

Board Development: New Skills, New Blood

To successfully grow with advanced technologies, businesses need to increase their focus on the opportunities these tools provide while at the same time educating their board members on the evolving risks and regulatory environment.

“[As board directors], we need to keep ourselves abreast of some of the governance changes that are in the works, such as data privacy, so that we are never caught by surprise. For this type of information, I would go to a prominent law firm to provide us with relevant education,” says Mohapatra.

In addition, Qualcomm’s Rosenberg told us: “We invest enormous amounts of money in long-term research and development, and our board needs to understand both how our company is currently performing and what our plans are for the future. Our board has regular sessions not only with the CEO and the business heads, but also with technologists who come and describe what our company is working on. Questions are asked and answered and the board members get a good sense about our direction.”

Our survey shows some companies are starting to increase the collaboration between technology executives and their boards as well as enhance technology-focused scenario planning and business resilience. However, fewer have changed the composition of their boards or reshuffled committees’ responsibilities to account for technology innovation (Figure 11).

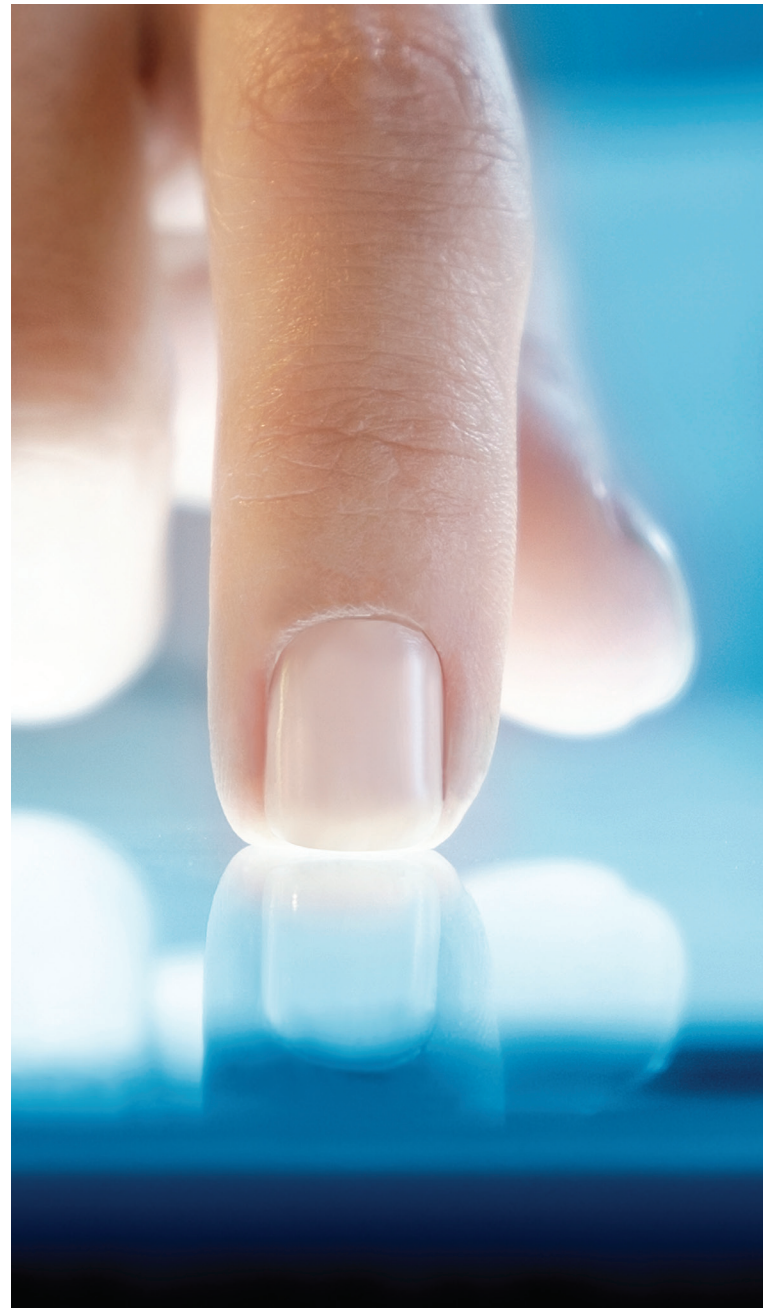
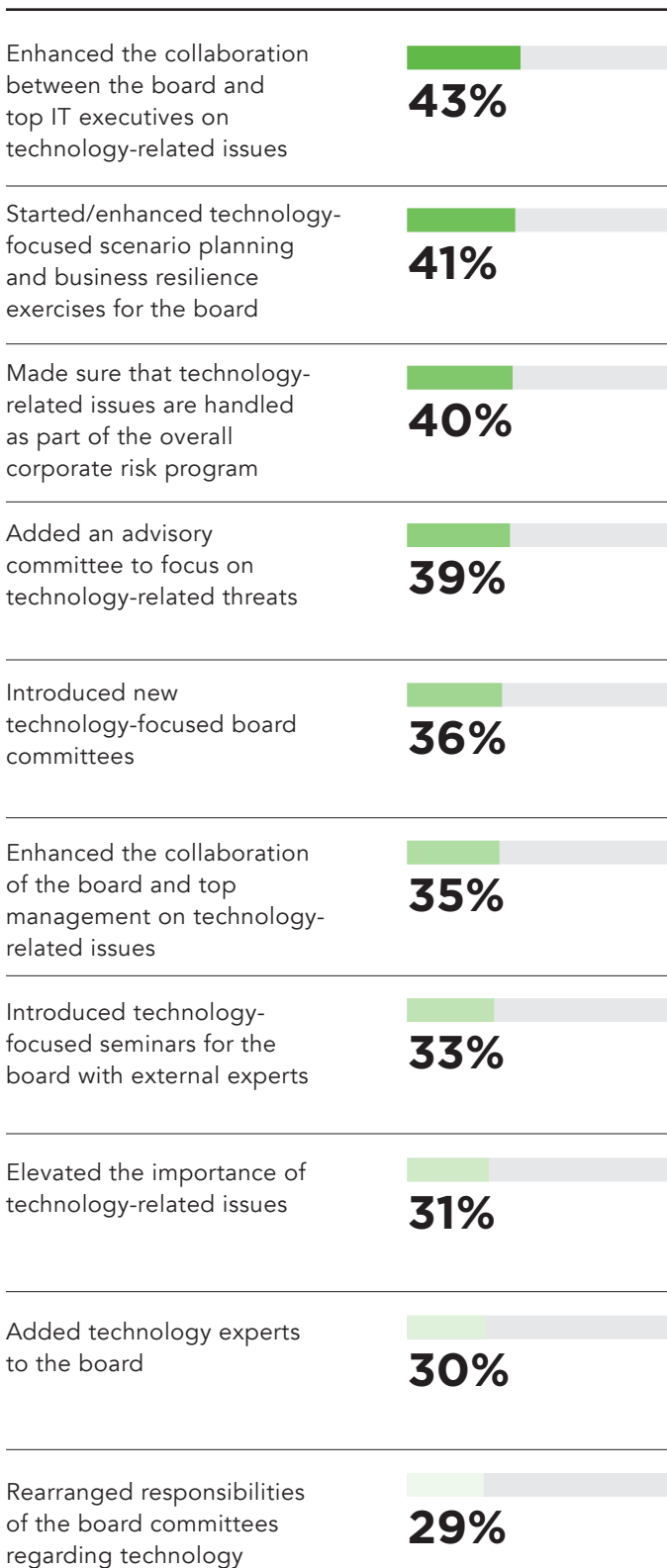


FIGURE 11

Solutions Firms Have Adopted/Are Adopting To Deal With The Threats From Tech-Driven Growth



Ling Ho On Bringing The Boardroom And The Back Office Closer Together



Boards are very much focused on the front-office issues around products and customers, but they have underestimated and are underprepared for risks associated with back-office systems. Companies need to rebalance their reporting and accountability lines to bring the boardroom and the back office closer together.

Traditional, established companies are trying to digitalize and modernize, but they are struggling to recalibrate the workings of their culture and organization around the back-office function.

The operational difficulties caused by the fragile state of old IT systems are a source of risk and raise serious resilience questions. Equally important, businesses need to understand the data they have, where it is and how it gets from “A” to “B” between different business units. Additionally, third-party vendor risk with respect to back-office technologies is becoming more acute as companies increasingly surrender their own IT strategies to external vendors. The external dependency, the lack of understanding and the difficulties of combining that external function with internal complexity all mean that businesses are creating major vulnerabilities—and boardrooms need to take note.

Ling advises clients on intellectual property related matters with a particular focus on IP, cyber, tech disputes and risk management.