Increase the impact and effectiveness of your compliance program by unlocking the power of data (and knowing how to actually use it)
With the increased emphasis to make data-driven decisions and strategies in compliance, companies are responding to the challenge by turning to technology to create a model. However, professionals are lacking a foundational understanding and confidence in not only how to get the data, but how to push past the status quo and think differently using predictive models, calculating ROI and conducting in-depth analysis across their program. It’s worth mentioning the SCCE found that only 13 percent of respondents of their annual salary survey were able to provide the annual compliance budget of their organization. This figure is staggering, and should urge you to seize the significant opportunity this presents for compliance officers.

Use this guide to determine where you stand and take the steps toward learning what is working in your compliance program by tapping into the useful data that surrounds you. Think ahead. Push aside the status quo. Make data-driven decisions. Let’s get started.
Our Recommended List of Metrics

- Number of times and how often Code and policies are reviewed and/or updated
- Number & nature of Code and policy violations
- Culture surveys & knowledge assessments results
- Training reach, medium, frequency & completion rates
- Reach, medium, frequency & engagement rates of compliance communications
- Training program update rates
- Post-training test results
- Number and nature of incidents by employees who have completed training
- Reporting rates, known and anonymous/1,000 employees by reporting channel
- Retaliation report trends, including the number of reports of retaliation
- Trends by location or department; or specific employees generating higher than average reports of retaliation
- Incident categories, including emerging risk areas
- Trends following policies updates or releases
- Training or communication campaigns
- Categories driving top risks
- Source of hotline awareness
- Knowledge assessments
- Q&As forums and/or focus groups
- # of investigations (active and closed)
- Length of time to investigate and resolve issues
- Disposition of cases and fees associated with any settlements, litigation or penalties
- The risk areas and compliance initiatives to each case
- Background check rates by seniority level, business unit, department or geographic location
- Conflict of interest disclosure rates by seniority level, business unit, dept or geographic location
- The number, type and amount of gifts and entertainment given, received and offered by or to employees
- # and type of misconduct reports related to conflicts of interest or improper gifts
- # of Surveys; when/how often they are distributed (monthly, annually, etc)
- Employee retention
- Anonymous online reviews (positive and negative)

- Company and leadership reputation (internally and externally)
WHY COMPLIANCE INSIGHTS MATTER

The recent study released by Convercent and Ethisphere found that measuring program effectiveness is not only a top compliance trend for 2016, but is front-of-mind for senior compliance officers. Other reports show that monitoring and measuring ethics and compliance is directly beneficial to company success.

Federal Sentencing Guidelines for Organizations (FSGO) lists measuring effectiveness, that is evaluating periodically the effectiveness of the organization’s compliance and ethics program. Yet, if you ask any compliance officer, that’s a lot easier said than done. Between lack of knowledge around which metrics to use and how to then use them, it leaves compliance teams another challenge to grapple with as the industry rapidly continues to evolve forward.

Seventy-five percent of chief compliance officers attempt to measure compliance program effectiveness, but only 58 percent are confident that the metrics they use to assess compliance program effectiveness give them a true picture of program success. - Deloitte & Compliance Week: In Focus Compliance Trends Survey 2015.

Some other useful Value for Money (VFM) figures compliance officers seek to gather and comparisons to measure would be cost of compliance per employee.

DOJ and SEC evaluate compliance programs based on three basic questions:

• Is the company’s compliance program well-designed?
• Is it being applied in good faith?
• Does it work?
Anecdotal answers to the DOJ will not suffice. They want to know what you're doing, when you're doing it and how it is working. They view your ability to have those answers at the ready as a sign of defensibility.

But yet, despite the pressure compliance executives are receiving from their boards, CEOs and other executives to make more data-driven decisions, they are being asked to operate and manage in a way that's not intuitive to them and that's not necessarily their idea. While many other business units report their results using data, compliance is still figuring out how best to leverage the data, where to get the data and how to use the data without relying on other functional areas.

This guide will focus on the third question to meet DOJ criteria: “Does it work?” Having regular access and confidence in the data that is derived from your compliance program can help not only answer that question with ease, but influence business decisions and report on program performance.

