

# Facing Crisis Head On with Communications Technology

By Alex Sodi

**The issues facing corporate boards today** are more numerous than ever. In addition to the usual responsibilities, there is an increased potential for bankruptcy, shareholder action over falling share prices, and executive compensation issues, not to mention challenges acquiring capital.

In light of the financial crisis, many boards have taken steps in order to prevent potential problems. Fewer boards, though, have sufficiently prepared themselves to be “technologically” ready to handle the onslaught of communications which often accompanies a company crisis. While having the experience and expertise to deftly handle an emergency is paramount to success, a director’s business acumen is somewhat diminished if he or she has trouble accessing information and being able to communicate with the rest of the board and company management quickly.

Whether it’s a four-alarm emergency or a minor issue to be resolved, directors need a foundation of technology basics in able to review and respond to documents, reports, proposals and more, in short order, especially when they are away from their offices and unable to rely on tech-savvy assistants. It’s not enough to know about fiduciary duties, risk assessment and the valuation of assets. They likely also need to know something about communications technologies such as web conferencing and board portals.

Likewise, traditional fallbacks such as faxing and overnighting of materials—both to and from directors—are simply not going to get it done in the current environment. In fact, at the time when security and confidentiality is at the utmost importance,

these traditional communications methods are fraught with the most risk. Even emailing of documents can become nettlesome as senior management attempts to ensure that every director has the latest version of often-updated documents.

## Communications Technologies

The old-school conference call has been greatly improved through the ability to view a presentation or spreadsheet online simultaneously and given a fancy name: a web conference. It allows for live meetings and/or presentations to be conducted over the Internet, and requires little technology on the participant’s side aside from a telephone, a computer, and Internet access. Directors will need to either go to a specific website or, with a little more effort, download an application to enter a web conference.

A now proven technology called board portals has come into its own over the last several years as a way for directors to access material in preparation for board meetings. Instead of having one of those hefty binders overnighted about a week before a board meeting, these board portals—secure websites—host all the same information, many times in a book-like format similar to the traditional board book.

This technology is particularly useful in between regularly scheduled meetings when information needs to be shared and reviewed quickly among board members. Board portals can be invaluable when a crisis hits a company. Archived information can be instantly retrieved and documents can be placed onto the board portal website where direc-

tors can review and comment upon them, asking questions and making notes. Updated documents are posted online, providing every director with the latest version, and eliminating the need to redistribute information individually to each board member – no small issue. At its most efficient, the emailing, faxing, and delivering of information is cumbersome. During a crisis, it becomes even more difficult.

Becoming adept at using a board portal requires little computer savvy or technical training beyond basic Internet navigation skills in most cases to access and review documents on most board portals. Many are set up like informational websites, and others like a digital book that mimics a traditional board book. Board portals are

designed with a premium on ease-of-use, understanding that board members need to maximize the use of their time.

The bottom line with these new communications technologies is to minimize the time it takes to send and receive information, maximizing board members' time and ability to help their companies successfully navigate their current crisis.

### **About the Author**

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