Transcript – Belinda Loke and I go deep on board management software options

Helga Svendsen 0:00

Today on the Take on Board podcast, I'm speaking with Belinda Lok about board management software systems.

Before we start the podcast today I'd like to acknowledge the traditional custodians of the land on which we record. For me I am on the unseeded lands of the Wurundjeri people of the Kulin nation and I pay my respects to elder's past and present and any First Nations people that might be listening today, I acknowledge continuing connection to land waters skies and culture. I continue to support the Uluru statement from the Heart, voice treaty and truth and I encourage others to Take on Board community to do the same. I stand in solidarity with First Nations people for reconciliation.

Now, let me tell you about Belinda. Belinda is a non Executive Director of the Queen Elizabeth Centre, which is a Victorian public hospital and Victoria's largest provider of early parenting services to disadvantaged families with seven sites across Victoria. Belinda is also a non executive director of kids hope Australia. And key to our discussion today. She was also board secretary there. And she's also a member of the Consumer Advisory Committee at the Royal Children's Hospital. Prior to that, Belinda was the founder and chair of the Asia Pacific Loan Market Association, young leaders Australian committee, welcome to the Take on Board podcast, Belinda.

Belinda Loke 1:17

Thank you for having me.

Helga Svendsen 1:19

Actually, I should say welcome again, to the Take on Board podcast because again, we of course, had a conversation, oh my gosh, six months ago, maybe a wee bit more than that, about the McKinsey Leadership Program that you've done. So if people are interested in that, go back and I'll find the episode number and we'll put a link to it in the show notes. So you can hear Belinda's wisdom twice.

Belinda Loke 1:38

Thanks, Helga. It's great to be back on your podcast.

Helga Svendsen 1:42

So we would have done a bit of an introduction at the last time we spoke, because, as always, you know that I like to dig around a little bit about the guest I have in front of me. So for this one, tell me what's something from the last month or so that you're proud of?

Belinda Loke 1:51

Thanks, Helga. It's been an incredibly rewarding month. For me, one of the highlights has been receiving the governance top 100 Award, and the Asian Australian Leadership Award for my contributions to governance and leadership.

Helga Svendsen 2:10

That's amazing. So tell us more.

Belinda Loke 2:12

Sure, so the governance top 100 award recognises leaders driving robust governance initiatives and frameworks. So since joining the board of Kids Hope I've directed the development of stronger governance policies and processes within the organisation, identified legal and risk management issues securing over $30,000, in pro bono legal advice from a top tier law firm, the Asian Australian leadership award is for outstanding leadership and contributions to Australia. So it didn't knowledge is the cultural diversity and global I bring to my roles. As someone who's worked across various countries, including Japan, Malaysia, Vietnam, and Papua New Guinea. This award highlights the value of fostering meaningful connections and collaborations across borders. So it's a reminder that diversity in leadership is not just about representation, but also about leveraging unique perspectives for positive change.

Helga Svendsen 3:10

Oh, amazing. Well, congratulations for me and the Take on Board community that is just fantastic to have your achievements recognized in that way. That is, yeah. Fabulous. Well done you. So our conversation today is about board management software solutions. This came up as a question from the community, and I put a call out for people to give us some of their insights about it. And you very kindly put up your hand, as somebody who's got quite a bit of experience in this area. Let's start

right at the start. What are board management systems? And what are some of the features of using board management systems.

Belinda Loke 3:49

So I think one standout feature is the ability to assemble and distribute a board pack efficiently. So for example, if you have a critical document, like a finance report, and that's held up, these portals allow you to publish the entire pack with the approved documents instantly, and then seamlessly integrate last minute updates. So we've all been there, you've got your last document ready to go. So that's in contrast to the traditional email model, where you're waiting for all documents before you can send the whole board pack. And that potentially causes delays in decision making, because you're just waiting on one document. So this allows the board packet to be distributed earlier. And there's some board portals that allow, for example, that accountants to publish that finance report, rather than waiting for, you know, those chains of emails to be sent to then publish so they can just publish it once they're ready to go to the board.