Basing decisions and compliance strategies on data is no longer a best practice or nice to have, it’s standard practice. Compliance must act quickly to demands from external influencers such as the DOJ or SEC – and even from prospects, customers and stakeholders (no one wants to do business with a company that is at high risk for regulatory action because of noncompliance).

Without the right insight and data, a quick reaction – especially a well thought out one – is much more difficult. Companies cannot afford to not be data-driven in today’s business climate. Crucially, there are few, if any, parts of a business that don’t use data to drive their thinking, decisions and performance management.

Seeing is believing, and when you can show real-time results and granular-level answers, it instills not only confidence in your program, but trust and dependability in its leadership.
HOW DO YOU MEASURE A PROGRAM’S EFFECTIVENESS?

In today’s data-saturated world and the heightened sensitivity around compliance across industries, there are no clear guidelines for compliance professionals. While most know they need a sound method to measure their programs’ effectiveness, they don’t know how to do so. Best practice and regulatory standards call for risk-based program reviews to specifically account for an organization’s unique risk profile. Working from a risk-based assessment framework can establish the metrics needed to identify program improvements.

Below you will find a program template that is available for download. The form, designed to assess each program hallmark using FSOGO framework, provides a quantitative process maturity rating scale of 1-4. Each identified and evaluated program area is then given a rating. An aggregate rating can then be calculated for each hallmark. The ratings allow you to identify opportunities, analyze the root cause of the deficiency, assign ownership for improvement action and track next steps to ensure any vulnerabilities or weaknesses are resolved.

Compliance Program Hallmarks Assessment Template

<table>
<thead>
<tr>
<th>Standards and Procedures</th>
<th>Process Maturity Scale &amp; Program Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>A company’s written standards of conduct should be comprehensive, well-written, organized and accessible in order to meet their fundamental goal of preventing misconduct and ensuring compliance.</td>
<td></td>
</tr>
<tr>
<td>[organizational mission, vision and values]</td>
<td></td>
</tr>
<tr>
<td>[corporate Code of Conduct; CEO Introduction; audience-appropriate writing level; learning aids used]</td>
<td></td>
</tr>
<tr>
<td>[highest risk policies or procedures]</td>
<td></td>
</tr>
<tr>
<td>[policy management process/governance]</td>
<td></td>
</tr>
<tr>
<td>[non-retaliation policy; availability and prominence]</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Program Oversight</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall responsibility for the compliance program should be delegated to high-level personnel with proper resources and authority, including access to the Board. In addition, the company’s governing authority should be knowledgeable about and practice oversight of the compliance program.</td>
<td></td>
</tr>
<tr>
<td>[program resources/personnel and reporting structure are documented; adequate resources and authority]</td>
<td></td>
</tr>
</tbody>
</table>

[CLICK HERE TO DOWNLOAD]
**RATING SCALE**

**Needs improvement - 1**
The compliance risks identified with the organization are either not fully mitigated by control or there are inconsistencies in the processes that make them susceptible to breakdowns and/or scrutiny.

**Operational - 2**
Program processes and controls are in place to mitigate risk and are consistently operating.

**Best Practice - 3**
The processes have achieved best practice criteria.

**Transformational - 4**
The processes have matured beyond best practice criteria and/or is subject to re-engineering due to high impact changes affecting the process.

Kristy Grant-Hart, author of *How to Be a Wildly Effective Compliance Officer* (2016) noticed in the organization where she was the CCO, compliance did not have goals the same way other departments in the organization did. So she created some, and reported them to the board on a monthly basis. “Metrics make people feel confident that something is being accomplished. Use this to your advantage.” She outlines the following metrics to show the progression of your compliance program.

