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WHITEPAPER

# AI for Board of Directors:
## Revolutionizing Corporate Strategy and Decision-Making

# INTRODUCTION

Artificial Intelligence (AI) has become a critical force shaping modern businesses due to its advanced capabilities of analyzing vast amounts of data, automating complex processes, and providing actionable insights. Its revolutionary impact makes it difficult for organizational leaders, such as the board of directors, to ignore its potential to optimize operational efficiency, enhance oversight, and improve collaboration.

A survey by the National Association of Corporate Directors (NACD) in 2023 revealed that 95% of directors expect AI to affect their business in some way in the coming years. This growing expectation highlights the increasing value of AI in governance, decision-making, and strategy development — becoming a crucial component to maintaining an advantage in the ever-growing competitive market.

This guide focuses on key areas where AI can significantly influence board functions, emphasizing its role in streamlining board meeting workflows. Learn how AI can address the limitations of traditional board meetings and drive transformative impact across the board.

# LIMITATIONS OF TRADITIONAL BOARD MEETINGS

In the context of board leadership, AI offers various technologies such as machine learning, generative AI, predictive analysis, and virtual assistance that decision-makers can explore to address persistent inefficiencies caused by outdated board meeting workflows and operations.

To fully grasp AI's potential in underline modern boardrooms, it's essential first to examine how traditional board meetings, characterized by in-person gatherings, manual workflows, and legacy systems, hinder boards from achieving their highest potential.

## Accessibility and logistics challenges

Physical attendance is a primary requirement for traditional board meetings. This affects the timeliness of decision-making, particularly for global companies dealing with time zone differences. Harvard Business School research found that the frequency of synchronous communication, such as phone calls and video conferences, declined by 11% for every one-hour delay due to time conflicts. Moreover, arranging in-person board meetings involves rigorous coordination of schedules, agendas, travel, and accommodation. This takes up more time for board administrators, overshadowing core meeting management responsibilities.

## Fragmented task management

Some boards still utilize email chains and spreadsheets for project management, which can be impractical as initiatives become complex and interconnected. Monitoring tasks from separate tools confuse board members, resulting in uncoordinated efforts, missed deadlines, and miscommunications. In a report by PwC, organizations mitigate these by investing in software, with 77% of companies already utilizing such tools. Without a centralized system, the disjointed flow of assigning and following up on tasks impacts boards' effectiveness.

## Ineffective communication

Traditional board governance relies on rigid communication processes that are often not cost-effective, scalable, or dynamic. The use of emails or shared drives when distributing meeting materials can lead to version control issues. Moreover, video conferencing platforms often lack live functions, such as document sharing, annotations, and secure voting, essential for enabling more effective discussions among board members.

## Security vulnerabilities

Legacy board systems don't come with sophisticated IT infrastructures to meet modern data security and privacy standards such as the Personal Information Protection and Electronic Documents Act (PIPEDA) in Canada, the General Data Protection Regulation (GDPR) in the United Kingdom, and the Health Insurance Portability and Accountability Act (HIPAA) in the United States. This heightens traditional boards' vulnerability to data breaches and loss, endangering sensitive information like financial records, intellectual property, and other confidential board meeting minutes. Weak cybersecurity systems can disrupt board operations, crippling governance and management.

# KEY BENEFITS OF AI IN THE BOARDROOM

As market trends and the business climate become increasingly dynamic, boards face greater pressure to maintain effectiveness and agility in all their activities.

**Explore here the key areas where AI can drive transformative impact:**

### Data-driven decision-making

Traditional board decision-making mostly relied on human judgment and experiences, with minimal reference to data sets. AI advances this process with AI-powered tools for analyzing the board's internal (e.g., performance data, financial statements, meeting minutes, legal documents) and external (e.g., market trends, competitor analysis, regulatory changes) data and derive insights boards can use for more precise decision-making.

JP Morgan Chase, a multinational financial institution, introduced AI-driven Contract Intelligence (COiN). It leverages machine learning to interpret commercial loan agreements and extract critical data points. COiN significantly reduced the time consumed for reviews while identifying contract patterns for analysis — addressing the longstanding gaps in their operations and helping leaders make better-informed decisions.
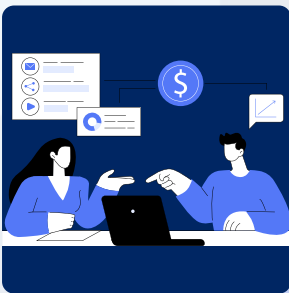
### Enhanced operational efficiency

AI is known for automating systems, and one of its prominent technologies is Intelligence Automation (IA). Combining the benefits of AI and Robotic Process Automation (RPA), IA can automate meeting scheduling by helping organizers find the best meeting time based on relevant board data. This avoids lapses in coordination and ensures timely discussions. RPA also speeds up various administrative tasks such as travel arrangements, expense reports, and onboarding, freeing up valuable time for the board to focus on strategic decision-making and other high-level responsibilities.

