.

This is key to rapid decision making. The ability to use an electronic signature to approve documents frees directors from the need to be tied to a specific location. It also helps them to ensure that their signature never becomes a bottleneck in the decision-making process.

**"Never before have CEOs and their teams been more in need of the foresight and seasoned judgement that a well-functioning board of directors can provide."**

McKinsey Global Survey of executives





There are a few important considerations here though – especially related to security. E-signature solutions vary in terms of legal enforceability, and the process can range from signing a PDF file with an electronic pen to signatures that can only be authenticated with a BankID or a biometric feature. Boards need to check that the solution they are using complies with regulations in the territories they operate in – for example, the latest eIDAS regulations for Europe.

**Ease of use is also paramount. Boards that are serious about digital need to ask:**

- ▶ Does the solution we are using make it easy to prepare documents for signature?
- ▶ Can we sign on any type of device?
- ▶ Does our solution support advanced signature for documents with multiple signers?

All these kinds of features are crucial for enabling more efficient digital working at board level and getting decisions signed off quickly.

#### **ACTION POINT FOR CIOs**

**Review board technology investments to ensure they include the full range of functionality required for directors to work productively from anywhere.**



### 3 Awareness of security

As businesses continue to transform and adopt hybrid working, they are also under increasing threat from cyberattacks. According to figures from IBM, the average cost of a data breach reached an all-time high of \$4.24 million per incident in 2021<sup>3</sup>.

Boards that have kept abreast of this issue are putting security issues and threats higher on the board agenda than ever before. Gartner recently predicted that 40% of boards will have a dedicated cybersecurity committee by 2025<sup>1</sup>. There is another issue that boards need to be aware of though: the need to protect their own work in an increasingly digital working environment.

For many years, most board members were only accustomed to traditional, analogue ways of working and have only recently started getting used to digital tools and the security precautions that they require. By their nature, boards also routinely handle an organisations most confidential information – leaving them potentially more vulnerable to a high-impact attack.

For these reasons, many boards are moving away from insecure communication channels like email and adopting modern systems with board-specific security measures built-in.



**The average cost of a data breach reached \$4.24 million per incident in 2021**

#### This enables them to:

- ▶ Ringfence communication via secure communication channels
- ▶ Securely store and share all current and historical documents
- ▶ Sign off board documents securely and remotely with e-signatures
- ▶ Restrict access and ensure stringent user verification
- ▶ Comply with important data protection regulations like GDPR

Robust boards are also introducing (or willingly accepting) secure working policies to make sure all these functions are being used correctly by board directors and that the policies are being enforced.

Over time, this will help to ensure secure digital working at board level. It will also make sure that board members are leading by example and showing that the issue is as important to them as the rest of the organisation.

#### ACTION POINT FOR EXECUTIVE SECRETARIES

**Review the security of board-level communication and ensure the right tools and policies are in place to protect sensitive information.**

# 4 Digital literacy

Boards that fully understand digital transformation know that it isn't just about technology or efficiency. It's more about creating added business value that secures long-term viability.

## To be effective partners, today's boards must make sure they:

- ▶ Are close to digital issues
- ▶ Understand the business impacts on their companies
- ▶ And are fully involved in shaping and advising on future direction

Boards that are on top of this issue know that they need to make efforts to improve their own understanding of digital. That means they invest in ongoing training accordingly. They also typically seek advice from external experts from digital and technology experts from within the business.



More than **50%** of board members who completed immersive training in digital business issues insisted on making digital transformation the top agenda item for their business.

There is compelling evidence that this approach delivers the right results. McKinsey recently reported that it spoke to 75 board members who completed immersive training in digital business issues and found that more than 50% insisted on making digital transformation the top agenda item for the business as a direct result<sup>1</sup>.

There are other solutions for addressing gaps in digital literacy. These include creating specialist advisory councils made up of independent third-party digital expertise. This is often only a temporary fix though, and can lead to significant investment if the council is needed long-term. It can also limit the motivation of the board to develop its own knowledge.

For today's digital-first boards, the most important thing is to put in place the education and training that will help them become a trusted partner on all digital issues for the long-term.

### ACTION POINT FOR CFOs

**Back investment in ongoing digital training for board directors and ensure they have regular access to digital experts within the business.**

# 5 Effective use of data

Data is the fuel within the engine in modern business transformation – because every interaction in the digital world generates data that a business can learn from.

However data is also of increasing interest to digital-savvy boards that believe their organisations could be doing more to use data to predict and counter risk.

This is a trend that was recently highlighted in the EY Global board Risk Survey 2021<sup>1</sup>, which found that 70% of boards say their business will increase investment in technology for risk management in the next 12 months.

The report also found that the most forward-looking boards are looking for risk reporting that is “predictive, focused on emerging and atypical threats and is based on external as well as internal data.”

Digital-ready boards do not specify or select this technology. However they are directing their organisations to make sure they have the right tools and expertise to put comprehensive analytics at the heart of decision making.

## This helps them:

- ▶ Hold management more accountable to predicted risk
- ▶ Use data more effectively in their own ESG risk assessments
- ▶ Identify new and emerging opportunities
- ▶ And review strategies based on both known and atypical threats

The dominant board of the future will not just understand how digital works. Nor will it satisfy itself with knowledge of the wider business value it creates. It will use every available insight to make sure that their organisations can operate safely, confidently and with a 360° view of what's coming next.

### ACTION POINT FOR CEOs

**Ensure that data analytics with the business is geared towards supporting the board's oversight of risk – and be ready to be accountable to the findings.**



# The make-up of the digital ready board



**Video conferencing technology for virtual meetings**



**Board portal for secure communication, document sharing and creation of digital board packs**



**All documents always available securely anywhere on any device**



**E-signature solution for secure and rapid sign-off of documents**



**Advanced understanding of wider business value and risk**



**Immersive ongoing training to enhance and maintain digital literacy**



**Access to advanced data for risk and opportunity assessment**

# Find out more

At Admincontrol, we are dedicated to helping boards adapt and thrive in the digital age. Discover how you can accelerate decision making and collaboration with our secure and easy-to-use board portal on our website

[admincontrol.com](https://admincontrol.com)

Admincontrol's mission is to provide the ultimate solution for decision-makers. The company offers a smart and secure collaboration platform for boards, management and other stakeholders, where they can access, share, discuss and process information efficiently. Admincontrol has over 115,000 active users worldwide.

The company is growing rapidly and is headquartered in Norway with local offices in the UK, Denmark, Sweden, Finland and the Netherlands. Admincontrol is part of the successful Visma Group, a leading European software company.

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**Sources:**

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- 3 McKinsey & Company, Boards in the time of coronavirus, April 2020
- 4 IBM, Cost of a Data Breach Report, 2021
- 5 Gartner, 2020 Board of Directors Survey
- 6 Harvard Business Review article, 5 questions boards should be asking about digital transformation, 2021
- 7 EY, Global Board Risk Survey 2021