Helga Svendsen 4:41

And it means it's all in one spot rather than oh God, what was the last email I received? And was it this or was it that nice? Yeah.

Belinda Loke 4:48

And I think to add to that, that's a really good segue into the document library. So one other key features the centralization on documentation, so you can have shared folders and a well organized document library to house governance materials, policies and procedures and other relevant documents. So you can have different access of your folders. So if we're talking about CEO Rem, that would just be limited to users of the board. If you have legal issues, it can also limit the access to retain that legal professional privilege. So it's quite useful. Yes.

Helga Svendsen 5:23

And again, not having to take track down all those emails. Okay, so the flexibility and ease I guess, around putting the board pack together, definitely the Document Library, having all of your key documents in one place, what else is there? What are the other great features about having a board portal.

Belinda Loke 5:42

Beyond the basic functionality, there's other tools, so that will now allow secure collaboration and engagement amongst board and committee members. So they include features like scheduling meetings, and proving circular resolutions, which I find quite handy as an follow up action item to segue to the board or have that circulated surveys, boats and polls, a task assignments or action items to follow up certified digital signatures for the more savvy board portals and discussion forums or chat, well, I believe encrypted or secured.

Helga Svendsen 6:19

All of the boards that I'm on at the moment, use Diligent and I know in a moment, you're going to take us through some of the options. Not all of the options, because there is a host of board portals out there. But some of the different features, I guess, in some of the different board portals, I haven't used, I think some of those additional features that might be available. So that's interesting. I've definitely used a board portal for the board pack, but not some of these other features that you're talking about, which is interesting.

Belinda Loke 6:44

And I think the key one to highlight and the most advantageous tool is actually in relation to revisions and annotations. So interesting capabilities, the handling of late updates and revisions. So annotations can be made by board members, and then that will carry on to the latest versions of documents. So we've all been there. Yes, you get your board pack, you've started reviewing it. There's late additions, late amendments to the board pack. And what I like is the features we can tick on each page, which ones do you read, and then if there is a new document that has been revised, will be highlighted as new, but your annotations from your previous board pack will carry over to this new document, then also highlight which pages to review because they've been amended at the last minute. So I think this maintains efficiency, you don't have to reread the whole board pack or, and you also don't get all these emails to say, oh, there's a new document, there's a new document. So I think these portals are designed for efficiency. And you can also have agendas that can be in the form of a template. So again, that's efficient, because they can be customized each time using it the way that you use, and the automated email reminders and other time saving features for the board.

Helga Svendsen 7:58

Right? That's interesting. I didn't know that either. I've certainly seen papers being updated. I did not know that my notes could or should, or sometimes go across to the new updated documents. Although sometimes, I think most often are found in when using a board portal. It's additional papers are uploaded, although they are sometimes just updated. That's interesting. Okay. Whoo. I'm

gonna have to test that out. I'm gonna have to get one of our board secretaries to update a paper after I've made the notes just so I can see what this looks like in reality. Fantastic.

Belinda Loke 8:34

And actually put a caveat though, being a lawyer, that not all board portals offer that same functionality. So the ones on the high end that will have that functionality? Those are more budget scale, obviously, that that always save your work.

Helga Svendsen 8:51

Yes, definitely. Well, look, maybe let me know there might be some other features you want to take us through. But given we're talking about different portals, maybe now's a good time to have a talk about some of that comparison work that you've done. You've looked at a couple of different board portals, and done a bit of comparison work for us. We love it when somebody does the work for us. Thank you so much for Belinda. So maybe you want to take us through which ones you have done the comparison of and how they shape up?