- Number of calls to the whistleblower hotline and disposition of each issue
- Number of training hours completed on a per-employee basis
- Results of surveys regarding engagement, culture and awareness of the compliance program
- Number of compliance policies
- Number of investigations or regulatory requests responded to within the year
- Number of countries in which the whistleblower hotline is operating
- Amount of money invested in compliance-related expenditure
Regulators and enforcement agencies will be looking for correlation between the compliance risk analysis, the risk register and the measures and key performance indicators that are being used to monitor those risks and compliance performance. So, measures would also consider the high-risk functions such as procurement, and what has been put in place to address those special risks; internal audit will undertake an annualized range of audits as part of their “audit universe” but by joining-up those audits to identify compliance issues, that provides a good source of measures and also indicates to the regulator that the company is operating cohesively, with an effective “corporate shield.”

If 80 percent of the audits indicate a compliance issue, for example, then it is clearly essential that those are remedied. Data around training completions, special training for senior manager and the like also offers way of showing “demonstrable compliance.” Mystery shopping - that is calling into your hotline and posing as an employee to check in processes quality assurance - and similar techniques offer proactive (input) compliance measures, as opposed to reactive (output) compliance measures. “The fact that my previous company, British Telecom, had 30 major investigations by regulators each year when I took the job, which was subsequently able to get down to two or three, is a key driver of compliance-driven cost reduction, an area which is rarely considered. Normalizing data, such as whistleblower calls per employee by location can be a key indicator of an issue,” says Convercent’s Keith Read, Director, Europe.
WHAT TO MEASURE – WHERE TO LOOK AND WHAT TO DO

1 RISK ASSESSMENT

Your compliance program depends on being able to mature to succeed.

It’s not news that companies who conduct a risk assessment in conjunction with a robust code of conduct training program are increasingly more likely to have higher rates of compliance knowledge and awareness company-wide. Areas such as fraud, workplace harassment, misuse of company assets, COI or GT&E issues can appear when conducting a repeatable methodology. Additionally, data from these areas can help you improve these parts of your program.

Do you know if you are addressing the right risks? Does your leadership buy-in and provide feedback on the risk assessment process? Experts from Deloitte and Compliance Week say that conducting effective risk assessments without that buy-in creates a foreboding challenge for the CCO as it is the center of the compliance effort.

9% of those surveyed in the 2015 Compliance Week and Deloitte Survey never reported a compliance risk assessment
“If you have a robust enterprise-wide risk assessment process, your priorities will evolve out of that. CCOs should be setting compliance monitoring and testing priorities based upon these risk assessments,” says Thomas Rollauer, Executive Director at Deloitte.

The effectiveness of your compliance program is based on the maturity and quality of the risk assessment process, says Rollauer.

How to use these metrics

UPDATE AND REVISE

- Policies
- Procedures
- Training programs
- Communication strategy and plan
- Annual audit plan
COSO's Enterprise Risk Management and Risk Framework identifies six core elements of well-designed KRIs:

1. Based on established practices or benchmarks
2. Developed consistently across the organization
3. Provide an unambiguous and intuitive view of the highlighted risk
4. Allow for measurable comparisons across time and business units
5. Provide opportunities to assess the performance of risk owners on a timely basis
6. Consume resources efficiently

Below is an example KRI table you can use to identify risks you may face in your organization.

<table>
<thead>
<tr>
<th>Risk Events (i.e. expanding your business into emerging markets)</th>
<th>KRIs to Monitor Risk Proactively</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Make sure your KRIs are measurable, predictable, comparable and informational</td>
</tr>
</tbody>
</table>

KRIs (Key Risk Indicators) link business objectives to strategies to risk. They give you visibility into your most risky areas.
Policies/Procedures/ Written Standards

Say, for example, you run a global business. You have sales teams scattered throughout different regions. To manage each team equally, you send your compliance team out to each region once a year to conduct trainings on policies around:

- Gifts, travel and entertainment
- Conflicts of Interest
- Harassment
- Conducting business with governments
- Bribery

Yet, due to increased reporting data coming through the hotline, you notice that there is a handful of high-risk incidents in the Asia-Pacific sales region. The team’s last visit in that region was two years prior since there are so many regions to cover and so little compliance team resources – and the company is only growing. Aside from asking for more compliance budget for team additions, you can use data like this to determine areas you need to train more often. Tools and techniques, such as Benford’s Law have a crucial role in the early indication of issues.

