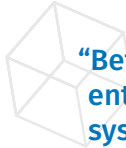# READY TO TAKE CONTROL? CHOOSE AN ENTITY MANAGEMENT SYSTEM THAT'S RIGHT FOR YOU

"Before evaluating entity management systems, do a needs assessment. Learn more in our article, *Assess your entity management system.*"

Investing in an entity management system is the best way to ensure that you have the highly specialized functions you need. But a system alone can't give you a permanent solution. Best practices in entity management include a holistic view that integrates people, processes and systems. Ask any vendor you interview if they use this holistic approach, and assess for their expertise and capacity to adapt their solution to your organization's processes and people.

FIRST LEVEL CONSIDERATIONS

Once the vendor meets these baseline criteria, next assess for three core areas: level of support, quality of data management, and ease of use.

> The vendor's expertise and willingness to provide ongoing support beyond implementation is integral to how you can stay current with industry best practices. Carefully assess the vendor's capabilities, infrastructure, and adherence to security and quality standards. Ask about their track record for successful system implementations, training programs, as well as handling complex or unexpected situations.

> You are looking for data management that gives you the most flexibility, and that can automate as many routine processes as possible. For example, a system that integrates your entity data with jurisdictional rules and tools will automate compliance tasks. The ability to access your data from multiple perspectives – for example, by ownership, locations, and time frame – helps you quickly respond to internal requests for information.

> An entity management system fuels many corporate activities with vital information, so another key area to assess is how well the system can drive timely, secure collaboration across your organization. Good indicators of this include the ability to allow an unlimited numbers of users, and whether the system offers robust and flexible reporting capabilities.

BENCHMARKS FOR ENTITY MANAGEMENT SYSTEMS

Once the vendor passes the first-level review, consider some of these other important elements in the context of your unique needs.

CONTROLLED DATA MANAGEMENT

The system should be uniquely designed for corporate business compliance. An entity management solution must support you through formations, mergers/acquisitions, withdrawals/dissolutions, and any other corporate actions.

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These basic features will maximize time-savings and efficiency and help you easily track all your entity standings: A customizable calendar with full event alert capabilities, the ability to upload multiple documents simultaneously into folders that are automatically organized by entity and document type, and customizable data fields.

DYNAMIC, ROBUST REPORTING

Templates for both commonly-used reports and customizable reports will enable quick response to regular and ad hoc requests from management and regulatory agencies. Likewise, you should be able to generate custom organizational charts that accurately represent ownership structures.

Corporate structure history should be preserved to produce "point in time" reports for key information that varies over time, such as ownership and slates of officers and directors.

Users should be able to search both data and documents easily and quickly. Entity data must be linked with the underlying documents that govern the data.

BEST PRACTICES IN CORPORATE GOVERNANCE WORKFLOWS

Role-based security settings are important so that "power users" have complete control over security. Security settings must be precise enough so these users can approve data entered by other departments before they are merged into the database.

Workflows for inputting and updating information should be easy and transparent. For example, the system should have the ability to quickly generate unanimous written consents for multiple companies to speed the ability to create resolutions and have them signed.

The system should help eliminate redundant and repetitive manual data entry. There are several examples of this — the ability to automatically pre-populate compliance filings with entity data, retiring and replacing a director in many entities at one time, or updating a document owner across hundreds of documents at once.

Storing entity locations and all associated addresses is made even more powerful when integrated with the customized compliance calendar, for tracking location-specific requirements and dates.

You should be able to view data on officers and directors from multiple perspectives, for example by their role, which

entities they have authority for, and tenure. Entity capital structure, management and ownership should be linked so you can automatically cross-reference this information and track activity.

> **"You can streamline your compliance and governance processes by partnering with an expert entity management provider."**

With the rapid adoption of tablet devices among corporate governance and legal professionals, the system must also be optimized for mobile technology.

PROACTIVE ONGOING SUPPORT

Entity management should be a primary focus of the vendor's business. Proof points include dedicated staff resources who keep systems and personnel apprised of compliance and governance updates, maintaining an ever-expanding knowledge base of best practices, and a team of expert support people available for outsourced services such as corporate record maintenance, document upload, and minute book scanning.

A comprehensive entity management solution must include consultative support from a team of entity management specialists. In addition to day-to-day support, this team will provide a wide range of important functions, including implementation, support for complex issues, apprising you of changing compliance and regulatory rules, and training on corporate governance and compliance best practices.

Implementation should be rigorous and systematic and include auditing, analyzing, mapping and entering all your existing company data, testing for consistency and accuracy, and alerting you to any issues.

CONCLUSION

You can streamline your compliance and governance processes by partnering with an expert entity management provider. Start your evaluation with a list of the features that will make your current workflows more efficient, accurate and collaborative. Then, work closely with your vendor to fit the solution to your needs and experiences. Keep in mind that a comprehensive approach that combines system, process and people will give you the most effective, long-lasting solution for your entire organization.

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