

MANAGING RISK IN ASIA PACIFIC

Making Compliance “Matter” to the Business

Kent D. Kedl, Senior Partner

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- A caveat...

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The Dao that can be defined is not the true Dao

■ Compliance is...

Compliance is a (metaphor) because it's main function is to _____.

“Compliance is a steamroller because it's main function is to crush business!”

“Compliance is the office of ‘NO!’, preventing you from doing business”

“Compliance is your mother, telling you to behave yourself.”

“Compliance is your stepmother, telling you you're terrible and that you should behave yourself!”

■ Compliance *aspires* to be...

“Compliance is your back-up, help

“Compliance is a sh... itself.”

“Compliance is ... ain function is to help grow the

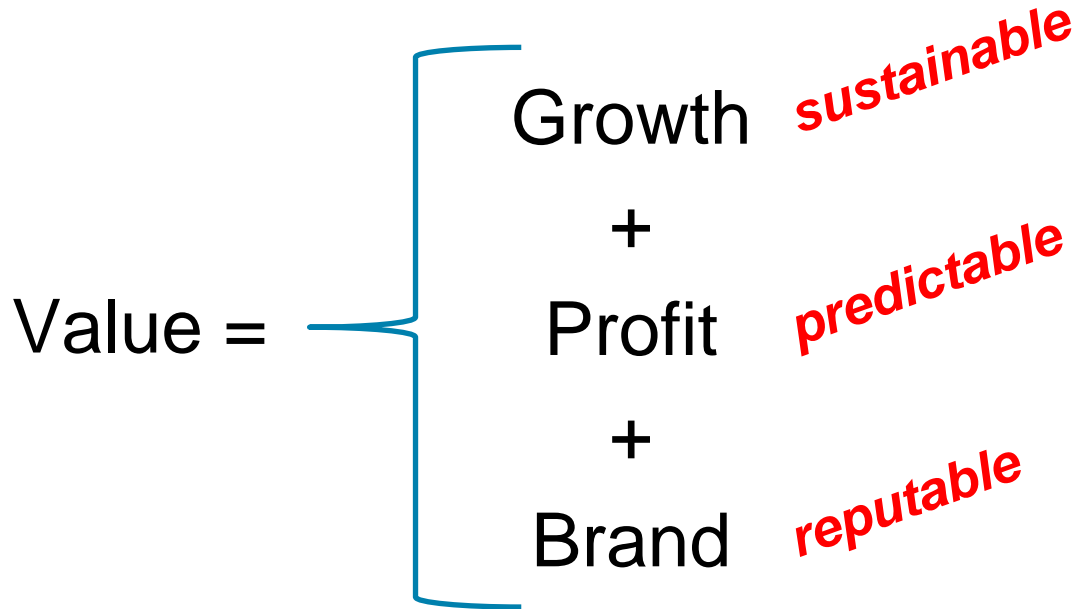
**So why is compliance not
often seen this way?**

■ Moving Compliance from “Parent” to “Partner”

What can Compliance do to be more relevant to the business?

1. Understand Compliance’s role in business – **increasing value**
2. Become more **fluent** in in the company’s **business**
3. Help the company understand the **“mechanics of malfeasance”**
4. Train on **resistant strategies**

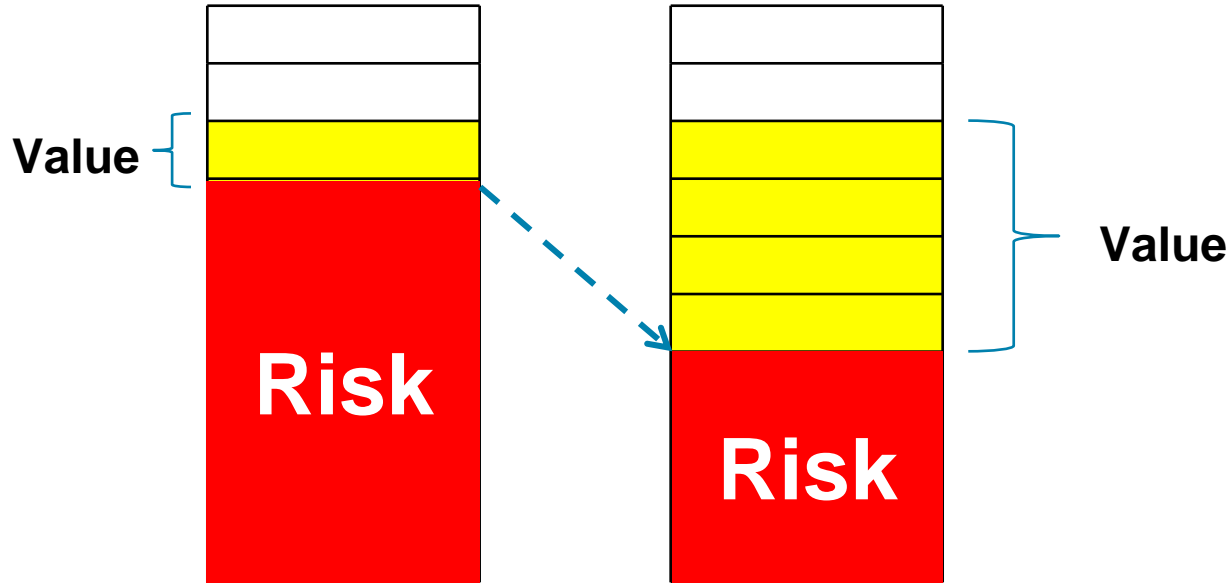
- 1. Understand Compliance's role in business – increasing value