Benford’s Law, known as the first-digit digital law, examines the frequency distribution of leading digits in many real-life sets of numerical data. An example use case is applying the law to assist in detecting fraud in accounting data, which when applied correctly, can ascertain that certain digits appear more frequently than other sets. Benford’s Law can help see any discrepancies in expense reports or see any anomalies in a year’s worth of transactions.

This is an example of taking distribution frequency, attestation and declination rates, and hotline reports and seeing where you can review, refresh or rewrite relevant policies, procedures and written standards.
Metrics to gather

- How often your Code and policies are reviewed, refreshed and/or rewritten
- Number and nature of Code and policy violations
- Results from culture surveys and knowledge assessments that gauge understanding and retention of key Code and policy tenets

How to use these metrics

- **Ongoing policy/training updates:** Update policies and training programs based on specific regions and employees involved.
- **Regulatory assurance:** See where there may be a regulatory change and no policy update.
- **Identify underlying trends:** Check in on country consistency – while all countries receive the same training, are they are staying compliant? You can see hot spots that have different salary incentives, for example, or if the management is not properly communicating compliance-based information. Normalizing the data can have a crucial role in flagging possible issues.
3 TRAINING & COMMUNICATION

How will employees know about hotline access or policy updates? 
*Nailing your communication plan and training processes is the cornerstone of program success.*

Your communication has to be comprehensive, and genuinely reflect your employees’ profile.

For example, if you have a set of employees without regular computer access such as warehouse employees, you can use paystubs as a technique to promote hotline numbers, training times and reminders. Think of these two areas as the vehicle that carries out your compliance program and distributes it to the right people at the right time for employees to do the right thing.

However, we hear that companies lag in this area - that is, they write a communication plan or conduct a training only so often and not in conjunction with updates or changes in the business. These areas have arguably the most valuable metrics to pull from to help increase awareness, impact and effectiveness of your entire compliance program.
Metrics to gather

- Reach, medium, frequency and completion rates of compliance trainings
- Reach, medium, frequency and engagement rates of compliance communications
- How often your training is refreshed and reviewed for effectiveness
- Results from post-training comprehension tests, knowledge assessments and culture surveys
- Number and nature of incidents by employees who have completed training

How to use these metrics

- **Training program effectiveness** - do you need to do more or less? Which employees/departments/regions need to be trained more or less often?
- **Revamp training programs** with updated information, non-traditional training methods (i.e. out of office training exercise that encourages collaboration).
- **Determine areas to update** so training programs are consistently current and offer the most value that addresses the most needed areas the business currently needs emphasis on.
- **See what messages are resonating** with which employees and what they really think of the current cultural climate. Should you think about using new ways to communicate your message? (i.e. social media, internal instant messengers, text messaging or using creative techniques such as printing special messages on employees’ paystubs)
4 MONITORING/AUDITING/HOTLINE

Checking in on your hotline and conducting ongoing audit and monitoring practices is similar to changing the oil in your car. Everyone knows it needs to be done every so many miles or so many months, but we often push it out further than we should. Yet, if you push it out and push it out and push it out, before you know it, your engine seizes up.

Similarly, if you keep pushing out monitoring and auditing of your hotline — the engine of your compliance program in a way — the hotline could deteriorate in terms of effectiveness, problems could be mounting and the outcomes of those problems could have a domino effect on the rest of your program. The number of reports may go down, criminal conduct could skyrocket, COIs could increase and your compliance program could be damaged overall.

BEST PRACTICE: SECRET SHOPPING

Calling into your hotline and posing as an employee bringing forth wrongdoing is a simple, yet underused, way to determine if your hotline is asking the right questions, bringing employees through the right processes and appropriately following-up on a timely basis. If you call in and find that the hotline is not asking the right questions or a step in the process is severely broken it will help you determine a retraining strategy and examine the domino effect this may have on your program as a whole — for example, is it that one broken step in the hotline process that has cause distrust in the compliance program?

