

# DIGITALIZATION

And Corporate Governance

Increasing global competition and regulation create substantial pressure on compliance requirements and corporate governance. Digitalization open up new opportunities to meet these challenges.

Startling new research on large global enterprises shows that, over the last 15 years, more than half of the Fortune 500 companies have disappeared due to mergers and acquisitions. And according to In-nosight, half of the large corporations currently on the F-500 list will disappear within the next decade. Moreover, more than half of small businesses fail in their first four years of operation. The velocity of these changes highlights the importance for corporate management to always be ready to react to opportunities, and to be prepared for financial compliance audits and due diligence reviews of all aspects of company operations and governance.

Corporate management must en-

sure that various due diligence processes are not only reliably dealt with, but also completed without causing excess load on the organization. In many negotiations, positive due diligence outcomes and proof of compliance creates goodwill value on the balance sheet, which further underlines the importance of corporate governance.

## The Importance of Corporate Governance

Corporate governance generally refers to the administrative systems of an organization by which the company is managed and controlled, for the benefit of corporate stakeholders such as the owners, authorities, and financiers.

Timely and accurate reporting of the financial information of an organization as well as the control and supervision functions and accountability of the governing bodies are of particular importance. These controls and reports are the means by which a company shows that it complies with regulations and acts in observance of its operating principles.

Observance of good corporate governance typically improves a company's reputation and prevents conflicts and the costly consequences, such as trials and sanctions set by the authorities.

Corporate governance thus comprises many things, but one basic and concrete measure for the evaluation of good governance is how well companies take care of the documents that are critical to the company value. These documents include all key financial information, all important contracts, meeting minutes of the corporate management, charters of foundation, permits, insurances, IPR documents, etc.



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*As organizations grow and expand internationally, good governance becomes more significant. A wide range of compliance requirements must be taken into consideration, as must the data security and protection aspects of files and data processing.”*

Marko Korkiakoski, Partner, PwC Finland

Research shows that an average of 10% of all corporate documents are lost. Often documents are not actually missing, but are located in various different document management systems, physical archives, intranets, or contract management systems. In addition, critical documents are often discovered within unsecured email chains and on unencrypted computers of those responsible for the documents. These poor governance practices create unnecessary burdens upon staff, delays in deal teams' ability to respond, and exposure to compliance and security risks.

Board meetings are also an important part of corporate governance. Even though the final versions of meeting minutes are usually stored in known locations, the follow-up and communication of decision-making chains related to the minutes are often neglected, causing problems for due diligence processes.

### How to quickly improve corporate governance?

#### Make all documentation digital

Digital management of documents and contracts has become easier than ever. Documents can be created, modified, shared and signed on digital platforms, which not only speeds up the processes but also improves data security.

#### Centralize the storage of critically important documents

Cyber security risks are minimized when document management is centralized on a single, secure platform. Critical documents are accessible independent of time and place and are easy to share in a secure manner. As a result, the due diligence situations do not cause any major additional work for the organization.

### Benefits of a digital hub for corporate governance

- Using modern electronic tools, documents are created digitally and are centrally and securely stored and accessible independent of time and place.
- With advanced search capabilities and reminders, it is easy to find any document, and the measures needed can be implemented in schedule.
- All the documents that are needed in any audit situation, are always accessible and easy to share in a secure manner.

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*Our growth strategy left us no time to waste on a traditional adoption implementation project and training – the solution had to be made available to different branches without delay, and we wanted it to scale to further needs in an extremely agile manner. We adopted ContractZen's contract and meeting management cloud service throughout the whole organization in the same amount of time it would have previously taken us to merely prepare for a purchase.”*

*This was great for our business.*

Panu Hannula, COO, Musti Group



# Your Digital Hub for Corporate Governance

ContractZen's modern cloud service brings together several governance solutions which have formerly been separate. With this integrated solution it is easier and more efficient for a company to manage important documents required for proper corporate governance. The ContractZen service constitutes a digital hub for corporate governance with which companies can speed up their processes, reduce risks and maximize their value. You can get started quickly and easily with any of the basic ContractZen features, and expand the use only as needed.



## **CONTRACT MANAGEMENT**

Our advanced contract management system is based on metadata technology to help you store, find and remember the contract information that is of importance. Our easy-to-use cloud service is ready for use straight away, allowing you to make your data accessible to the right people whenever needed – more cost-efficiently than ever before.



## **FINANCIAL & ADMINISTRATIVE MATERIALS**

Management of financial and administrative materials of the organization plays an important role in conforming with corporate governance. When the essential materials can be easily located by metadata and advanced search functions, they genuinely help decision-making and reduce unnecessary business risks.



