

SPECIAL FEATURE



# The paper mountain

Leslie Kramer examines the latest trends and challenges in data management and the technology being used to make the task easier

There is an old saying in real estate markets: location, location, location. The new manta among corporate secretaries is *organization, organization, organization*. Corporate secretaries and compliance and legal professionals seem to be disappearing under a mountain of forms and filings, and the calendar of a corporate secretary is always full.

There are pending deadlines, new ways of submitting filings, changes in corporate structure, shifts in management and ever-changing tax laws. Staying organized and on top of it all can sometimes seem like the bane of every corporate secretary's existence.

Since the advent of Sarbanes-Oxley, documentation requirements have increased dramatically. Many corporate secretaries have been forced to automate their processes and are increasingly turning to technology. New and continually improving computer programs have helped, but the latest trend in data and systems management is using the internet to achieve instant global input and access.

Giving the right people access to the right information at the right time is one of the more difficult parts of the process, especially for multi-jurisdictional firms. Steven Mashal, corporate counsel at Infonet Services Corporation, says the data communication firm 'used to be paper-based and had problems when multiple people needed to access information at the same time.'

John Kelly, executive vice president of sales and marketing at CT Corporation, agrees that Sox legislation changed the needs of the corporate secretary. It was the genesis for building hCue, CT's corporate management and SEC filing system. 'Sox layered a huge set of new requirements on corporate secretaries that previously

did not exist,' Kelly explains. 'Not least among these was an extraordinary compression in time frames associated with reporting figures to the SEC, so it forced corporate secretaries and their staff to automate a lot of things that previously were done manually.'

As such, hCue was designed to help corporate secretaries better manage risk, compliance and the accuracy of records of the nature and structure of their companies

### *Keeping it simple*

Infonet chose to use the hCue solution for a number of reasons, according to Mashal, including the need for an internet-based product with secure access from many different countries as well as its easy usability. 'It was the one we felt would be the simplest to implement and to get users up to speed on,' Mashal explains.

Another vendor that has moved in this direction is Two Step Software, a provider of online minute book solutions. Its Corporate Focus database application manages and protects minute book and ownership information. In its latest incarnation, Corporate Focus allows users to track their entity and minute-

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book information in a centralized database through a web browser application. 'Everyone wants to be able to share information internally more easily, and they prefer using the web,' observes Gary Levine, Two Step's president.

The latest version has an enhancement of ownership tracking and listing organizational charts within the browser's interface. 'Users want to see the audit trail and how the information is linked to corporate records that support the information being tracked,' Levine notes. Under Sox, companies are required to maintain appropriate internal controls and certify them in financial statements. Corporate Focus 'has the unique capability of linking historical documents to the data being tracked for audit and due diligence purposes,' Levine adds.

In a slightly different approach, CT's product gives users their own specific application, which is managed by and runs on the CT Corp system. Like Two Step's product, access to hCue is provided through the internet from anywhere in the world, which allows companies to enter information on corporate entities, subsidiary information, how the organizations relate to one another, who the directors are and any specific deadlines that people need to know about in order to file everything on a timely basis. 'The calendaring aspect of hCue is very powerful, and numerous customers have said it is a lifesaver for them,' says Kelly. 'This is because it reminds them that, in a week's time, something is due, enabling corporate secretaries to automate and meet Sox deadlines and requirements more comfortably.'

*Where do they all fit?*

Bob Lamm, associate general counsel at Financial Guaranty Insurance Company (FGIC), admits that while it is not a big problem in his present role, 'entity management is one of the biggest things for me.' Keeping track of a large number of entities can be extremely difficult. 'For a larger enterprise it is absolutely critical if things are going to get completed correctly,' Lamm points out.

In keeping with this line of thinking, Datacare Software Group launched version 4.0 of its Global Corporate Manager product, a web-based entity management solution. There had been a steady increase in the multi-departmental use of its software, notes Andrew Moore, vice president of group sales and marketing at Datacare. 'I think Sarbanes-Oxley is a big reason for this,' he says. 'Tax, finance,

treasury and the corporate secretary's office all have to be on the same page when it comes to entities, ownership, management and compliance issues.' Global Corporate Manager's features include a new process for the dissolution of entities and the ability to merge and file SEC Form 3 and Form 5 directly to the Edgar web site.

Users of these new products consider them essential. Kristen Van De Reit, senior corporate paralegal at Allina Health System, says previously the organization didn't have any electronic means in place for collecting corporate secretarial information from any of its hospitals. 'Corporate Focus took things to the next level for us in terms of providing a centralized location and easy access to update current information,' she notes.

Technology is not everything, however. 'Having access to the latest technology is not the be all and end all,' states Lamm. 'You still need to be well organized and have solid internal processes but technology certainly helps. That said, I have yet to find something that does everything I need to do in my job.'

Obviously, it is impossible to be everything to everyone; some companies don't feel the need for widespread technology. Nevertheless, there appears to be room for *some* technology-based data management in most companies. So whatever system you use now, there may well be room for improvement. With regulatory requirements likely to become more onerous – at least in the short term – the need for an efficient filing and management system is becoming even more important.



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