

## It's Your Business; Your Opinion Counts – The Results



### Company Secretarial Services Alert

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#### **How hi-tec can you get?**

Well, judging by the response, I certainly pressed a hot button with this QQ!

20% of you – across all industry sectors - already use a virtual boardroom facility to some extent, if not comprehensively. Some have done so for years but it's a recent development for many.

The prompts for its introduction include:

- Speed of issue of information
- Easing the administrative burden
- Reducing carbon footprint
- Cost reduction (time, stationery, couriers/postage)
- International continuity
- Ease of access
- Security

However, in respect of the latter two, these were also seen as reasons not to implement a virtual system.

What interested me was the extent to which company secretaries accommodate the fact that some board members actively embrace the new technology whilst others choose to stick with the printed word. This, of course, must be a case of enduring a short-term additional workload in order to achieve a long term overall benefit.

“What a breakthrough!” One company secretary commented that the transfer was forced upon the business by commercial circumstances and required a huge effort to prove the financial advantage because no one would believe the cost was less than administrative staff bill!

Winning hearts and minds has definitely been the greatest challenge for most – it's a tough learning curve for some boards - but worth it in terms of money and time savings. Despite an ongoing frustration electronic formats do not (yet) allow for

manuscript annotation or note-taking, one respondent felt their system deserved a score of 11/10.

Amongst those who don't yet use a virtual facility, most resistance – passive or active - appears to rest with the end user, the board:

Passive resistance exists where there is a lack of awareness of the resources involved in the production of paper board packs and/or the availability of a more-effective electronic alternative – and the company secretary has no means by which to highlight the subject.

Active objections are focussed around specific elements of any new process, for example, the requirement to remember lots of new passwords, or the perceived security risk.

Other factors include the obvious concerns around individuals' technical capability, or 'trust' in an electronic system. One company secretary said that the board felt that directors would be more distracted and less interactive in discussion if they were looking at a screen instead of a paper pack. Others mentioned cultural or religious grounds that precludes the use of electronic communication of any sort.

However, it's clear that the virtual route is on almost everyone's radar; and deemed inevitable in many quarters, even where it's not yet considered desirable.

Finally – and perhaps most importantly – virtual boardroom technology is generally recognised as a potentially advantageous additional tool but not a replacement for face-to-face interaction. A significant 25% felt that the introduction of such systems would discourage rather than encourage personal interaction and thereby conflict with the increasing emphasis for transparency of communication.

**Thank you to all who contributed.**