## Choosing and Using KPIs and Metrics that Matter



Gathering the Right Information to Improve YOUR Program

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#### **Compliance Metrics Report**



Alpacas up 15% Blah, Blah, Blah!



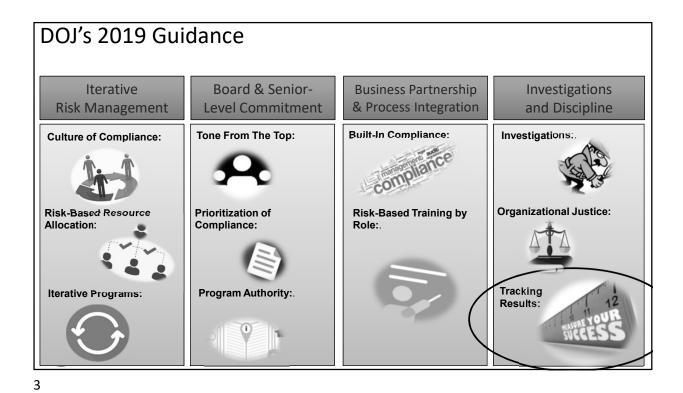
Sugar Flat Blah, Blah, Blah



Candy Canes: Now 8 per person Blah, Blah, Blah.....



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## Kristy Grant-Hart

- CEO, Spark Compliance Consulting
- Former attorney, Gibson, Dunn & Crutcher, Los Angeles & London
- Author, Speaker, and former Chief Compliance Officer
- Trust America's 2019 Top Thought Leader in Trust
- Former Chief Compliance Officer, Speaker & Author





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## Susan Du Becker

- Cisco Systems B.V. Global Compliance Enablement
- Architect of Compliance Risk Program & Risk Management
- Member Ethics & Compliance Council for Europe
- International law, Sigma 6, Stanford Program Management, and MBA
- Ex GE baby & Subject Matter expert in Global Business Management





## Agenda



Creating metrics that matter

Overcoming challenges

Leveraging your metrics over time

## What's Measured, Improves

Peter F Druker

### **Good Metrics**



Is my program effective?

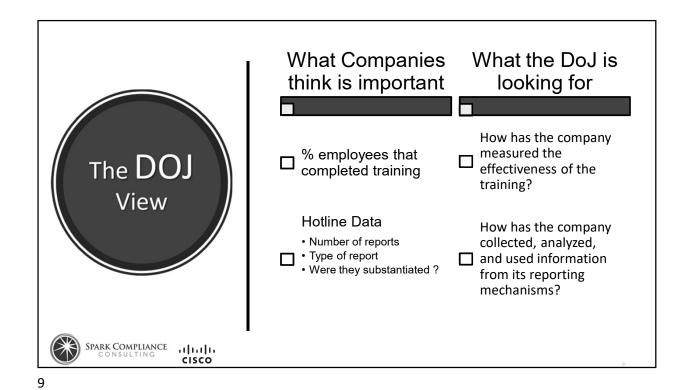


Is my program improving?



Does my program add value?





Standard Reporting



## 95% of Employees Completed Training



What you really want to know:

- Did everyone comprehend what is being asked?
- Did managers take it seriously?
- Did everyone learn the processes necessary to be compliant?
- Does the culture support an ethical environment?



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## Metrics with Meaning



- Comprehension Ease of.....
- · Goal oriented
- Consistent
- Repeatable
- Measurable
- Adding Value to the business & being effective



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## Methodology?



- (i) Define the Metric
- (ii) Apply the So What? Test
- (iii) Define how the information will be gathered
- (iv) How you will use it



## Keep a Track - Consistency of Reporting



- Metrics being collected
- Objective or key performance indicator (KPI)
- Responsible team member(s)
- Frequency
- · How you are collecting the data
- Date you began tracking the metric
- What are you doing with the data –
   Effectiveness?

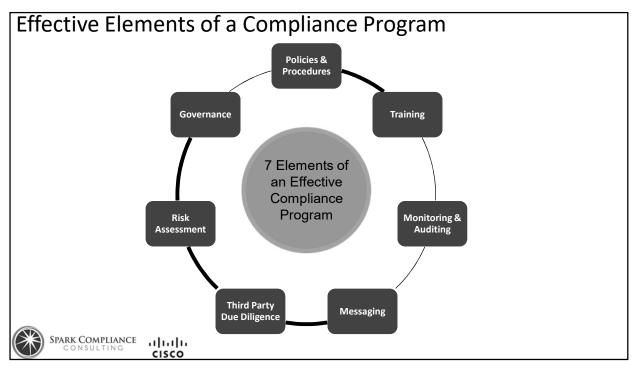


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## Examples

Being Specific



#### Metrics • Number of people that accessed each compliance-related policy on the intranet • Number of times internal audit checks confirmed compliance with procedures • By-country or by-business unit analysis of number of times Policies internal audit found non-compliance with procedures • Shows 'eyes on' and follow up governance across the and business Procedures So What? • Shows interest in/awareness of the policies and procedure • Evidence that the procedures are being followed • Evidence that you are not a busy fool in producing policies no body pays attention to! • Are you monitoring your effectiveness? SPARK COMPLIANCE IIIIIII