This technique tests language and other issues, which are often unseen issues behind apparently low volumes from some locations.
**Metrics to gather**

- Reporting rates, known and anonymous/1,000 employees by reporting channel
- Retaliation report trends, including the number of reports of retaliation
- Trends by location or department or specific employees generating higher than average reports of retaliation
- Incident categories, including emerging risk areas
- Trends following policies updates or releases
- Training or communication campaigns
- Categories driving top risks
- Source of hotline awareness
- Feedback from culture surveys
- Knowledge assessments
- Q&A forums and/or focus groups
- Call volumes relative to organizational structure

**How to use these metrics**

- **Evaluate effectiveness** of an assessment tool or process
- **Reassess hotline promotion tactics**
- **Is retaliation properly aligned?**
  (i.e. is the hotline doing what it is supposed to? If not, employees could become disgruntled that they are not being heard and act out in another way, or go outside of the organization to report their concern.)
- High call volume = high level issues
5 INVESTIGATION & RESPONSE

Data from investigations allows compliance teams to track past behavior and analyze potential causes of issues to make the investigation easier. If you don’t have a written and documented misconduct investigation process, use the following information to start doing so. **Having a documented paper trail is one of the first defensible assets you will need to present in court, if the time should arise.** When you have a case that expedites straight to investigation, being prepared will save you time, energy and money as well as strengthen compliance processes and effectiveness. A standardized process allows you to gain insights to become proactive and predictive rather than reactionary.

**Sixty-eight percent of respondents from the 2015 Deloitte Compliance Trends Survey (that same stat appears in PwC’s State Compliance 2015 Survey) said that compliance investigations remain a core responsibility** and yet respondents indicate it is a top challenge for managing risks.

Investigations can be mined for lessons learned to prevent or detect future issues, according the Ethics and Compliance Initiative (ECI). Investigative, audit results, risk assessment reviews, ratings and mitigation plans are a leading industry practice from the ECI.

Knowing what data to mine from your investigations process will help you take careful steps to then investigate for potential retaliatory behaviors - an aspect that should be integrated into every investigative review as it may be considered to be an act of misconduct in and of itself, ECI states. Therefore, the metrics you gather from these processes will allow you to adequately and diligently follow-up and follow-through on consequences for retaliators.

By aggregating the information provided in interviews and documents, an effectiveness rating of 1-4 can be determined for each process or control.
### Metrics to gather

- # of investigations (active and closed)
- Length of time to investigate and resolve issues
- Disposition of cases and fees associated with any settlements, litigation or penalties
- The risk areas and compliance initiatives for each case
- Classification of the reasons why the individuals performed the actions that led to the compliance violation.

### How to use these metrics

- Investigation numbers can help determine the effectiveness and **identify soft spots or gaps in your standardized process.**
- If cases are taking a long time to close, the process may be inefficient and areas to improve may move up on your priority list. If cases are closing too fast, you may want to **evaluate the process** to make sure you’re covering all of your bases.
- If investigative processes are costing most of your budget and bringing in fees you didn’t anticipate, you can revisit the budget for next year and perhaps reallocate funds around in the program – or do some **due diligence against your own process** and see what may be extraneous spending or ways in which you can more efficient (i.e. say you have a lot of investigations that require an outsourced certified investigator. Is it less expensive to bring an investigator to your team full-time?)
- Using a **standardized investigative process** allows you to see areas of risk. Use this metric to determine focus areas or areas in which you can lighten up, which may be essential for cases that go to appeal or brought to court.
- **Classifying the root cause** for each violation enables you to develop a plan to address the environmental or behavioral pressures that are driving people to breach policy, and thereby become proactive in your compliance program.
DUE CARE (COI)

Due care is one of the FSGO hallmarks that is considered universal and has been echoed and expanded in case law and U.S. Department of Justice memoranda. What efforts are excluding people with positions of high authority or any individual who had engaged in illegal activities or other improper conduct, based on a review of background evaluations, as well as responses from interviews with employees?

According to Corpedia, an effective program must involve procedures to ensure that those who are holding trusted positions are screened. Some considerations the company suggests are:

1. Prior to onboarding or even offering a position to a potential employee, have them undergo appropriate background checks and screening.

