

The Good, The Bad, and the Ugly

Compliance Communication Challenges
A Journey!

CAUTION

**THIS SIGN HAS
SHARP EDGES**

DO NOT TOUCH THE EDGES OF THIS SIGN



ALSO, THE BRIDGE IS OUT AHEAD



Agency



SUDLER & HENNESSEY
LONDON

Charity



The National
Autistic Society

Art Director

Graeme Garden

Copywriter

Kylie Clayton



**It makes
perfect sense
if you're
Australian**

**but none if
you're autistic**

Imagine if everything was literal and nothing made any sense.
1 in 100 people struggle to understand. 1 in 100 people have autism.
This is one of the many symptoms, one of the many reasons
why autism is misunderstood.
The National Autistic Society understanding autism. Literally.



Effective Communication

A very real challenge . . . the obvious:

▶ Internally

- Executive / Line Management
- Board / Non-Executive Management
- Staff

▶ Externally

- Governments
- The Public
- Critics
- Doctors



The Compliance Journey

The Past

- *Why Have/Do we need Compliance Programmes/Professionals?*
- *Establish Compliance Officers and Programmes*

The Present

- *Need clearly understood*
- *Understanding of “what” much improved*
- *Definition of and adherence to rules*
- *Practical focus on ethics and values improving*

The Future

- *Better integration with company behaviours, values*
- *Truly embedded beyond compliance professionals*
- *Greater transparency – internally and externally*
- *Effective oversight and accountability at all levels*

THE CHALLENGE

WHAT WE SAY AND HOW WE SAY (SELL!) IT

Good

- ❖ Compliance as a discipline has come a long way
- ❖ Real, better balance being struck between “need to do” and “the right thing to do”
- ❖ Values, principles, transparency are more visible on company (and conference) agendas
- ❖ Self-regulation improving