Belinda Loke 9:17

Sure. So my role as board secretary, at Kids Hope, so if I did look at a few old portals as we moved our system from the traditional email model to a more efficient board software management. So the three that I wanted to discuss today is Diligent, BoardEffect, and Boardable. And there's notable differences in unique features amongst the different platforms. So firstly, we're Diligent, it's often recognised as the gold standard. They're known as number one as the number one world's number one board management solution. We have a higher market share with 85% of ASX 285% of the FTSE 100 companies using it and it really is quite dominant in that sector. So it's like the Porsche or Audi of the Board of Management software world, delivering a top tier comprehensive solution. Secondly, there's BoardEffect. So border effect is owned by Diligent. So it caters for broader audience, including SMEs, public sector organisations and nonprofits. So to draw an analogy, if Diligent is like Porsche, Audi, then BoardEffect is akin to Skoda, using the same reliable engine and parts but without the high end bells and whistles. So it's a more accessible option for a wider range of organisations. So despite their differences, Diligent and BoardEffect share commonalities, and much like how various car models under the same parent company might share certain components. So both platforms have data hosted in Diligent, secure data centres, they support private and shared annotations on board packs, and they provide digital signature capabilities and offer similar administrative workflows for agenda building version control and minutes. And one other key features that they also ensure 24/7, 365 days, phone and email support for all users. So contrast that now to my third product, which is Boardable. And that's a US based company with documents centres stored in the US. So that introduces unique considerations. So while it might be a suitable choice for non for profits, its limitations include potential support challenges, so due to their timezone differences, they also don't have as an extensive hours for providing service. And users

may find themselves emailing support at odd hours, which I did at night, or early hours of the morning. And if there's any technical issues during Australian meeting times, then we might face delay in resolution given the location. So in essence, the choice amongst these platforms really depends on the specific needs and priorities of the board, whether its comprehensive and high end features of Diligent, or the more assessable and broad functionality of BoardEffect, or in the case of border wall due to budget constraints and requirements. So each has its own strengths. And the board needs to consider the unique governance requirements.

Helga Svendsen 12:27

Side note, I was smiling Riley as you were talking about 24/7 support and the differences there because I've spoken to the Diligent support people a lot, mostly when I'm locked out of my app, and I want to get my Board Papers and be able to read them. And having that 24/7 support is vital. Because if you can't access your Board Papers, I remember once I was about to get on a plane for a number of hours, I'm like, great, download my papers, this is the perfect time to read my papers, and there was an issue with it. And I'm literally in the boarding lounge, trying to get it sorted out. And they did they got it sorted. So I could download now, if that hadn't have happened, was the longest flight. So that was when I was going to do all my board paper reading. If I hadn't been able to do that there goes all of your reading time. So it's a pretty important thing to be able to do roughly speaking, then sometimes for some organisations, it will be a financial decision. Just broadly speaking, what is the differences in prices between some of those, I know there'll be different bells and whistles for others. But broadly speaking...

Belinda Loke 13:29

Yeah, I think is best to contact each company directly, because they don't advertise it per se on their site. So contact them other than perhaps Boardable because it's more of a subscription based model. So I think it's best to contact each company directly to tailor for your organisation, because it also depends on the number of board directors, the number of companies that you have the organisation or needs. So I didn't want to put anyone out there a name or price but then their organisation's might not even want to use the minutes function and things like that. But just to give you a bit of a overview, Diligent being a top tier product tends to be more expensive, due to expensive features. And, and they do a lot of ongoing research and development. And so that comes at that cost, price ticket border effect, it caters to a diverse market. So that's more for the not for profit sector. And they have clients such as RSPCA and the Australian Medical Association. So that platform aligns well with the needs of the nonprofit sector. And that makes it a popular choice amongst organisations with budget considerations. And then Boardable is the most budget friendly option. So maybe I should call them the rent a car where you can use it on a subscription pay per use month, where it's a low cost solution, and that starts at about $28 per month per board user. But having said that pricing model again, that would like certain features when you go to that $28 model which I'll discuss that later on with the different pros and cons.

Helga Svendsen 14:56

So then for you when you were a Kids Hope, you said a moment ago, you need to think about the needs and the priorities of your organisation? What were the things that you were keeping front of mind or most front of mind as you were fishing around and deciding which pond to fish in and which fish to catch in this process?