2. Determine if this person has disclosed any potential conflicts of interest such as working for a competitor or holding a board membership.
Metrics to gather

- Background check rates by seniority level, business unit, department or geographic location
- Conflict of interest disclosure rates by seniority level, business unit, dept. or geographic location
- The number, type and amount of gifts and entertainment given, received and offered by or to employees
- # and type of misconduct reports related to conflicts of interest or improper gifts

How to use these metrics

- Monitoring the trend of actual conflict of interest events occurring will provide an indication of when your potential COI tracking process needs to be updated. What’s working and what’s not (i.e. what business units require a background check, when they are performed and the incidence of them during an employee cycle - at hire, at promotion, annually, every few years, etc.)
- COI disclosure rates will help you determine if higher level employees are abusing power, conducting illegal activities in a certain region you do business in or link it to other misconduct such as retaliation from not receiving a promotion or having inappropriate work relationships
- GT&E related metrics tell you if one employee or a set of employees are receiving too many gifts; it’s a telling metric to determine if bribery exists (i.e. if one sales person on the team is receiving a lot of gifts and closing an atypical amount of deals -- these could be correlated)
“Research shows culture trumps compliance every time, so you can have the best of all ethics and compliance programs but if you don’t have a culture that makes ethics and compliance a priority then people won’t respond,” said Patricia Harned, Chief Executive of ECI. “Every leader has to recognize his or her role in creating culture and take a role in supporting others in upholding standards and making integrity a real part of an organization.”

You may be asking, how do you measure something as intangible as culture? What exactly is culture anyway? Some see culture as the unwritten rules; the feeling you get when you walk into the door of an office and talk to people; how decisions are made and atmosphere that surrounds employees and guides their actions. Culture breeds success or failure, carries reputation and retains or pushes employees with it – and is becoming increasingly more important as the values of incoming workers are shifting and placing culture on the top of their priority list even over compensation.

And while, some argue that culture is nearly impossible to measure, when it collapses or shatters or cracks, it could be the birth of a high-profile scandal and the end of a successful company. It could mean that the most talented and skilled workers seek employment elsewhere because the culture doesn’t support them. See recent headlines around Zenefits, Volkswagen or General Motors. A well-implemented and thoroughly enforced ethics program, ECI states, is designed to encourage a set of values and a culture that fosters ethical decision-making consistent with those values.

“Measures work for several reasons,” said Erica Salmon Byrne, EVP of Compliance and Governance. “First, they focus on what is being measured. Provide employees with metrics that tell them whether they are succeeding, and they will try to move those metrics, especially when those metrics are included in performance evaluations and compensation settings.” Salmon Byrne outlines eight “pillars” with which to measure your culture.
“What is really going to make a culture change is connecting employees to the why so that they are able to then make effective and appropriate judgement calls in their day to day work and putting systems in place that make it possible for them to do that.” - ERICA SALMON BYRNE
Metrics to gather

- # of Surveys -- when/how often they are distributed (monthly, annually, etc)
- Employee retention rates
- Anonymous online reviews (positive and negative)
- Company and leadership reputation (internally and externally)

**NOTE:** there are a host of things that can drive wrong behaviors such as pressure, perverse incentives, remuneration plans that force or create such an environment are all well worth a compliance analysis.

How to use these metrics

- **Repair or fix culture holes** that employees may not feel confident bringing to your attention in a face-to-face setting
- **Determine why people are staying** (or leaving) as it relates to the culture
- **Use perception to help take advantage of good reviews**
  (i.e. The leadership is an A+ Group of supporting professionals – you can use this on recruiting materials to attract talent) or **bad reviews to help fix your program**
  (i.e. I reported a harassment case and nothing was ever done about it – use this to not only look at your harassment policies and training but also use this to examine if it’s still happening in your workplace)
Ahh, the board – the moment of truth for any compliance program’s confident and wherewithal. Make sure your board is up to speed with your compliance program by summarizing the key changes and developments. Then talk through progress, results and challenges as they stand today, in relation to previous years and benchmarked against other firms:

**Implementation Process**
Status of important compliance initiatives and what work remains.

**Risk Profile Changes**
Any new, emerging risks or noteworthy changes to the likelihood or severity of your organizational profile, either due to business changes or environmental developments.