## **COMPANY REGISTER**

ContractZen's company register helps keep the information and documents related to information about group and portfolio companies accessible anywhere. The company register allows you to easily manage and share information related to your companies. This information includes, for example, the group structure, ownership, number of shares, information on managers, board members, auditors and authorized signatories of the companies.



## **VIRTUAL DATA ROOMS (VDR)**

Together with ContractZen's other smart features, our virtual data room solution revolutionizes the way the most important documents of a company are shared. Set up a secure data room with only a few clicks for audits, financing situations or corporate acquisitions, for example. Quick creation, easy rights management, event log and reporting as well as top-class security make the integrated data room an irreplaceable tool for organizations of any size.



## **BOARD PORTAL**

Profit targets, time pressure and conformity pose a challenge for the corporate management and the executive boards to manage their meetings in an efficient manner. In a well-governed company, organizing the meetings, sharing and archiving materials, as well as creating and signing meeting minutes all happen under a single system.



## **HR-MATERIALS**

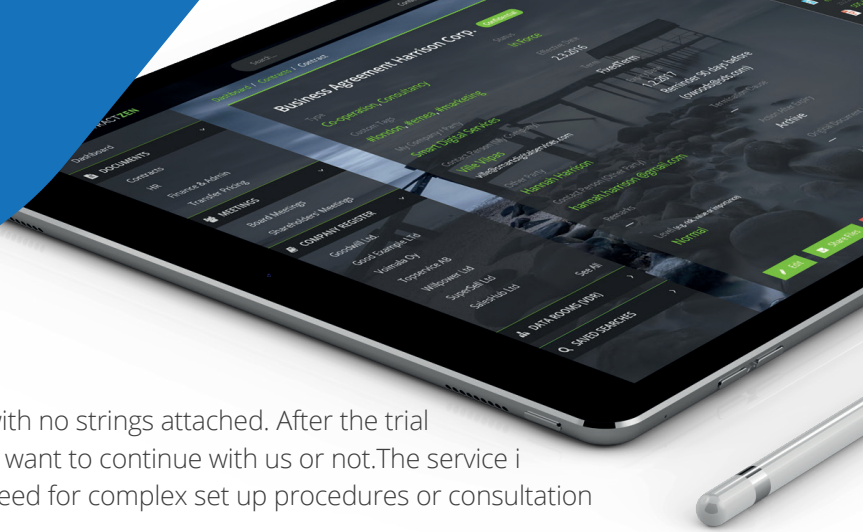
A large amount of documentation is generated in areas such as employee recruitment, employment lifespan management, performance evaluation, as well as remuneration and salaries. In the implementation of corporate governance, it is vitally important to keep this information up to date and accessible.



## **TRANSFER PRICING**

Transfer pricing refers to pricing of transactions between companies within the group. These kinds of transactions include, for example, trading of goods and services, compensation for utilizing intangible rights, and financing. ContractZen's management tool for transfer pricing documents includes a metadata model designed for the purpose, which makes it significantly easier to manage the required documents.

# Easy and Agile Implementation



# 1

## START YOUR FREE TRIAL

Start your 30 day free trial today - with no strings attached. After the trial period you can decide whether you want to continue with us or not. The service is 100% ready to use, so there is no need for complex set up procedures or consultation projects.

# 2

## GIVE IT A GOOD TEST DRIVE

In order to evaluate how ContractZen fits into your organization, we suggest that you

- import some sample documents,
- test the sophisticated search functions,
- send documents to the service by email,
- create a sample board meeting,
- invite your colleagues and let them help you to evaluate the benefits of ContractZen for your organization.

# 3

## CONTINUE AFTER TRIAL

To continue using the service after the trial, all you need to do is to enter your credit card details. The payments are securely handled by Stripe, the market leader in online payments. Your credit card details are safe. If you decide not to continue using ContractZen, your test account and all the data will be deleted from our cloud service.

# 4

## GET THE MOST OUT OF CONTRACTZEN

You can get started with the ContractZen service by testing the functionality you consider to be the most beneficial to your organization. After your initial phase, you can extend the use as you see fit by activating other functionalities seen necessary without additional payments (you only pay according to the total number of users).

To ease the upfront effort related to implementation, it is a good idea to proceed according to your needs in an agile way. Companies often start storing newly-created documents in the ContractZen service as soon as they are created. As you become familiar with the service, you can then utilize the mass-import feature to efficiently upload vast volumes of existing documents into the system and define any suitable metadata and reminders for them.

**Start your free trial today: [www.contractzen.com](http://www.contractzen.com)**

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ContractZen is a Finnish cloud technology company founded in 2014. The all-in-one SaaS solution includes metadata-driven contract management, all-digital board portal, virtual data rooms (VDR), secure e-signatures, and more. Secure and easy to use on any device, it improves corporate governance and business operations by reducing costs, accelerating processes and minimizing risks.

