

Agenda

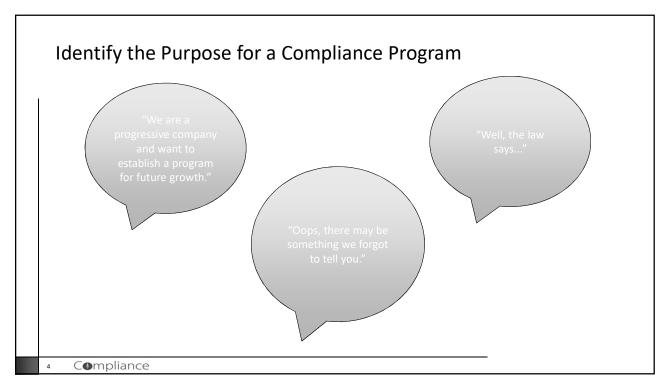
Introducing a compliance and ethics program in your organization

Methods to market your program to internal stakeholders

Practical tips for embedding program within your organization









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"



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Identify Stakeholders

Compliance Key Partners

- Human Resources
- Legal
- Finance/Audit
- Marketing Communications

Organization

- Board of Directors
- Executive Leadership
- Business Unit 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 business
- Business Unit Leaders
 - Meeting the Business plan
- Employees
 - Fulfilling experience
 - Recognition for good work
- Shareholders
 - Return on Investment

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Meet with Stakeholders Understand the responsibility of that business unit/group How does the group set its goals for individuals? Sales? What keeps the leaders "up at night?" Risks/Opportunities



Define the Role of Compliance with Stakeholders Chief Compliance Officer what my friends think what my mom thinks I what society thinks I do what coworkers think I what I think I do what I really do powered by uthinkeds.com

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		Marketing to Internal Stakeholders	
	C o mpliance		



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
 - Defense Industry 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)

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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

	Focus Area	Objective	Topic/Purpose	Communication Change	Audience	Delivery Date		Completed
		Focus on Compliance	Data Privacy	Yammer & Webpage	All Employees	01/02/19	PPT	01/03/19
			A				http://fortune.com/2018/11/29/federal-data-	/17/ VIII-2007
	Privacy &	News & Highlights	Article/information	Webpage	All Employees	01/02/19	privacy-law/	01/03/19
	Information	Slogan Contest	Engagement, new slogan	Sharepoint homepage	All Employees	01/02/19	News & Highlights on firm sharepoint homepage	01/04/19
January	Protection /	Employee Engagement	Bi-weekly post	Yammer	All Employees	01/02/19	Announce Slogan Contest - Minion Meme	01/03/19
	Slogan	Employee Engagement	Bi-weekly post	Yammer		01/16/19	Reminder: Slogan contest	01/15/19
	Contest	Employee Engagement	Bi-weekly post	Yammer	All Employees	01/16/19	Data Privacy Day - January 28	
		,				0.07,0.07,0.0	Announce last day for slogan contest entries - Last	
		Employee Engagement	Bi-weekly post	Yammer	All Employees	01/31/19	Day Meme	01/30/19
		News & Highlights	Article/information	Webpage	All Employees	02/01/19		N/A
		Focus on Compliance	Topic: COI	Yammer & Webpage	All Employees	02/01/19		02/06/19
		rocus on compilarice	Topic. cor	Turriner of treepage	rai ciripio (ces	02/01/13	http://www.fcpablog.com/blog/2018/12/20/icc-	02/00/13
							publishes-new-guidelines-on-conflicts-of-interest-in-	
		Employee Engagement	Bi-weekly post	Yammer	All Employees	02/13/19		02/06/19
		Notification - HRBPs, Ambassad		email	All Employees	02/15/19		02/05/19
			Pre-launch announcement (US & Intl)	Dispatcher from Tim V				drafted, waiting on approv
February	COI	Firm-wide Compliance Course				02/20/19		
		Firm-wide Compliance Course	Pre-launch announcement (EU)	Dispatcher from Tim V	All Employees	02/20/19		drafted, waiting on approv
							content due to Natalie by end of first week:	
							Compliance month/course announcement, policy	
		Snapshot		Newsletter	All Employees	02/20/19	spotlight	02/06/19
		Personal COI online form	Disclosure form	Yammer				in testing phase
		Employee Engagement	Bi-weekly post	Yammer	All Employees	02/27/19	Article, meme, video, etc.	
							Email video link to Compliance Ambassadors for	template created by Lydd
		V 200			Compliance		their use, instructions for training, include sign-in	Text drafted, waiting on
		Compliance Month	Compliance month announcement	Email to Ambassadors	Ambassadors		sheet as attachment	approval
		Compliance Month	Compliance month announcement	Yammer (Compliance,	All Company, Newsroom	03/01/19	Video	03/01/19
							MarComm to assist with embedding video on	
		Compliance Month	Compliance month announcement	Webpage-main and co	All Employees	03/01/19	Compliance webpage	03/01/19
		Compliance Month	Compliance month announcement	Dispatcher: Video & W	All Employees	03/04/19	per Beth - to go out on 3/4	03/04/19
		Focus on Compliance	Topic: Decision making	Yammer & Webpage	All Employees	03/01/19	Making Ethical & Legal decisions: Decision Tree	03/14/19
							Key or "Designated" employees - employees who	
	Compliance					1	interact w/ customers, clients, handle money or	
		Certification (U.S.)	Certification (U.S.)		Target Audience	03/01/19	contracts	01/08/19
March		Firm-wide Compliance Course	Course launch	Email from TST	All Employees		instructions to be emailed from TST	03/01/19
	Interest	Employee Engagement	Weekly post	Yammer	All Employees		Reminder and link for training page	00,02,20
		Employee Engagement	Announce contest winners (round 1)	Yammer	All Employees	03/12/19		03/12/19
		Employee Engagement	Bi-weekly post	Yammer	All Employees		Contest: Digital Scavenger Hunt	03/14/19
		Employee Engagement	Announce contest winners (round 2)	Yammer	All Employees	03/19/19		03/19/19
		Personal COI form & policy	Revised COI personal policy & online form	Dispatcher	All Employees	03/20/19		03/27/19
		Employee Engagement	Announce contest winners (round 3)	Yammer	All Employees	03/26/19		03/27/19
		Firm-wide Compliance Course	Reminder to complete training	Yammer	All Employees	03/29/19		03/29/19
		Firm-wide Compliance Course	Reminder to complete training	rammer	OSC/Office	03/29/19		03/29/19
				- "	Leaders/Compliance			
		Compliance Month	Distribute new posters	Email	Ambassadors	04/01/19		04/01/19
				-				
		Firm-wide Compliance Course	Final report for Compliance Training	Email	Laura, Beth	04/02/19	CDM Smith U compiling report	04/02/19