## Improved risk management, security, and governance

Predictive and prescriptive analytics are machine learning technologies boards can explore to augment analytical and critical thinking when conducting market research, competitor analysis, and financial audits. By providing data-driven forecasts and actionable recommendations, these tools can identify emerging threats, predict potential risks, and suggest mitigation strategies. Additionally, boards can reinforce their enterprise-wide security measures by integrating AI to detect and prevent cyber threats, improve data privacy, and conduct security audits.
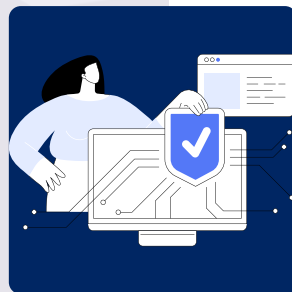
## Smarter agenda-building

Automated agenda creation is powered by machine learning and Natural Language Processing (NLP). It looks into historical meeting patterns, timelines, and key performance indicators, allowing boards to generate a comprehensive meeting agenda faster. This lowers the risk of overlooking important issues, ensuring that boards conduct relevant and productive discussions.

## Precise documentation

Minute-taking demands detailed organization to capture all critical points during meetings. Prone to human error, minute-takers can greatly benefit from using AI to support them in creating accurate and detailed meeting documentation. AI transcribers are built to convert spoken words into written text, with AI algorithms meticulously capturing and predicting every word spoken. This results in more precise documents that the boards can review in the future for legal, compliance, and analysis purposes.

# HOW TO TACKLE AI RISKS IN THE BOARDROOM

Implementing AI, like any other technology, in the boardroom presents inevitable risks and challenges. To conduct successful and responsible AI integration, boards must carefully consider the following risks:

### 1. Data Privacy and Security

Integrating AI in board management increases data privacy and security risks. As AI becomes more embedded in an organization, it gains access to highly sensitive internal information. Without robust data governance practices, such as audit controls, data usage guidelines, and anonymization, exposure to data breaches and misuse escalates significantly.

Boards can further safeguard data by selecting AI platforms with stringent privacy policies that adhere to local and international data privacy standards. This guarantees that sensitive board data is managed responsibly and remains secure from unauthorized third-party access.

### 2. Intellectual Property Infringement

Generative AI has emerged as a valuable tool for leaders across industries to develop ideas. The 2024 McKinsey Global Survey on AI discovered that 65% of their respondents use generative AI regularly, nearly double the rate reported in their previous survey conducted ten months prior. In the boardroom, directors turn to AI chatbots for market research, risk analysis, and even drafting proposals. However, how it generates and synthesizes information raises complex copyright issues, often unable to provide proper attribution.

AI-generated content steers reliability and integrity concerns due to its high tendency to produce hallucinated information — that which seems plausible but is factually incorrect and misleading. Boards' overreliance on generative AI can bypass critical scrutiny and lead to inaccurate or harmful outcomes. By practicing fact-checking and using licensed AI tools, boards can ensure content accuracy, mitigating the risks of false claims and infringing content.

### 3. Bias and Discrimination

AI systems are supplied with high amounts of data by engineers, who sometimes inevitably include their biases in AI training. This results in AI systems producing biased and discriminatory outputs. Organizations must establish sound AI ethics that abide by national and internal policies to avoid backlash and costly legal disputes. In 2023, the United States issued four warnings announcing their plans for handling AI biases and asking companies to comply with the laws to avoid being held accountable.

# ESTABLISHING AN EFFECTIVE AI GOVERNANCE FRAMEWORK

Building the right infrastructure for AI integration is a crucial aspect boards must strategize before anything. Infrastructure doesn't only mean having the technical elements. It also refers to establishing a strong governance framework to convince and guide an organization to adopt AI, which involves regular planning, continuous monitoring, and proper training.

Here's a guide on how board members can start the foundation for AI integration:

**1 Develop a clear objective:**

The first step is to define areas and functions where AI brings the most value. Boards should list the gaps or issues they aim to address and the requirements they need from AI. Visualizing the tangible benefits aligns decision-makers to share a common goal, guiding their strategic decisions.

**2 Evaluate and select the right AI tools:**

Boards must assess several key factors to ensure their organizations invest in the most suitable AI tools that meet their goals. These factors should include security infrastructures, tool capabilities, risk management considerations, licensing costs, customer support quality, and vendor reputation.

**3 Identify and engage with stakeholders:**

Stakeholder engagement is imperative in creating a well-rounded AI framework. Discussing AI integration plans with executives, legal teams, and IT personnel builds trust and helps boards gather as many perspectives as possible. This reduces biases and ensures that AI implementation meets the needs of all parties.

**4 Build rigorous AI oversight:**

Protect sensitive information from breaches and threats by implementing robust data governance and cybersecurity measures. Effective data management involves regular audits of AI systems to assess data integrity, detect biases and hallucinations, and maintain transparency.

**5 Promote AI literacy:**

Ensure continuous learning among key people to enhance their understanding of AI model functionality, best practices, and limitations. This empowers the organization and leaders to stay abreast of evolving AI technologies, enabling them to pinpoint opportunities and shifts.



