Diligent

Putting AI to work for better board management

Elevating governance before, during and after board and committee meetings

Foreword

Putting AI to work for better board management

For today's boards, the ability to make sound, strategic decisions have never been more complex or more critical. Directors must navigate shifting regulations, growing stakeholder expectations and an unprecedented volume of data. In this highly pressurised and time-sensitive environment, artificial intelligence is emerging as both a powerful tool and a source of uncertainty.

AI can distil vast amounts of information, surface critical insights in the blink of an eye and automate burdensome, resource-heavy governance processes. But can it — **and should it** — play a role in boardroom decision-making? Where does the value of AI end, and where does human judgment remain indispensable?

The answer lies not in choosing between AI and human decision-making, but in understanding how to leverage both effectively. The most forward-thinking boards aren't asking whether AI should be in the boardroom — they're asking how to integrate it responsibly, ensuring it enhances governance without compromising security, ethical oversight, or strategic thinking.

Let's explore how AI is already reshaping board decision-making, and why human expertise and experience of directors and executive leadership remains — and always will remain — irreplaceable.

Where AI strengthens boardroom decision-making

With the recent development of purpose-built AI tools designed specifically for boardroom usage, AI has quickly proven its value in governance by addressing some of the long-standing challenges that boards face — such as information overload, inefficient workflows, and data analysis bottlenecks.

AI-powered board management software today provides directors and governance professionals with tools that enhance efficiency and surface key insights, enabling them to focus on strategy rather than administrative burdens.

1. Cutting through information overload

Board books often run into the hundreds of pages, making it difficult for directors to extract the most relevant insights quickly. AI can now help by summarising key takeaways, flagging critical issues and organising information by theme.

Case in point: AI-powered board book summarisation tools distill lengthy reports into concise, cross-referenced insights, allowing directors to efficiently prepare for discussions without missing key details. The most advanced governance software will even allow you to turn these summaries into your board's new favourite podcast with state-of-the-art text-to-speech technology (helping make meeting prep even more seamless when 'on the go').

2. Enhancing strategic discussions

AI does not make decisions for you, but it can help directors ask better questions. By analysing board materials and industry trends, AI can generate pointed discussion topics, ensuring that meetings focus on high-impact issues.

Case in point: Smart preparation tools generate categorised questions based on board book content, ensuring directors are equipped to dive straight into meaningful discussions.

3. Automating administrative workflows

Coordinating, creating, and distributing minutes, action items and post-meeting follow-ups can consume valuable time and bandwidth. Purpose-built AI-powered tools can automate these tasks, ensuring accuracy, reducing manual effort, and keeping governance processes on track.

Case in point: AI not only fully automates the minute-taking process, but when combined with an AI Action Items tool, you can turn your minutes, meeting materials and even your shorthand notes into actionable deliverables, helping directors maintain transparency and accountability.

4. Keeping boards informed on market intelligence and competitive trends

Boards must constantly stay ahead of evolving regulatory landscapes, shareholder expectations and industry trends. Forget manual online research or having to pick through piles of unfiltered market news alerts that land in your inbox weekly, AI-powered insights can now ensure directors have timely, relevant information at their fingertips whenever they need it.

Case in point: Real-time information about your industry and organisation powered by AI, from cyber risk scores to governance peer benchmarking and board composition, provides directors with the instant context needed for informed and agile strategic planning.

Where human judgment remains irreplaceable

Let us be clear on this: While AI can clearly and demonstrably provide structure, super-charged efficiency, and data-driven insights in the boardroom, it cannot — and should never — replace human judgment. Here are the three fundamental scenarios in which the uniquely human experience and expertise of board directors will always remain indispensable.

1. Ethical and strategic decision-making

AI can process data, but it lacks moral reasoning. Board decisions often involve ethical considerations, a deep understanding of and connection with corporate values and long-term strategic vision — areas where human judgment is essential.

2. Contextual and emotional Intelligence

AI may recognise patterns in data, but it does not understand the nuances of human relationships, corporate culture, or stakeholder expectations. Directors rely on their experience and interpersonal skills to navigate these complexities.

3. Accountability and oversight

AI can assist in governance, but responsibility for decision-making rests with directors and executive leadership. Boards must ensure that AI-generated insights are critically assessed and aligned with the organisation's mission, regulatory requirements, and fiduciary duties.

