What does a can of Cheez Whiz, Starbucks Coffee and Jimmy Buffet have in Common?

2020 Virtual Higher Education Conference

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June 1, 2020

Agenda

- Introducing a compliance and ethics program in your organization
- Methods to market your program to internal stakeholders
- Practical tips for embedding program within your organization
Introducing/Refreshing a Compliance Program

Identify the Purpose for a Compliance Program

“We are a progressive company and want to establish a program for future growth.”

“Well, the law says...”

“Oops, there may be something we forgot to tell you.”
Identify the Possible Barriers

- Failure of buy-in from certain or all levels of management
- Business unit where “problem” did not occur believes it doesn’t apply
- Seen as purely “overhead” and not cost effective
- Lack of resources
- CCO is responsible for Compliance
- Belief that “we already know it all”

Identify Stakeholders

Compliance Key Partners
- Human Resources
- Legal
- Finance/Audit
- Marketing Communications

Organization
- Board of Directors
- Executive Leadership
- Department Leaders
- Employees
- Shareholders
Identify Stakeholder Drivers

Compliance Key Partners
- Human Resources
  - Employee Relations
  - Meeting legal requirements
- Legal
  - Staying out of hot water
- Finance/Audit
  - Accurate books and records
  - Internal controls
- Marketing Communications
  - Protecting the Brand
  - Consistent Messaging

Organization
- Board of Directors
  - Fiduciary obligations
- Executive Leadership
  - Successful program
- Department Leaders
  - Meeting their plans
- Employees
  - Fulfilling experience
  - Recognition for good work
- Shareholders
  - Return on Investment

Meet with Stakeholders

Understand the responsibility of that department/group

How does the group set its goals for success?

What keeps the leaders "up at night?"

Key business partners
Key stakeholders

Risks/Opportunities
Define the Role of Compliance with Stakeholders

Marketing to Internal Stakeholders
Achieve commonality

- Come to a common understanding
  - Most asked question: When is it a Compliance Issue versus HR versus Legal?
  - CDM Smith’s view is that it doesn’t matter – it’s a COMPANY issue – these are the resources to handle it.
- Tailor the common understanding to fit your business/industry
  - Higher Education may have requirements different from Pharmaceutical
  - Identify the business risks
- Use the same nomenclature
  - Compliance & Ethics or vice versa
  - Integrity Compliance Program (World Bank)
  - Sanctions Compliance Program (OFAC)

Create a Strategic Plan for Compliance

- Establish the elements needed for the Compliance Program itself
  - Risk Assessment/Gap Analysis
  - Focus on meeting the requirements of your program (ICP, DOJ Hallmarks, etc.)
- Mission/Vision Statement
- Annual Goals and Metrics
- Training plan
- Audit plan
Create a Marketing Communications Plan

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<th>Objective</th>
<th>Tools/Strategy</th>
<th>Communications</th>
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**Educate by looking outside typical “compliance” topics**

- Create themes for each presentation
  - Finance Group – Red Flags
  - Admissions – Follow the Rules
  - HR - Accountability
- Find examples to relate to these themes
  - Look at World News
  - Pop Culture (movies, TV shows)
  - Songs
- Consistently apply the theme at least three times
  - Repetition is the key
Examples to use to implement Compliance

Example 1
Example 1
Ethics & Compliance Basics

What is meant by Ethics?
- Ethics means the values and culture that guide us.

What is Compliance?
- Compliance means adhering to the laws, regulations, and policies that govern our personal and professional lives.

Example 2
Competition is Good
Example 2
Competition Breeds Challenges/Corruption

What does this mean for us? Our Challenges:

- New Clients
- Risky countries/environments
- Unreliable business partners
- Unknown business partners
- Lack of controls in the project
- Work at Risk
- Time pressures

- Meeting regulatory requirements
- Keeping clients happy
- Getting repeat business
- Inexperienced staff
Example 2
Our Answer: Robust Compliance Program

Example 3
The importance of TRUTH

Question...

*What famous politician was also known as "Client No. 9"?*
Example 3

Answer...

Former New York Governor, Eliot Spitzer, who famously declared war on "houses of ill repute" and proclaimed that he was going to "clean up prostitution in his state."

Example 3

Truth percolates...

"Three people can keep a secret if two are dead."

—Hell's Angels Motto

The laws of probability do not apply when it comes to the surfacing of unethical or illegal conduct.
Embedding the Program within the Organization

Operations

- Business Units/Departments
  - Go to their Strategy meetings
  - Annual department meetings
  - Ask to speak at their team meetings/leadership meetings
  - Embed Compliance Ambassadors for major risk areas
  - Provide Compliance resources for use by non-Compliance personnel
Compliance Partners

- Annual/every other year meeting
  - Bring in CEO/COO to speak
  - Team Building Events
- Treat the same as other Departments
  - Staff meetings
  - Focus groups

Final Example

Question: What do these things have in common?
Final Example

Answer:
They are all examples of someone not taking responsibility.

Recap

- Understand the Purpose for having a Compliance Program
- Identify barriers
- Identify stakeholders and their motivations
- Define Compliance – Achieve Commonality
- Create Compliance Strategic Plan
  - Marketing Comm plan is key
- Educate the organization by using concepts that are relatable
- Become involved with the operations
- Connect with your Strategic Partners
Questions

THANK YOU