

How to Select a Virtual Data Room



Introduction

When conducting due diligence, financial transactions, or any other complex business processes, it is paramount to fully take advantage of modern technology. An M&A transaction is just one example of a process that necessitates use of specialized software. An M&A deal involves numerous parties, including the selling firm or bank, prospective buyers, legal teams, and other external auditors. Each party requires access to specific sets of documents, each document needing to be treated with the utmost security. A virtual data room (VDR) is the best way to share these documents with all of the aforementioned parties while maintaining security and confidentiality.

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All industries, from finance to life sciences, can benefit by using a quality VDR. However, in today’s world it can be difficult to select a VDR given the numerous features and certifications to consider. Those looking for a VDR will find that they have many services to choose from. Read below to learn of the following eight aspects you should look for when selecting a VDR.

1. Up-front Pricing
2. Cross-Platform Capabilities
3. No Plugins
4. Bulk Uploading and Downloading
5. Security Credentials and Features
6. Capable Support Team
7. Modern Design
8. Comprehensive Activity Tracking



Up-front Pricing

When selecting a virtual data room, make sure that you know what you are being charged from the beginning. Many VDR providers have complex pricing schematics that ultimately lead to clients paying more money than initially advertised. For instance, certain VDR providers will have fees that occur when upon surpassing certain gigabyte-thresholds of storage. Look for a VDR with a transparent pricing model that does not charge per page. A quality VDR not only operates efficiently, but is also priced efficiently.

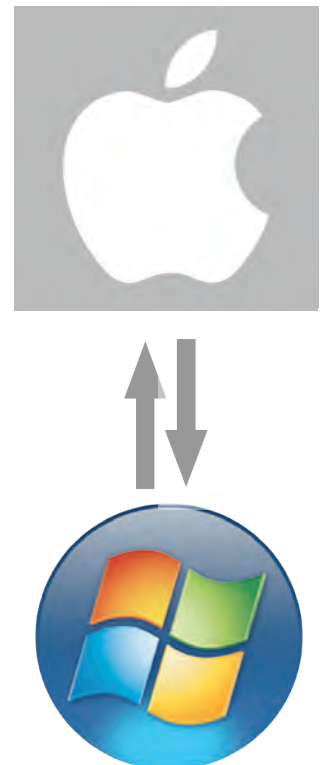
Cross-Platform Capabilities

The best VDRs have cross-platform capabilities. Whether you're accessing your information on your Mac, PC, or mobile device, all VDR functionality should remain the same. In addition, your selected VDR platform should run in all internet browsers, so that all third parties involved will be able to see the documents and keep the process moving forward. Avoid VDRs that only run in specific browsers or platforms. Remember that the VDR needs to be compatible not just for your own firm's browsers and devices, but for the browsers and devices of all external parties as well.

No Plugins

Any up-to-date VDR will run completely in-browser. If a VDR service runs completely in-browser, no additional software or plugins will be required to run the product. Plugins can suspend your workflow since they require constant updates. Plugins also increase your vulnerability to online attacks because hackers can attack a plugin across all operating systems with the same method. When selecting a VDR, avoid those that require you to download software. This will help to optimize your productivity and security online not just for your firm, but all parties working on the project.