Belinda Loke 15:15

Yeah, I think it was really digitizing our process and having an efficient streamline for our process, and also a centralization of documents. So that document library that was exclusive to just access to the board was one that was a key feature that is, in most or if not all, of the board portals. And so that came with having a board management software for board packs. So that was a good foundation. So we looked at the document library, I think, given that we're in a nonprofit space, you always do look at your budget. And because you're spending donor money, when you need to balance that against, of course, it'd be great to have Diligent, but we need to be responsible as well with what our financials are. And I think that we don't have the function of annotating our board pack, but the fact that we can have everything included in our meetings in a board pack, that's you're not fishing around for emails, and then it's all there and stored historically, as well. That was the key advantage for us. And we can print off our board, pack and annotate it ourselves, compared to the other boards that I'm on where the board pack might be hundreds of pages. That's a different consideration as well. So I think we looked at functionality streamlining processes, and what would make it efficient for us, whilst also balancing management of donor funds and our budget.

Helga Svendsen 16:45

Yeah, nice. And moving to a system like this also might be you know, walk before you run, get a more basic version in place, get used to that, and then upgrade it because sometimes, sometimes organisations put systems in place that have all the bells and whistles, and then don't use them.

Belinda Loke 16:59

So yeah, and I think that's correct, because I think now that we have, you know, that we're growing, and also systems are more sophisticated. And I think we've run out of our limit for document library. As we develop more and more policies and procedures that actually were, we will be looking at other products, because we may have outgrown audible, but that's something that we will look into. And also there's now a plethora of different companies that have entered the market since I last looked at this, and I didn't look at this, again, in preparation for this podcast. But there's a thing, there's other companies like board pro convene board track. And so I think like you say, as your board evolves, and the board portal can also evolve as well. And now you've got the benefit of other technologies and other companies entering into the market with a lower price point.

Helga Svendsen 17:49

Actually, it's a good reminder on all things really, then too, isn't it that make the decision on what's best at the time, but keep an eye on it, come back to it, new players will come into the market, new prices will come into the market, new features will come into the market. So don't do it as a set and forget forevermore. Okay, well, then, you touched on your thinking around the pros and the cons is now a good time to, for us to move to that.

Belinda Loke 18:13

Yeah, sure. And I might just add that one thing about the evolution of the board portal is your board secretary might not be too happy, he's going to transfer everything across. So I guess, like legal structuring, it's always best if you have the budget to have the best one and structure in place. But you just work with what you got. And within the confines of what your current environment is.

Helga Svendsen 18:37

It's like I talked about getting a new mortgage and you'll get the best deal. And it's like, well, that's all great, but what about the cost of time of changing over your mortgage to the new bank? So take into account all of the costs, including the board secretaries time in moving to a new system? Yeah, good shout out. So the pros and cons. Do we want to move to that part now?

Belinda Loke 18:59

Sure. So in terms of the pros and cons of using Diligent, BoardEffect and Boardable, and particularly focusing on privacy and data storage considerations, I'll delve into that now. So starting with Diligent the pros, as I mentioned, is that they boast that they have the best in class hosting facilities with the highest level of protection, because Diligent owns and operates secure servers and equipment so they can ensure data integrity, and that 24/7 support that we talked about where they have the round the clock support, the cons is that it may come at at a higher cost and that potentially makes it less assessable for the non ASX listed companies. I sometimes share the story where I feel that Diligent you don't choose diligence at times unless the honour ASX listed company Diligent chooses you so if you're a director that has the luxury of using Diligent as your board is already using Diligent unless you're that 15% of the untapped ASX listed company that is looking for a board solution, Diligent often chooses you And then moving on to BoardEffect. So they also have the best in class security because they're using the infrastructure of Diligent. They also have another feature that they have is Dynamic Reporting, so that they can use dynamic reporting capabilities to enhance analytics. There's cons relating to additional costs. So for example, if you want to use the minutes function, that's a add on. So that incurs an additional cost. Lastly, bought audible, which I've mentioned is more of a subscription model, they have no implementation fee. So that's actually a very good pro made offers a very big cost advantage, because some of the implementation fees can be anywhere between 1500 to 4000. To implement and especially for a non for profit, not having to

pay that is very advantageous, then because the basic package is quite low, then it doesn't come with the features of board annotations. So it does have that functionality. You just pay more for that. And the key con for Boardable is that the data is held offshore, that potentially raises concerns about data jurisdiction and privacy law concerns. So that's something as a board that you need to consider the sensitivity and confidentiality of your data, what you store what you collect, and whether your risk appetite for that.