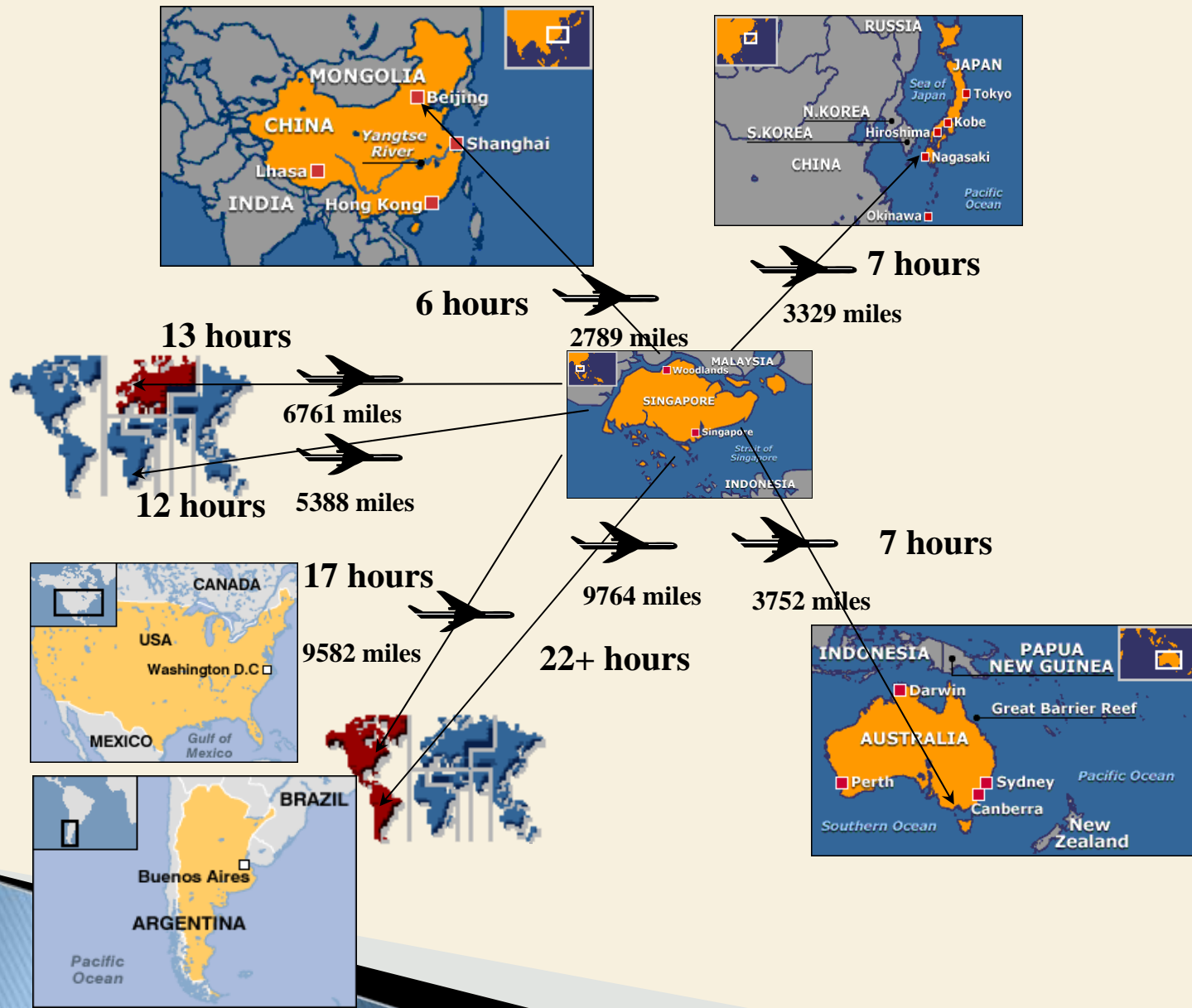
Bad

- ❖ Risk of efforts being perceived as more of “the same”
- ❖ Maintenance not “exciting”

Ugly

- ❖ Scare tactics, compliance creep, risk averse
- ❖ Self-fulfilling rather than truly value-adding to business/company and meeting external expectations or perceptions

Face-to-Face Clearly Best - A Truly Global Communication Challenge





Communication Effectiveness ?



The Golden Rules of China

1. **Everything is possible in China.**
2. **Nothing is easy.**
3. **Patience is key to success.**
4. The answer 'yes' is not necessarily an indication of agreement or confirmation.
5. 'You don't understand China' means disagreement.
6. 'Provisional regulations' mean the rules can change at any time – *even retroactively.*
7. 'Basically no problem' means a **BIG** problem.
8. Signing a contract means the beginning of the *real* negotiation.
9. **When you are *optimistic*, think about rule No. 2.**
10. **When you are *pessimistic*, think about rule No. 1.**

Why have Compliance Departments?

- ▶ “Tone at Top” – middle and bottom
- ▶ Company culture, Management support and line accountability is critical
 - ▶ “Good” – Management teams at all levels openly and demonstrably engaged and supportive of compliance oversight and operations
 - ▶ “Bad” – Primary driver: Compliance is a regulatory requirement or government expectation
 - ▶ “Ugly” – Compliance viewed as a police force or sometimes worse – Internal Audit!
- ▶ Transparency
 - ▶ Transparency Laws emerging
 - ▶ “Global Transparency Programme”

Effective support for all of above

Tone at the Top ? A Critic's View

2004 Data

Can you imagine working for a company that has a little more than 500 employees and has the following statistics:

