



WESTERN INDEPENDENT BANKERS

## **DISASTER PLANNING MEANS COMMUNICATING IN REAL TIME WITH DIRECTORS**

**By Alex Sodi**  
**President, Diligent Boardbooks**

Having an efficient means of communicating with a geographically dispersed board of directors is a best practice for all banks – but during times of a disaster, it's more than a good idea; it could be vital to the future success of the financial institution.

Every crisis calls for major decisions, and the ability of a bank's board to effectively receive and then process information in real time is critical. Any business continuity, disaster recovery or crisis plan should provide a procedure and protocol for directors to meet with a firm's senior executives online so they can share information as effectively and expeditiously as possible.

After all, what value is a strong board of directors, if, during a disaster, they don't have access to critical information? In-person meetings are highly unlikely on short notice, and teleconferences don't allow for the sharing of important documentation. Without a secure, online "meeting place," the collective experience of a bank's board of directors could go unrealized.

Web portal technology has grown in popularity as a tool for boards to have real-time access to board briefing books, general company information, archival records of past board meetings and other mission-critical documents typically in advance of regularly scheduled board meetings. And during a time of crisis, however, this same technology can also serve as an essential tool in the ongoing success of the financial institution.

Crises – whether man-made or caused by nature – can strike at any time. The terrorist attacks of Sept. 11, 2001, sounded a wake-up call to the banking industry that should not be forgotten over time. An attack on centralized banking infrastructures could have a real and immediate effect on banks locally. Add to the list of potential crises financial scandals, privacy breaches, identity thefts, hostile takeovers, botched mergers and/or acquisitions, and it's plain to see that there's plenty to plan for.

Each one of these events calls for strategic input from a bank's board ... and even more than that, a real dialogue and debate on next steps based on the information available at the time.

The use of corporate board web portals began earlier this decade and since then has achieved a growing acceptance level among corporations in many industries, and specifically among banks and other financial institutions. The success of these corporate web portals – designed specifically to enhance communications between senior management and its board – has been based on its ability to provide access to important company information in real time in a secure manner.

A web portal is a secure, password-protected web site maintained by the bank where new and archival material is posted specifically for a bank's senior management, corporate secretary, general counsel and its board of directors. Up-to-the-minute material can be posted on this secure portal, allowing directors to view and comment upon it online, or be better prepared to have a meaningful teleconference.

Because updated material can be posted to a board portal immediately (as opposed to waiting for a group of documents to be mailed, emailed or faxed to board members), corporate secretaries and general counsels are able to maintain communications with their directors – keeping them engaged during a time of emergency.

Just as general counsels and corporate secretaries pull together board briefing books in anticipation of quarterly board meetings, web portals can also house “Crisis Review” books – digital books available online that every director can review, providing a uniform starting points for group board discussions. Many of the web portal technologies available, including Diligent Boardbooks' solution, allows for real-time news feeds to be added to the web portal, providing directors with a context on how the media is reporting the issues at hand.

Because the information available via the board web portal is held offsite, access to the web portal would not be affected by any events disrupting a bank's headquarters or its information technology systems. Unlike email, which can be inadvertently forwarded to inappropriate recipients, web portals are fully secure and can only be accessed by a password.

Times of crisis call for critical input from a bank's most seasoned executives – including its board of directors. With the advent of laptops, personal digital assistants and web portal technologies, there should be no reason directors can't get all the information they need in order to contribute during a key point in a financial institution's lifecycle. Because the web portals are Internet-based, directors need only a computer and an Internet connection to participate.

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