Helga Svendsen 21:24

We're touching on that it's a beautiful segue to privacy law and data sovereignty. What are the prompts? I guess, can you give people in thinking about board portals in relation to these two areas?

Belinda Loke 21:37

Sure. So from a legal governance perspective, the key risks for boards to consider when selecting a board management software solution include privacy, law, data security, and minimizing cyber security risk and confidentiality. So that Australian Privacy Law requires organisations implement reasonable security safeguards, and to take steps to protect information. So we touched on the overseas data hosting risks, so storing data overseas introduces complexities, subjecting their data to privacy and confidentiality laws of the hosting country. So that can significantly differ from Australian regulations. So to give you an example, Boardable hosts its data in the US so it's exposed to the jurisdiction of the USA PATRIOT Act. And under that act, it allows cloud hosting companies like board or board to provide data to the government, potentially in secret, and that conflicts with Australian Privacy Law obligations. So these risks discourage government agencies from adopting offshore cloud technologies because they are prioritizing the protection of sensitive data. So for example, Diligent actually has a lot of federal government clients for this reason, the issue of data sovereignty. Also the ASX listed banks, they hold a lot of sensitive information. Again, Diligent has a lot of ASX listed financial institutions as their clients. And to give you a bit of an overview of how stringent their Canberra data centre is, which then meets the Australian government requirements for information for you know, that high extreme business impact and then store or have Diligent as their board portal provider. There's two things to the physical security measures. So they boast stringent physical security measures, including 24/7, patrolled premises, monitoring and alarm systems and CCTV surveillance and then the advantage of the onshore hosting is that you can keep the company data onshore. It's bound by the Australian Privacy Act and ensures compliance with the evolving privacy laws and regulations in Australia. So I think, looking at where your data is hosted onshore offshore, looking at the comprehensive security measures, and ensuring that there's compliance with Australian legislation are all considerations to look at.

Helga Svendsen 24:04

So then more broadly, I'm wondering if there's any, you know, recent developments that you might like to share with us?

Belinda Loke 24:11

So I was recently invited to attend the Diligent connections event that was held across strategic locations like Singapore, Sydney, and Manila. And so this event served as a platform for industry leaders to engage in meaningful discussions about the latest trends and advancements in governance, risk and compliance technology. So during my discussions with Simon, who was a senior vice president and general manager of the APEC regional Diligent, he emphasized the challenges posed by the increasing complexity and pace of business, and that board directors numbering around 750,000 globally now often find decision making slowed down due to the demand for more information from the exec team, and that challenge has been exacerbated during The peak of the pandemic. So they are Diligent is on a mission to empower these directors to make faster and better decisions. So Diligent, they created Diligent one, which is a dynamic dashboard, which integrates relevant information from risk, audit ESG and compliance data. And then it also integrates third party application. So you can do benchmarking through S&P, and Moody's and other third party providers. So when I was at that conference, we had a client of Diligent talk about his previous life, he was a auditor or assurance and internal risk. And then he is now the head of risk at this company that he's working and and so he works with Diligent to tailor what he wants on his dashboard, to then provide to the audit and risk committee. So I think that that's very dynamic that you can pull out your key red flags, what you want to look at as key drivers, and then have board reporting, that's real time, and that you have no longer Excel spreadsheets, but a snapshot of the key audit and risk committee risks red flag, then for ESG, and for cyber, and tailoring that so they have their product line. And so these clients can then tailor the product to suit their dashboard for their board reporting.

