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 !

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

Sugar Flat
Blah, Blah, Blah

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DOJ's 2019 Guidance

Iterative Risk Management	Board & Senior-Level Commitment	Business Partnership & Process Integration	Investigations and Discipline
Culture of Compliance:	**Tone From The Top:**	**Built-In Compliance:**	**Investigations:.**
Risk-Based Resource Allocation:	**Prioritization of Compliance:**	**Risk-Based Training by Role:.**	**Organizational Justice:**
Iterative Programs:	**Program Authority:.**		**Tracking Results:**

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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

"An accomplished compliance professional and true expert in her field." – Risk Universe Magazine

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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

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Agenda

Creating metrics that matter

Overcoming challenges

Leveraging your metrics over time

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What's Measured, Improves

Peter F Druker

Good Metrics

Is my program *effective ?*

Is my program *improving ?*

Does my program *add value ?*

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The DOJ View

What Companies think is important	What the DoJ is looking for
☐ % employees that completed training	☐ How has the company measured the effectiveness of the training?
☐ Hotline Data • Number of reports • Type of report • Were they substantiated ?	☐ How has the company collected, analyzed, and used information from its reporting mechanisms?

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Standard Reporting

So What?

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 ?

One Size Does NOT fit all !

(i)   Define the Metric

(ii) Apply the *So What?* Test

(iii) Define *how* the information will be gathered

(iv) How you will use it

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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

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Effective Elements of a Compliance Program

7 Elements of an Effective Compliance Program

- Policies & Procedures
- Training
- Monitoring & Auditing
- Messaging
- Third Party Due Diligence
- Risk Assessment
- Governance

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Policies and Procedures

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 internal audit found non-compliance with procedures
- Shows 'eyes on' and follow up governance across the business

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 ?

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Training

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

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Messaging

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/ by-business 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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Risk Assessment

Metrics

- Number of risks assessed on a by-country or by-business-unit basis
- 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

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Examples ..... Simple to Buzz

Gathering Information

- Software
- 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 360^0 communications and messaging

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Leverage those Metrics

5%

Total Employee Population

1%

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

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Finally ....

Never measure just because you can….

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Measure to Learn. Measure to Fix
Stijn Debrouwere
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Questions?

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Thank You

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