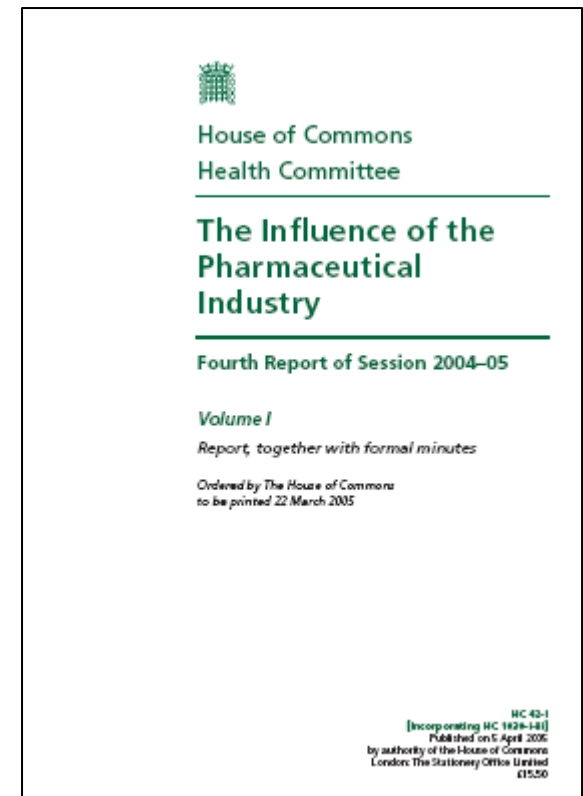
- * 29 had been accused of spousal abuse
- * 7 had been arrested for fraud
- * 19 had been accused of writing bad cheques
- * 117 had directly or indirectly bankrupted at least 2 businesses
- * 3 had been imprisoned for assault
- * 71 could not get a credit card due to bad credit
- * 14 had been arrested on drug-related charges
- * 8 had been arrested for shoplifting
- * 21 were defendants in lawsuits
- * 84 had been arrested for drunk driving in the previous 12 months

Can you guess which organisation this is?

Communication and Leadership Challenges Indicators (1)

What do Health Authorities Say?

- ▶ *The aggressive promotion of medicines shortly after launch, the sheer volume of information that is received in its many forms by prescribers and the ‘promotional hospitality masquerading as education’, in the absence of effective countervailing forces, all contribute to the inappropriate prescription of medicines*



Communication and Leadership Challenges – Indicators (2)

What do Academic and Industry Leaders Think?

Today the industry has got a very bad name. That is very unfortunate for an industry that we should look up to and believe in, and that we should be supporting. I think there have to be some big changes

Sir Richard Sykes in his comments to the House of Commons, Health Committee

Good Compliance Oversight



- Communication approaches have to be fit-for-purpose
- Well-maintained and easy to understand
- Keep up with the times, current issues, evolving commercial models
- Help with realistic appraisals of government actions, law/legal developments

Communication Considerations – the Good!

- ▶ Make compliance interesting, interactive, and always use real discussions
- ▶ Stimulating, challenging, well-informed, realistic
- ▶ Strike a good balance
 - ▶ Humour, human touch is fine but don't undermine the message
 - ▶ Not trivial, purely “entertaining”, “funny”, gimmicks
- ▶ Face-to-face, e-learning, real-time broadcasts, video
- ▶ Many languages cannot literally translate the word “Compliance” !

SEPTEMBER

M		06	13	20	27	
T		07	14	21	28	
W	01	08	15	22	29	
T	02	09	16	23	30	
F	03	10	17	24		
S	04	11	18	25		
S	05	12	19	26		

Notes



Homeless people weren't always homeless.

Just £10 a month will help more homeless people get off the street and, eventually, back into work.

Please help.

www.mungos.org



Take Home Principles to Consider

- ☑ Good, honest, open dialogue and exchange with management at all levels
- ☑ Frank, responsible discussions
- ☑ Easier said than done

It may need to get ugly before it becomes good!

Take Home Messages: Truly Engage Management

How? Suggestions to consider . . .

- ▶ Compliance Committees – composition
- ▶ Meetings discipline
- ▶ Management presentations – accountability
- ▶ Brand and sell compliance
- ▶ Go on the compliance journey together
- ▶ Competitive advantage?

Do NOT

- ▶ Rely on written reports alone
- ▶ Exaggerate
- ▶ Humiliate
- ▶ Surprise management with issues
- ▶ Sensationalise government action, penalties

The obvious – again! But be disciplined!



Are we there yet?



Thank You