Helga Svendsen 26:24

Oh, my God, that sounds pretty amazing and efficient, I think for board directors, and hopefully, for the executive team that are bringing that stuff together as well. Because it's frustrating, I imagine on both sides of the board table, when the board is asking for more information, and then the exec have to get it together. So if that's can be streamlined in that way that's really useful for everybody.

Belinda Loke 26:46

Yeah, so I think that's exactly the key takeaway that I got out of it as well, is that it streamlines the critical aspects of board oversight. So Vincent, who spoke he was saying that when a board director wanted to know well, you know, you've provided this data and give me more detailed data on how you came up with this. And you'll be like, Sure, I can just pull it out. And he can pull out the data set. And then the board that comfort that, yes, it's been looked at. And this is what these are the track events and what was analysed. So I think that ensures that directors have that comprehensive insight into the key areas that influence decision making. So I think that's a very exciting development, that digital innovation, and then brought on board decision making is all coming together to be more efficient and streamline process. And it does influence better decision making.

Helga Svendsen 27:38

Yeah, amazing. So you again, that's one of the things to keep an eye on with wherever you go portal wise, just the new features that are coming, or indeed, not that you want to chop and change all the time, but new features in other ones as well. Oh, and there's so much good stuff in here for people thinking through board portals or things board portals, what are the key things you want people to take away from the conversation that we've had today,

Belinda Loke 28:02

The three key takeaways, if your board is still distributing board packs by email, it's time to digitize the process to increase delivery and efficient governance. It also offers that centralized document management system, and that's accessible to all board members. The second takeaway is in relation to data breaches. So with the increase of cyber attacks, consider the physical location of the hosting facilities with the highest level of protection. And thirdly, GRC technology, so governance Risk and Compliance technology, I think that that's a growing area that is quite exciting. In the board governance piece. The APAC region is undergoing rapid regulatory changes and businesses must stay agile and compliant. And the power of GRC technology like Diligent one can streamline risk management and enhance decision making for boards. And the key feature that I also like is the benchmarking against other organisations. We often as directors may work in silos and especially being on a health board with I think there's 83 Other directors, we often make decisions in a siloed organisation, yet we are all working for the same purpose, which is to help to improve the health sector. So being able to benchmark against each other, for example, EPCs, which is the sector that I mean, other organisations, I think that's quite powerful.

Helga Svendsen 29:31

Absolutely, definitely one to keep an eye on, is there a resource you would like to share with the Take on Board community?

Belinda Loke 29:37

So Diligent Institute, was launched by Diligent and that's a think tank provides directors with a global perspective on governance, and that has a global network of over 750,000 board members. So I think that that's a great resource for directors because it provides an international perspective on issues. So for example, with the regulation of AI in Australia, that's still an area for policy development. And it's likely that we'll be looking at the US and EU regulations to influence the formation of the Australian regulation. So Diligent Institute does have a lot of information resources in other jurisdictions. And I know that your audience is always asking about continuing professional development. And Diligent Institute provides certification on topics like aI ethics and board

oversight, cyber risk and strategy ESG leadership and climate leadership. So I'll add a link to the website, including the podcast notes.

Helga Svendsen 30:38

Oh, that is fantastic. It is, again, it's something I use Diligent, I should say, focused. Just to be clear, this is not an advertisement for Diligent you need to as Belinda said earlier, look at your own needs. How did you put it the needs and priorities of your board? Just so happens that Diligent is the one that I use, and it is, anyway, just put that proviso out there. But it's interesting, I again, I haven't looked at some of the information that's in the Diligent App about their ongoing education stuff. So I should although I do, and we'll put a link to this in the show notes as well. I do listen to their podcast, which is excellent. So I'll pop that in as well. I Belinda Thank you. Thank you so much for doing this work. Well, firstly for kids hope and coming up with a portal that suited their needs, but also for pulling this information together and coming on the Take on Board podcast to share well for answering the call and then coming to share. So thank you so much for sharing your wisdom. Again, with the Take on Board community.

Thanks Helga, always happy to come on to the podcast and have that conversation with you.

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