



Fourteen Must-Haves to Boost the Efficiency of Your Data Room

Stop wasting time with data room software that doesn't really improve your workflow. These fourteen key rules will help you choose the right data room provider – and boost your performance:

1. THE HIGHEST SECURITY STANDARDS

The first concern for a confidential project lies in ensuring the safety of the information. Documents should be encrypted for every data transmission and housed in an ISO-certified server. All domestic regulatory requirements have to be taken into consideration for any transaction. For any data room, this usually relates to current EU data protection standards. Personal and accounting information are sensitive and strictly regulated throughout the EU.

2. ADVANCED PERMISSIONS AT THE GROUP AND DOCUMENT LEVELS

In a data room project, different groups will require secure access to various sets of documents. Thus, the ability to define multiple access rights across and between different groups down to the individual document level is important. Access rights for viewing, printing, and saving should be possible at the document and group levels, as well as a performing staging area. Moreover, the authenticity of important documents such as initial bids should be protected by ensuring that only data room administrators with full permissions will be able to edit the most critical documents.

3. NO ACCESS TO ORIGINAL FORMAT FILES

As a standard practice, bidders should not get access to original files, such as Excel sheets, as they can often contain highly confidential formulae and meta-information.

“We have been developing innovative due diligence solutions for the past 15 years. Having managed M&A transactions and large global due diligence projects myself, I know which challenges deal managers face. Drooms NXG provides precisely the tools you need for a better workflow.”
 Jan Hoffmeister, Managing Director of Drooms

4. USER-FRIENDLY AND INTUITIVE INTERFACE

The aspect of usability should also be taken into great consideration, considering that users spend several hours reviewing documents in a data room. A friendly interface coupled with intuitive if not self-explanatory actions will allow stakeholders to work more quickly and more effectively. Rule out the data rooms for which you need a user guide and opt for automated workflows.

5. DYNAMIC WATERMARKS

Dynamic and personalised watermarks that include date and time down to the second, both onscreen and on the printouts, must enhance security by clearly recording the details of who looked at and/or printed the document.

6. REAL-TIME DOCUMENT TRANSLATION

Large projects can involve users from different linguistic backgrounds. As a result, it can happen that relevant documents are at first only available in a specific language whereby translations can slow down the overall process and outsource information, thereby threatening confidentiality and increasing costs. Look for a provider that offers real-time translations of the content of the data room.

7. ADVANCED REPORTING

The future of due diligence lies in reporting. Before choosing a provider, enquire about the reporting features of the data room and opt for visual reporting solutions in addition to exportable files. Well thought out reporting functionalities can turn into mines of information during a project by delivering very useful insights. Besides, to prevent unpleasant post-transaction litigation, having a documented audit of every single action and activity is essential. Data room disclosures need to be documented at the single mouse-click level.

8. QUICK DOCUMENT SEARCH

New information is constantly added to the data room and should therefore be easily identifiable – ideally with a notification bar showing an overview of the latest document updates. Ideally, the search function includes filters such as document format, date, and important keywords. For every document update, there should be flexible email notifications.

9. REAL-TIME COLOUR DISPLAY FOR ALL FILE SIZES

A data room can contain large amounts of information and also very large documents such as long contracts, construction floor plans, etc. To optimise the workflow, users should be able to view and zoom on a document instantly, no matter the size.

10. CLEAR MANAGEMENT OF THE DOCUMENTS FROM THE INDEX

The most challenging task in a data room is the efficient management of the documents throughout the project. A badly organized data room can lead to considerable delays in the progression of a transaction and thereby damage the parties involved. The best way to ensure a controlled management of the documents is to have all document-

and group-related functionalities clearly available from the index.

11. BOOKMARKING AND COMMENTING FEATURES

As you enter the process of reviewing documents, you will need to be able to filter through large volumes of information. There will be documents more relevant to you than others, and they must be categorized according to their importance for your workflow. Highlighting and commenting information go together with being able to retrieve your notes and the documents they relate to easily and quickly.

12. A DVD INCLUDING THE FULL DATA ROOM AFTER CLOSING

The DVD must contain a *certified* replica of the data room which acts as a complete deal history and audit trail for the buyer. Since each bidder may have seen different documents, user rights management is essential for the correct completion of this process. Additionally, the content of the DVD should be transferrable to a desktop at any stage after closure.

13. MOBILE TECHNOLOGY

If you want to maximise your productivity when you are traveling between the airport and the next meeting, you need a data room that will perform on your mobile devices. First of all, make sure the touchscreen functionality is available and you can upload an email directly to the data room. Other important mobile functionalities include rights management, management of the index, and creation of groups.

14. A FLEXIBLE OFFER TO BUY ON THE FLY

Every data room project is different and therefore needs specific features. Instead of choosing a data room provider and adapting your workflow to their offer, think the other way around: choose a provider that will offer you only the functionalities you need. If possible, choose a provider with an **online store**: being able to buy and set up a data room quickly will make a difference in the overall timing. This will eliminate the superfluous, also in terms of pricing.