Value is measured by the market in “return to shareholders”

Control Risks

- 1. Understand Compliance's role in business – increasing value



“Value is the difference between Opportunity and Risk”

Reducing risk increases value

- 2. Become more fluent in the company's **br**

What does the company do?

How do we go
why do we

Compliance teams should be able to do a competent company sales pitch

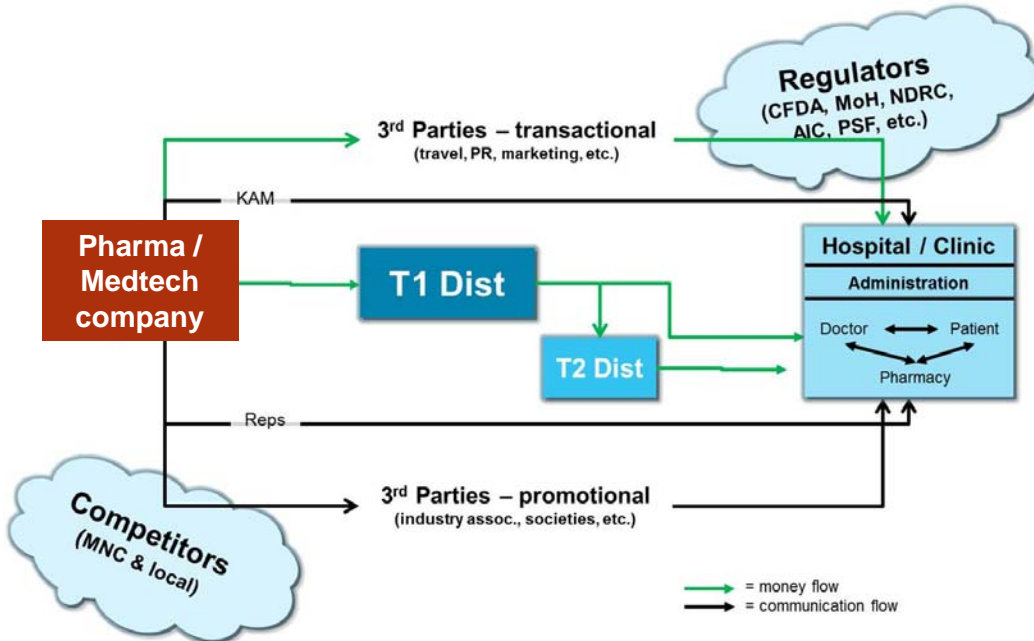
...ues do we use and
we use them?

...entiate ourselves from the competition?

Wh...an strategy across our markets?

Control Risks

3. Help the company understand the “mechanics of malfeasance”



- What are the key threat sources in each market?
- How do intention and capability differ across sources?
- How do sources ask for bribes? In what situations? How much do they ask for?
- What is the cost of not complying?
- Where and how is the company most vulnerable?

4. Training should focus on **resistant strategies**

Many companies are moving from “rules-based” to “ethics-based” compliance

- We need to go beyond teaching just the rules

Part of training on ethics is learning a new language

- We need to learn *how* we comply
- The challenge of first-generation employees

Your people need to learn to have different *conversations* with the market



Control Risks

Example: learning how to say “no”...and still win the deal

Saying “no” outright may put the source on the spot for corrupt behaviour or make them lose face.

Explain *why* you need to say “no” to yourself

align problem

We don't/can't make illicit payments.

Compliance can be seen as “the office of ‘yes, and...’”

My boss is asking how we do this...let's focus on helping her be comfortable.

There are new policies/regulations from HQ that I need to follow. Let's talk about how we can work within these policies.

Q&A

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