**Policy Attestation and Training Certification Results**
How many employees have successfully completed training and policy requirements, including the results of any post-training tests and policy attestation rates.

**Employee Feedback**
The feedback received through employee focus groups, culture surveys and knowledge assessments, and how you are using this feedback to drive improvements.

**Audit Findings**
Results of internal or external audits, and what these findings mean for the organization and the compliance program.
Comparative Benchmark
Share the state of your program compared to last year and compared to similar organizations in your industry or with a comparable organizational size, structure and geographic reach.

Hotline/Internal Reporting Data
How many tips your hotline or other reporting channels have received, trends by type of incidents being reported and any hotspots that have emerged in particular locations, departments or business units.

Incidents and Investigations
The number and type of investigations that took place, the disposition of cases and what ongoing investigations the board should be aware of.

Recent Successes
Show the value of your program by highlighting any incidents the compliance program has prevented from occurring or escalating.

Gaps and Opportunities
Identify soft spots in and holes in your program, and specific areas where improvement is needed.

Upcoming Initiatives
Outline a policy training curriculum roadmap, communication plans and any other program improvements planned for the next year - including how you plan to address the aforementioned soft spots.

Potential Cost, Value, Comparators and Opportunities
An annual cost of compliance per employee against a single fine per employee - compliance is then a reasonable investment in keeping the company away from the courts, reputational damage, etc.
KPIs are a critical component in showing compliance program success (or failure), if you’ve been working towards your stated goals and for reporting success. And while specific requirements for this kind of reporting have been hotly debated in the industry for some time, KPIs are a regulatory requirement.

**CHOOSE YOUR KEY PERFORMANCE INDICATORS**

Your KPIs are going to be specific and unique to your company and what business it conducts along with what goals you’re trying to achieve as a whole and as a compliance program – so there is no “set” list of these metrics.

Apply the following scenarios as a foundation to choose which KPIs are going to help you determine success. Choose measures that matter to your industry.

<table>
<thead>
<tr>
<th>EXAMPLE KPIs:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk Mitigation</td>
</tr>
<tr>
<td>Hotline Cases</td>
</tr>
<tr>
<td>Investigation Cases</td>
</tr>
<tr>
<td>Training</td>
</tr>
</tbody>
</table>
HOW TO USE KPIs
These metrics will allow you to target a certain employee segment, with messaging to combat that rationalization, but can work with HR and others on how to keep those employees motivated. Depending on your KPIs, your performance can help you take a step back and see where you may need to allocate more energy and time and strategy and/or when to bring the board into the conversation on possibly expanding compliance due to the volume and impact it has.

THREE WINS
from “Big and Bold Compliance - Demonstrable Compliance”
KEITH READ, Director, Europe

1. Demonstrably compliant organization
2. Cost of compliance
3. Recognized compliance capability and reputation

How well are you complying and how can you prove it? These wins will help and represent key elements of a company’s overall compliance shield.
CONCLUSION

Having a 360 view and action plan is not the final step of this process, rather, compliance program improvement should be ongoing. Consistently and regularly following up is key. You can now, with confidence set program benchmarks and provide a method for tracking ongoing program improvements moving forward.

This guide is designed to give you practical tips for reviewing compliance measurement analysis and reporting of program KPIs - the exercises outlined here can be expanded on and adjusted to fit your unique program infrastructure and needs.

Happy measuring!

ABOUT CONVERCENT

Convercent’s risk-based global compliance solution enables the design, implementation and measurement of an effective compliance program. Delivering an intuitive user experience with action-able executive reporting, Convercent integrates the management of corporate compliance risks, cases, disclosures, training and policies. With hundreds of customers in more than 130 countries – including Philip Morris International, CH2M Hill and Under Armour – Convercent’s award-winning GRC solution safeguards the financial and reputational health of your company. Backed by Azure Capital, Sapphire Ventures (formerly SAP Ventures), Mantucket Capital and Rho Capital Partners, and based in Denver, Colorado. Convercent will revolutionize your company’s compliance program.

Visit us at www.convercent.com