How boards can leverage AI effectively

To maximise AI's benefits while maintaining human oversight, boards should take a thoughtful approach to adoption. Here is how:

→ **Use AI to enhance irreplaceable human expertise:** Ensure AI tools are integrated as decision-support mechanisms rather than decision-makers.

→ **Choose secure, purpose-built AI solutions for governance:** Not all AI tools are created equal. Opt for software that prioritises data security, accuracy and ethical AI principles.

→ **Maintain transparency and oversight:** AI-generated insights used in the boardroom should always be clearly labelled, allowing directors to assess their relevance and reliability.

→ **Invest in director education on AI:** Boards should understand AI's capabilities and limitations to use it effectively in governance. Find out more about the AI Ethics & Board Oversight Certification.

The future of AI in the boardroom

AI is already reshaping governance by making board processes more efficient and data driven. But the strongest boards will be those that recognise AI as a tool — not a proxy for human leadership. The future of boardroom decision-making isn't AI vs. human judgment — it's AI and human judgment, working together to drive smarter, more strategic governance.

Shifting AI from breaking news to business as usual

Think about the recent transition from analog to digital in corporate governance. Not so long ago, corporate secretaries, general counsels and administrators spent weeks collating and printing massive board books that board members lugged on planes and trains to in-person meetings. These books were too unwieldy for notetaking and too often out of date by meeting time. They wasted precious prep time and lacked a complete picture of risks and opportunities for informed decision making.

Could you envision life without digital board books and an online governance portal? You'll soon feel the same way about AI-powered governance.

Already, smart agendas, automated minutes, and insights-packed board books are transforming how boards prepare, meet and make decisions. Advanced analytics provide a better understanding of business trends, and enhanced security protocols help to safeguard sensitive information.

What's more, purpose-built AI tools supercharge governance at all stages of growth: as an early-stage, fast-track private company, in preparation for an IPO and for the reporting and compliance obligations of a publicly traded entity.

> **"** I think it's probably three to five years before it would actually be a violation of our duties not to use AI.

Cecilia Ziniti
CEO & Founder, GC AI

The future is here now

Imagine more efficient, accurate audits and more timely risk management. More effective board performance with smarter agendas putting real-time information at directors' fingertips. And simpler, faster decision-making — even for complex issues and problems. Now imagine making all of this and more your reality.

Read on for a glimpse into the future of governance and to see how your directors can get on board — before, during and between meetings.

- Before the board meeting
- During the meeting
- After meetings

Before the board meeting
Supercharging analysis and preparation

Review 800 pages of board materials during a two-hour flight. Fit the assembly of these materials into an already-packed workload. For directors, executives and administrators alike, preparing for a board meeting too often feels like a futile challenge to bend the space-time continuum as the minutes tick down to the opening roll call.

AI changes this picture by making everyone both faster and better at meeting prep. What content needs to be updated — and where is this data coming from? Who needs to be looped into the revision process? Finally, what's the overall narrative, including key discussion points and action items from previous meetings?

AI transforms the cumbersome manual processes boards once used to answer these questions into a more efficient, data-driven approach.

For the teams assembling meeting materials, this includes:

→ AI-powered analysis of past content for information they need to update

→ Intelligent, automatic collection of metrics, measures and other raw data across filings, earnings transcripts, historical minutes and more

→ Automated requests for information from specific teams, partners and departments

→ AI-generated narratives based on a context-driven analysis of these compiled materials, to guide human drafting of this meeting's board book

→ Collaborative reviews with continuous integration, including personalised briefings on changes and automated version control for a seamless review process and rollover from previous board materials

For directors on the go digesting these materials, AI-driven tools streamline and supercharge the process of analysing large volumes of data. They generate cross-referenced, easy-to-drill-down content summaries, automated flags on action items and recommendations for questions to ask based on past materials and overarching context. As a result, directors can identify key issues and opportunities in advance and enter the board meeting ready to make informed strategic decisions.

Power for public and private boards

Diligent has AI-based tools and resources to support all types of pre-meeting prep, including:

→ **AI Board Book Summary** distills complex content into concise, cross-referenced takeaways, making it easier for directors to know what's on the agenda — from performance metrics to pending regulations — and be ready to make meaningful contributions.

