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**Avoid a Compliance Hangover:**  
*Maintain Momentum in Your Compliance Program After the Regulators Have Left*

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## Agenda

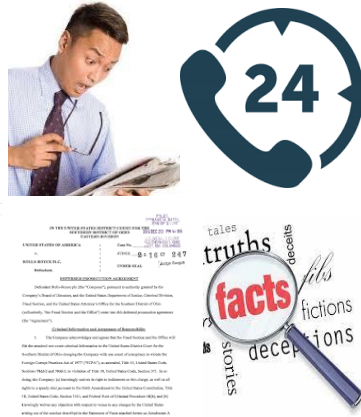
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- Hindsight and how you wound up with regulator supervision
- Supervision has ended – what’s next?
- Avoid calls for undoing valuable progress
  - Use your E&C oversight infrastructure
  - Remind stakeholders of reasons why the program is in place
- Keep the forward momentum
  - Be a team player and be willing to take on more
  - Continue to make changes for further improvements
- A Recent Case Study: Avon Products, Inc.

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## Hindsight – how you wound up with regulator supervision

- The following may have occurred:
  - A triggering event transpired
    - You learned of potential or actual misconduct
  - An investigation took place
    - Internal, external, or both
  - A resolution ensued and commitments were made
    - Administrative or judicial proceeding
    - Cease and desist, guilty plea, DPA, NPA



## Prospective – supervision ends, so what is next?

- Looking forward, some ideas of what you do and do not want to do
  - Live up to the letter and spirit of your commitments
  - Don't be a recidivist – it's not pretty
  - Design and implement an effective compliance program
  - Leverage regulators' and judicial guidance
  - Learn from the experience of others



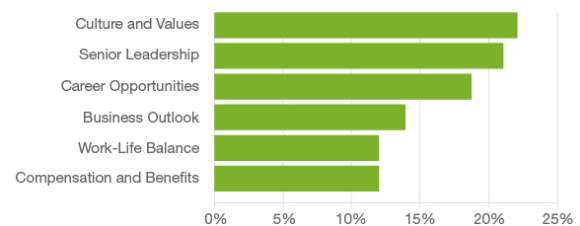
## Avoid calls for undoing valuable progress

- Keep the Board/Audit Committee engaged and help them to meet what is required of them
  - How do you engage with them?
- Keep senior and middle management engaged and interested
  - Keep the management oversight program fresh
  - What changes might be needed?

## Avoid calls for undoing valuable progress

- Demonstrate value
  - Good for business
  - Good for corporate discipline
  - Good for external reputation
  - Good for internal morale and retention
  - Prevent costly violations, mitigate risk
  - Expected by regulators
  - Required by agreements with regulators

The Workplace Factors That Matter Most to Employees



Note: Horizontal axis shows the relative contribution of each factor to overall satisfaction, where all factors sum to one.  
Source: Glassdoor Economic Research (glassdoor.com/research)

## Keep the forward momentum

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- Hardwire compliance value-adding improvements into existing processes
- Often a positive effect of a monitorship and regulator involvement
- Mitigate personality-dependent program elements



## Keep the forward momentum

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- Be a risk-based team player
- Focus on evolving risk landscape
- Resources
- Document your analysis and decisions



## Side Note: Maintain Interactions with Regulators?

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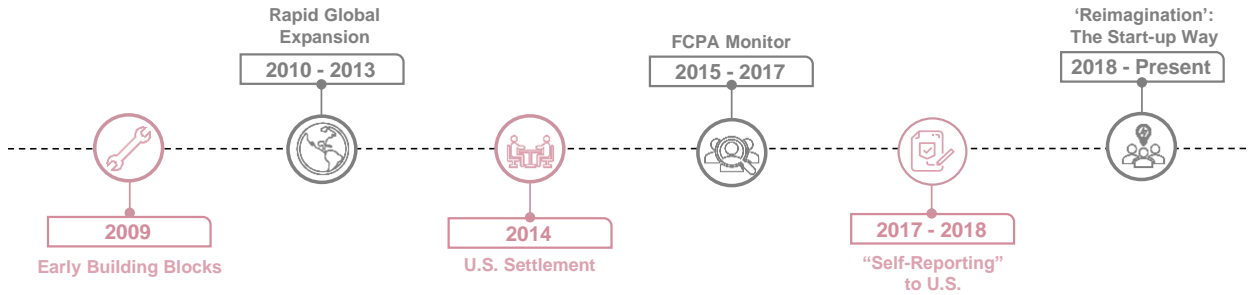
- Ongoing issues or regulators may learn of new issues
- Type/frequency of reporting