#### Metrics

- By-country or by-business unit analysis of the number of questions answered incorrectly after training
- Number of days it takes for managers to complete the training once it is assigned
- Percentage by-country or by-business unit that did not complete the training in the allotted time

#### So What?

- Measures effectiveness of training; gaps in knowledge of risks or processes; tracking of trends
- Is this a concerted effort by the company to ensure this is part of a program or jus delivered ad-hoc?
- Are you measuring what is reasonably required and following up on those who do not attend?

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# Monitoring and Auditing

#### Metrics

- Number and type of disciplinary actions enforced by country or business-unit
- Number of reports by root-cause analysis of reported incidents (e.g., intentional, misunderstanding, etc.)
- Number and percentage of whistle-blowers or complainants who report retaliation at or before 30-day period

#### So What?

- Provides information about consistency of disciplinary measures; shows trends in misconduct
- Allows comprehension of root cause and tracking of systemic problems
- Shows measures taken to ensure timely follow up and steps taken to address issue





#### Metrics

- Percentage of company-wide communications by management including a compliance message
- Number of employee visits to the intranet site or blog reading compliance-team's messages
- Number of comments made on compliance-related messages by management

#### So What?

- Tracks senior management's commitment to compliance
- Shows that internal messaging and communications is reaching the employee base
- Shows employee engagement with the messaging sent by senior management

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# Third-Party Due Diligence

#### Metrics

- Average number of days it takes a third-party to complete the due diligence questionnaire
- Turnover/Change of third-parties denied by-country/ bybusiness unit after due diligence is complete
- Number of third-parties denied by-country or by-business unit after due diligence is complete

#### So What?

- Indicates how engaged the third-parties are with due diligence
- Tells us how carefully the business is pre-vetting third-parties
- Shows measurement and possible trend analysis within a given country or region

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#### Metrics

- Number of risks assessed on a by-country or by-business-unit
- Number of risks correctly identified by the business during risk assessment information gathering
- Number of third-parties ranked as high-risk or very high-risk by-country or by-business unit

#### So What?

- Shows the company has assessed the range of risk assumption and is measuring
- Shows comprehension and ownership of risk by the business
- Shows progress of initiatives to mitigate risk



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# Governance

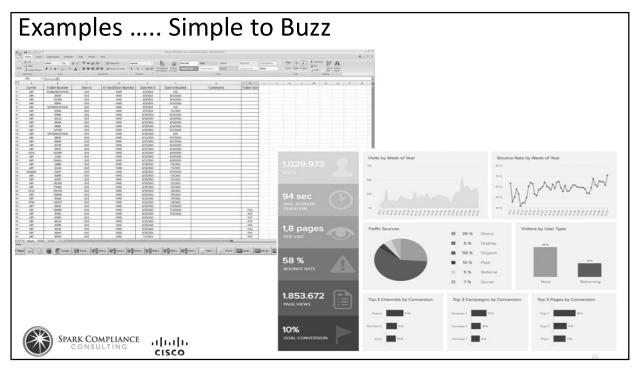
#### Metrics

- Number of sessions/follow up actions with senior management in which questions were asked
- Number of minutes allocated to compliance-related topics and training of board members
- Percentage of managers who came to the Compliance Day event

#### So What?

- Shows engagement with the program
- · Shows engagement with the board
- Shows engagement of employees/Management





### **Gathering Information**





- Interviews
- Questionnaires
- Surveys
- Focus groups
- Observations



- Reviewing records
- Intranet & email statistics
- Testing knowledge
- Testing key controls
- Ad hoc feedback
- Conscious Culture



#### **Problems & Solutions**



#### I don't know where to start

Identify & Prioritise

#### I don't have the budget!

- Use what you've got
- Use other functions ambassadors/champions



#### I don't want to report – these make me look bad!

• Continuous Improvement / Selective Sharing

#### Tone from the Top / Supported by Tone from the middle

• Ensure 3600 communications and messaging



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### Leverage those Metrics





- Let graphics tell the story STOP with text, use your voice
- Tie metrics to business initiatives
- Use metrics to support requests for resources