→ **AI Board Book Podcast** provides similar insights in a text-to-speech format — ideal for turning time on a plane, train or treadmill into efficient prep for compliance issues, risk management, strategic planning and more.

→ **AI Smart Prep** turns board book content into pointed questions categorised by subject and cited for easy reference to maximise important discussions and decisions.

→ **AI Action Items** turn shorthand notes, historical meeting materials and minutes into actionable next steps and deliverables. Automated tracking keeps investment reviews, roadshow materials, registration filings, reports and more moving in a transparent, accountable and secure fashion.

Sharpening discussions and decision-making

Many of a company's important and time-sensitive decisions take place in board meetings. Your directors can't afford to waste time scribbling manual notes that may not catch all the details, scramble across files for the background they need or formulate that critical question six agenda items too late.

AI-driven board governance software takes these manual tasks off admin and directors' hands, like a super assistant with superhuman powers:

→ Boards can save time and strengthen accuracy by using AI to automatically synthesise and draft minutes from raw notes and historic board materials.

→ Automated transcription tools, always available on an opt-in basis, record board discussions in real time — a faster, more accurate option than human notetaking.

→ When designed with best practices in mind and equipped with well-crafted prompts, smart minutes can not only follow previous examples but also bring in new material for consistency and flexibility.

In addition, all of these features move next steps from written notes and verbal communications to an auditable, transparent record, for improved compliance, accountability and peace of mind.

Throughout, AI-driven decision support systems analyse discussions, delivering the instant, context-rich insights that empower timely, meaningful director contributions. These systems also auto-create highlighted key action items — across current and historic meeting minutes and agendas — to keep milestones, timelines, deadlines and progress on track.

Power for public and private boards

Diligent has AI-based tools and resources to advance in-meeting efficiencies, including:

→ **AI Inspector** identifies risky language before it becomes part of the corporate record. Scan text in board materials for risk language, identify sections that require further review and recommend language updates to reduce risk.

→ **AI Minutes** puts discussions, decisions and more in one accurate, easy-to- maintain record, so boards can spend their time on strategy and decision-making, not note-taking and file management.

" AI might feel new, but it's not anymore. At this point, everyone is deploying it, whether they realise it or not. The real challenge now is operationalising it effectively and ethically.

Thomas Daemen
Director of Corporate
External and Legal Affairs, Microsoft Asia

After meetings
Keeping up with trends, performance and change

When the board or committee meeting ends, governance work doesn't stop. As public and private boards alike know all too well, emerging issues and exciting opportunities often pop up between board meetings. They usually can't wait until the next quorum to get resolved. What's more, today's directors need to constantly scan the radar for such developments, so the board can act proactively rather than reactively.

AI-powered board governance helps here as well. Example one is benchmarking performance. Whether comparing ESG metrics against industry benchmarks or revenue growth against peers, collecting and making sense of data typically involves days, if not weeks, of information-gathering and independent analysis.

AI radically trims and transforms these manual tasks. Automation, generative AI, advanced analytics and more put real-time analyses and reports at a board's fingertips and sharpen the strategic view with predictive as well as historical insights:

→ Extract and summarise key insights from peer 10–K and 10–Q reports, DEF 14A disclosures and other public filings.

→ Intelligently compare board materials — competitors and your own — to track strategy narratives and business performance over time.

→ Visualise current performance against historic trends.

→ Synthesise insights for committee meetings, working groups and investor relations calls.

Power for public and private boards

Diligent has AI-based tools and resources for sharper decision-making at the speed of change, including:

→ **AI News & Competitive Insights** brings timely market intelligence to board members' fingertips — for growth strategies, resource allocation, IPO pitch decks, shareholder communications and more.

→ **AI Compare** accelerates and removes manual labor (and the potential for errors) from industry and competitive benchmarks.

About Diligent

Diligent is the leading GRC SaaS company, empowering more than 1 million users and 700,000 board members and leaders to make better decisions, faster. The Diligent One Platform helps organisations connect their entire GRC practice — including governance, risk, compliance, audit and ESG — to bring clarity to complex risk, stay ahead of regulatory changes and deliver impactful insights, in one consolidated view.

For more information or to request a demo, contact us today:

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