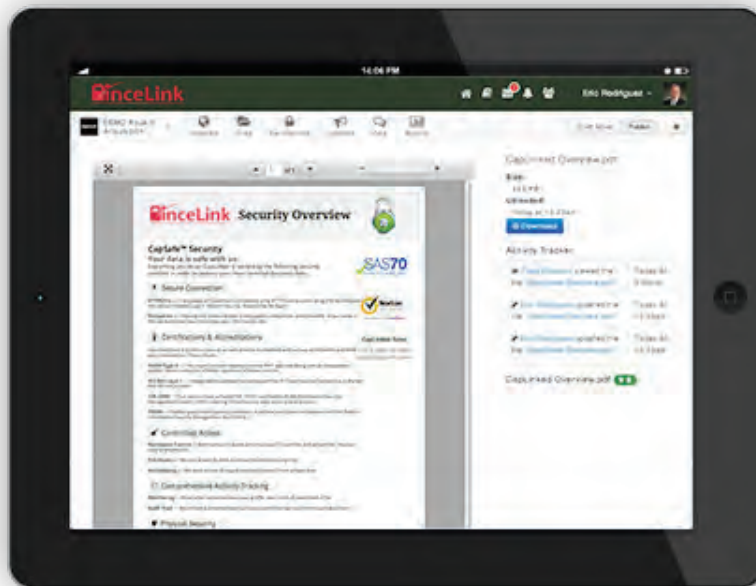
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Bulk Uploading and Downloading

Bulk uploading and downloading capabilities can save significant time and effort within a VDR. With this functionality, VDR participants can upload entire folder structures to a workspace and download massive amounts of files with one single action. If you have a folder on your desktop, you should be able to transfer the entire contents of this folder, including subfolders and their respective contents, as is. The bulk downloading capability helps with due diligence by allowing authorized members to download multiple files at once. If possible, use a VDR that utilizes this functionality without the use of plugins.

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Security Credentials and Features

Often times, sensitive documents are uploaded to a virtual data room in order to complete a deal or manage a project. It is critical that these sensitive documents are secure. Watermarking, two-factor authentication, SSL encryption, and digital rights management (DRM) should be offered to ensure proper security online. You should also look for third-party security certifications when making your decision.

SSAE 16, SOC1, and SOC2 are three common security certifications that top VDR providers earn to ensure best practice. In addition, the VDR should utilize a reliable data center to store all cloud data. Amazon Web Services (AWS) is a highly-regarded data center utilized by quality VDR providers. Providers like AWS protect your information both digitally and physically with industry-leading reliability.

Capable Support Team

Customer support is an invaluable resource. Questions often arise when making the switch to a VDR as administrators invite third parties such as auditors, investors, and buyers. The importance of a good support team cannot be stressed enough when it comes to incorporating third parties into your business processes. While you will most likely be a point of contact for these third parties, a dedicated support team will optimize their involvement in the transaction because they will spend less time deciphering the product and more time reviewing documents. Automated customer support lines are a waste of your time and are more likely to reduce engagement of VDR participants. Look for a VDR that has a knowledgeable and capable support team that is ready to help you and your colleagues with whatever problem arises.

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Modern Design

The design of a VDR dictates the structure of your workflow. Be sure that your VDR has a modern and intuitive design that allows you to focus on your projects. Managing a complex project is made simple with an easy-to-use interface. Avoid VDRs that present outdated user interfaces. These outdated interfaces often look reminiscent of 90's tech and will lead to fragmented workflows and project inefficiencies.

Comprehensive Activity Tracking

Administrators using a quality VDR should have the ability to know when someone views a workspace or downloads a file. Beyond this, detailed reports should be provided that can be filtered by date, file, permissions group, or member. These reports provide you with invaluable information about the events within a workspace. In addition, any quality VDR provider will provide tools to render audit trails. Audit trails present a complete history of all events in a workspace. This reporting ensures compliance and offers visibility into all information being exchanged.

Conclusion

Whether you're conducting due diligence, fund raising, or managing any other type of collaborative effort, a streamlined virtual data room will help you complete your project in a timely manner. When selecting a VDR, make sure it possesses all 8 of the aforementioned aspects. This will ensure that it is not only a functional VDR, but a quick and seamless project.

InceLink is a secure cloud solution perfect for managing complex deals and projects. We utilize all eight aforementioned aspects, as well as others, to optimize user experience and productivity. InceLink members will find that we present the most modern and efficient cloud solution on the market. In addition, we rely on the best security features to ensure that your sensitive information is safe on any InceLink workspace. Finally, InceLink presents a quality, non-automated support team to answer any questions or concerns that do arise when deciding to utilize our service.