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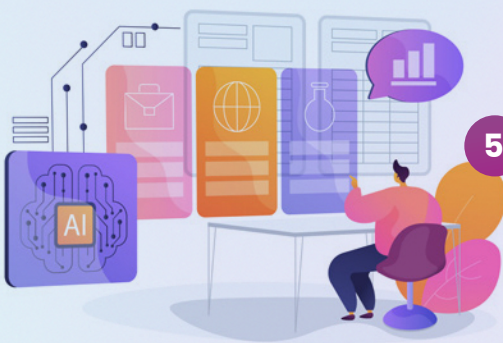
# HOW TO MAXIMIZE THE USE OF AI IN BOARD MANAGEMENT

AI integration in board management is reshaping the way boards handle their responsibilities. By harnessing its advanced capabilities, boards can successfully enhance their processes, particularly when managing board meetings.

Discover in this section the practical applications of AI throughout the board meeting cycle, demonstrating how it improves decision-making and strengthens governance.
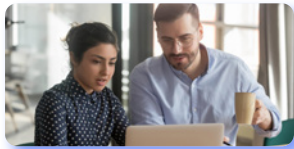
## Pre-meeting

Board members review piles of pre-reads before meetings, often within tight schedules. *AI-powered data analytics* accelerate this phase by analyzing relevant meeting materials, performance reports, and meeting minutes, providing board members with actionable and concise insights. This breaks down critical discussion points into easily digestible notes, enabling them to contribute meaningfully during discussions.

For board secretaries, there are *automated agenda builders* and meeting schedulers to streamline their administrative workflow. The former analyzes the patterns of past meetings and other relevant board data to help board administrators identify unresolved and urgent topics for discussion, and the latter is useful for scheduling and coordinating meetings.

## In-meeting

Real-time access to information helps boards conduct more collaborative and productive meetings. *AI virtual assistants* make this possible by seamlessly integrating with AI-driven board meeting platforms like Convene. They provide on-demand insights and documents board members need without pausing the discussion to prepare them. These platforms further enhance the user experience by offering chatbots that answer board members' inquiries, ranging from meeting-related to app navigation questions.

To keep the momentum of board meetings, the last thing boards want is trouble in documentation. These virtual assistants also *automate minute-taking and transcribing* generating transcripts and summaries instantly. This eliminates manual documentation, assuring that all discussions and decisions are accurately recorded and readily available for future reference.

## Post-meetings

AI continues to demonstrate its functionality even outside meetings with features such as *speech recognition, multi-language support, and automated task management.* Speech recognition and multi-language support enable access to meeting materials and summaries in their preferred language, breaking down communication barriers for global boards.

AI-powered task managers improve accountability and transparency by recording post-meeting summaries with key decisions, action items, timelines, and task owners. This boosts productivity and fosters greater inclusivity and collaboration within the boardroom.

# INTELLIGENCE-DRIVEN DIGITAL SOLUTIONS FOR BETTER COLLABORATION & DECISIONS

Nonprofit and corporate boards face growing pressure to leverage technology to enhance effectiveness, competitiveness, and sustainability. With the plethora of options available in the market, investing in the right tool can be daunting.

Board members must be critical and prioritize adopting advanced and smarter tools to meet the evolving needs of modern board governance. Among these innovations, **board portals** have emerged as a cost-effective tool, underpowering senior leaders and board members to execute their responsibilities more effectively.

**Convene** is a leading board portal software, revolutionizing governance practices across industries. Its intuitive platform, accessible via mobile, desktop, and web, has features allowing forward-thinking boards to facilitate seamless meetings, collaboration, and decision-making.

# With Convene, organizational leaders can achieve:

**Streamlined Meeting Preparation:**

Simplify administrative tasks around meeting organization, such as scheduling, distribution of agendas, and sharing of documents. This enhances timeliness, reduces administrative burdens, and improves overall planning.

**Efficient Online and Offline Discussions:**

Equip board members with communication tools such as annotations, voting, and video conferencing to enhance collaboration, whether in person or remotely.

**Paperless Document Management:**

Centralize pertinent board materials in one digital space where board members can access up-to-date information anytime and anywhere.

**Secured Board Oversight:**

Protect sensitive board data 24/7 with robust security features like encryption, user access controls, and audit trails to mitigate breaches and cyberattacks.

## Introducing Convene AI:

Experience a new level of efficiency within Convene. Generate meeting summaries in real-time, navigate the app more easily with AI assistance, and receive tailored support anytime through our AI-driven chatbot.

By embedding AI into every stage of the board meeting process, organizations can transform traditional board practices and unlock new levels of productivity and governance.

**Ready to drive better collaboration and smarter decisions on the board?**

**Contact our team today** for a walkthrough of the Convene app and understand how the platform can help your organization achieve modern board governance.

# Let's Get Started

Visit us at azeusconvene.com
today for your free trial.

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Azeus Convene is a multi-awarded and leading board portal solution used by boards of directors of FTSE 100, Fortune 500, financial institutions, governments, and non-profit organisations in more than 30 countries. Our innovative board meeting software gives you complete control over the entire meeting process and ensures good governance driven by security and accountability.

## Accolades, Integrations, Affiliates and Partners