# Case Study: Avon Products, Inc. (2018-present)

# INTRODUCTION

## E&C Program Evolution



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# MAINTAINING MOMENTUM

- 01

Evolve Governance
- 02

Enable Enterprise Partners
- 03

Reintroduce E&C Team
- 04

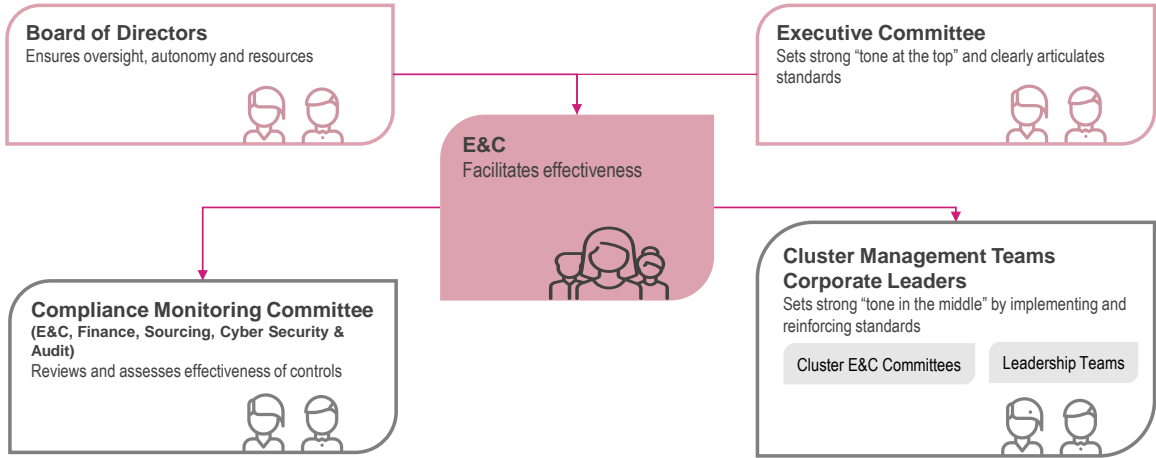
Drive Sustainable Innovation

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# 01 EVOLVE GOVERNANCE

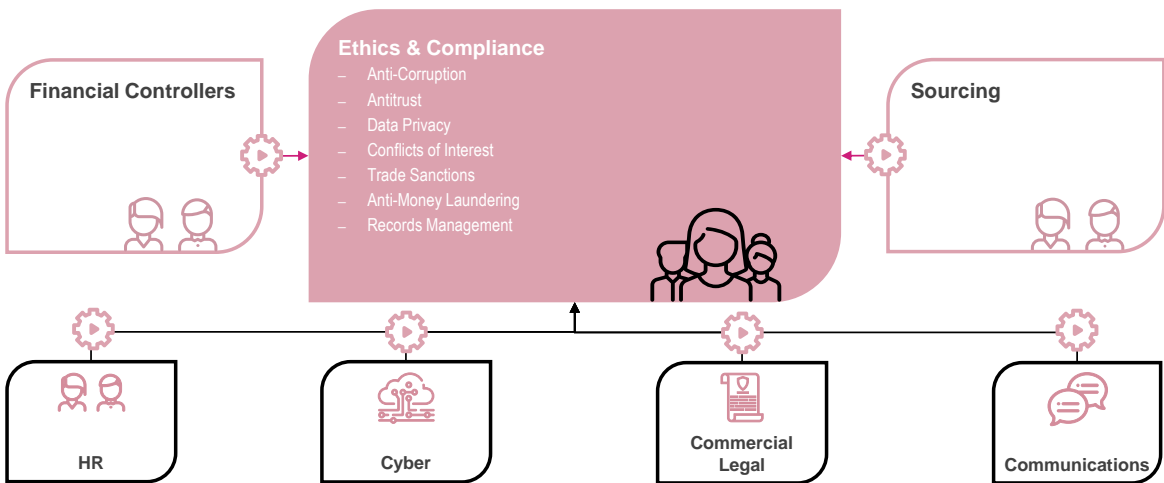


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# 02 ENABLE PARTNERS





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# 03 REINTRODUCE TEAM

 What we do


 How we do it

  
**Drive Efficiencies**

- COEs & low-cost process outsourcing
- Fully utilize new technology

  
**Refocus & Modernize**

- Focus on highest risks, but keep records
- Transfer all lower-value tasks

  
**Rebuild to Last**


- Do full review of internal resources
- Design the organization to last


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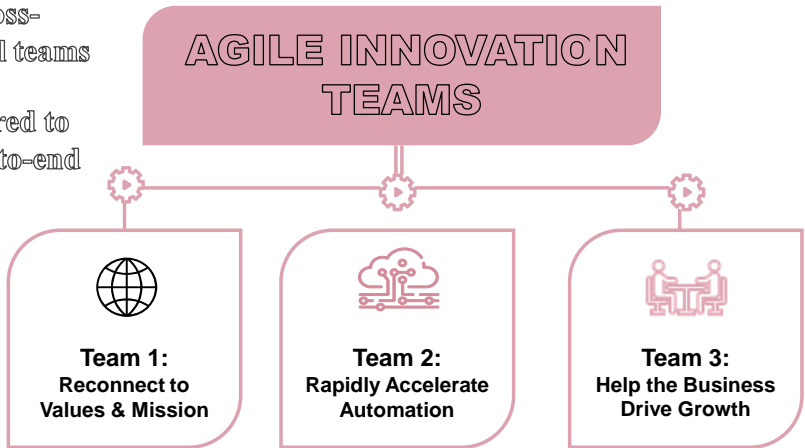
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# 04 DRIVE INNOVATION

 Small, cross-functional teams

 Empowered to find end-to-end solutions



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# 04 DRIVE INNOVATION

Step 1:  
Adopt a Start-up  
Mindset

Step 2:  
Conduct  
Extensive  
Benchmarking



## Reconnect to Values & Mission

- Launched new Code of Conduct linked to mission
- Redesigned training: “Our Values, Our Code”



## Rapidly Accelerate Automation

- Designed user-friendly systems
- Reduced internal approvals



## Help the Business Drive Growth

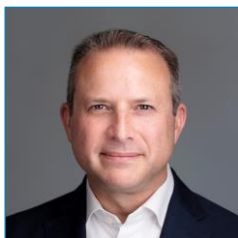
- Applied for external E&C awards
- Promote E&C program with customers

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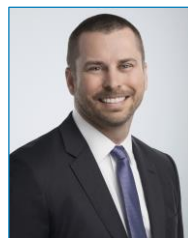
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## Questions?



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