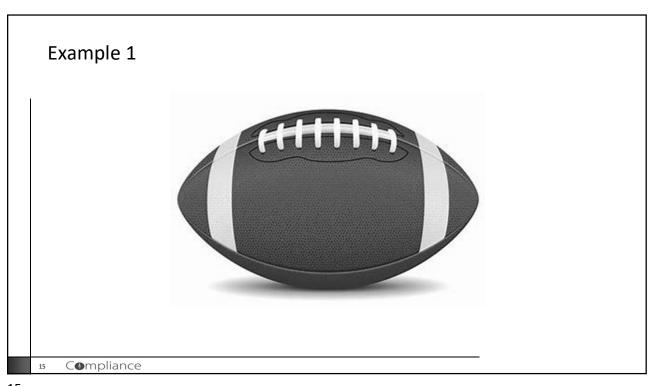
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Educate by looking outside typical "compliance" topics

- Create themes for each presentation
 - Finance Group Red Flags
 - Sales 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 follow





Example 1 con't.

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.



A Compliance department is designed to ensure that the "right" values/rules/guidelines/policies, etc. are in place so that expectations for the way business should be conducted is clear.









Example 2 con't. CDM Smith's 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 Time pressures

Example 2 con't. CDM Smith's Compliance Program Prevent Respond Detect Policies & Procedures Risk analysis Corrective Actions Incident Reporting System Training & Education Sanctions Compliance reviews Code of Business Remediation Due Diligence Efforts Compliance Organization Culture of the Firm Tone at the Top **Compliance**



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Example 3

The importance of TRUTH

Question...

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

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Example 3 con't.

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 con't.

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.



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Embedding the Program within the Organization



Operations

- Business Units/Operating Groups
 - ➤ Go to their Strategy meetings
 - > Annual sales 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



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Compliance Partners

- > Annual/every other year meeting
 - > Bring in CEO/COO to speak
 - > Team Building Events
- Treat same as Business Units/Operating Groups
 - > Staff meetings
 - > Focus groups





Final Example

Question: What do these things have in common?







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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 (non-ops groups)

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Questions







