

Corporate Ethics and Tools to Drive Your Compliance Program

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Being an ethical company isn't enough anymore. These days, leading brands are judged by the company they keep.

*~Michael R. Levin
from Building an Ethical Supply Chain
Supply Chain Digest, February 6, 2008*



Topics

- Introduction - Communication as a tool to drive your compliance program
- Understanding the need for open communication
- Fundamentals of communicating
- Do's and don'ts of communication
- Understanding how adults learn
- Training as an effective means of communication
- Breakdown of training events
- Documentation

A must for any compliance program is communicating its importance.

- Most employees need to have at least some knowledge of the company's compliance program.
- The lack of communication can put a company at risk.
- Developing a compliance program with open communication lines and frequent training can give your company a competitive advantage.



The Need for Open Communication Systems is Clear

Open communication systems in corporations

- 97% of the CEO surveyed believe that communicating with employees positively affects job satisfaction.
- 79% of the CEO surveyed think that communication benefits the bottom line.
- Surprisingly, only 22% of CEO's communicate with employees weekly or more.



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Remote Teams, Virtual Teams

- Dispersed geographically.
- Working across time zones.
- Often dealing with various cultures.
- Connecting through webs of IT.

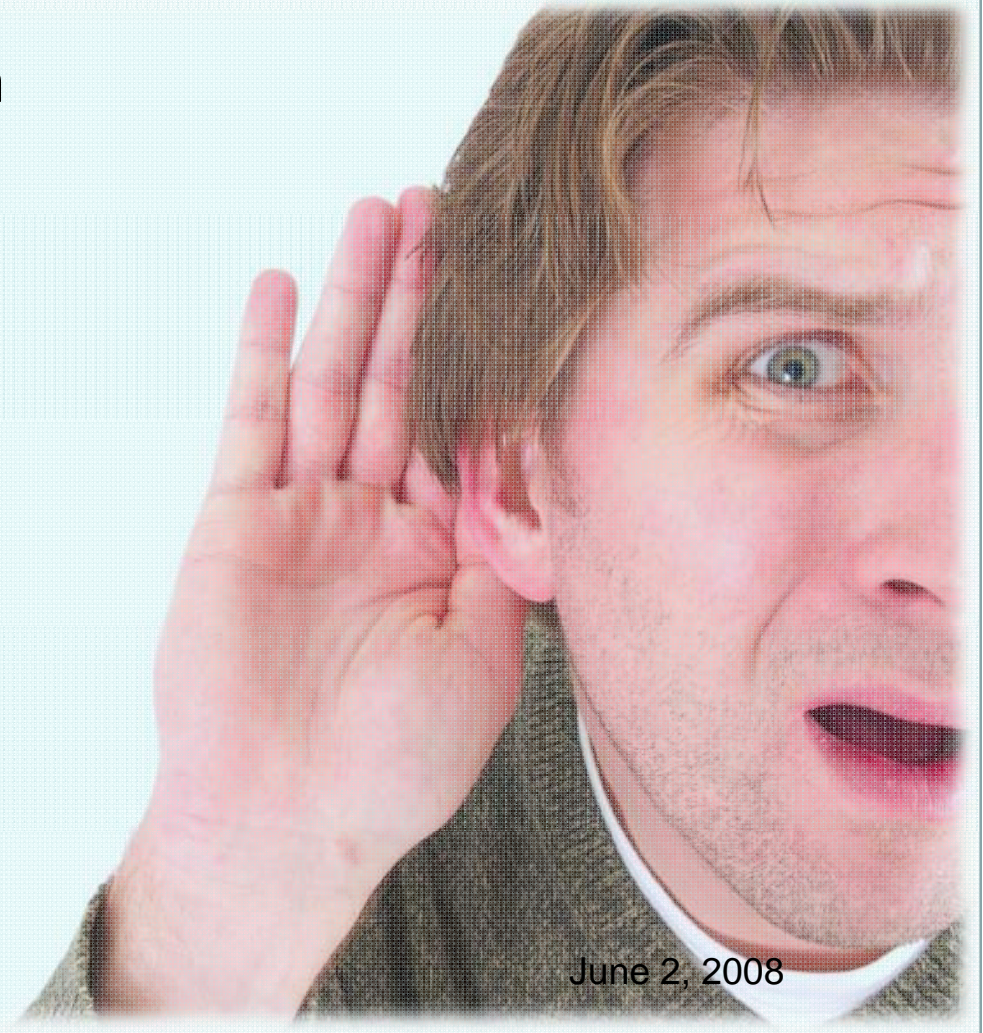
Fundamentals of Communicating

- Effective communication is about conveying a message successfully.
 - The act of communication is successful when both parties understand the same information.
- Requires effort from the sender and the receiver.
- Requires trust.



Communications Barriers

- Differences in perception
- Incorrect filtering
- Language problems
- Poor listening
- Differing backgrounds



Communication Do's

- Successful ethics and compliance programs have clear channels of communication and the documentation to back up that claim.



- ✓ Create an atmosphere of open communication lines.
- ✓ Understand the importance of training.
- ✓ Communicate to all parties in the global supply chain.
- ✓ Tie corporate vision and goals with every communication event.

Communication Don'ts

- Unsuccessful ethics and compliance programs are unclear, threatening and overwhelming.
 - ✓ Harness knowledge to one department.
 - ✓ Over communicate.
 - ✓ Train everyone on everything.
 - ✓ Use scare tactics.



Understand How Adults Learn

- Typically, adult learners...
 - are motivated to expand their career path;
 - want to support company policy and the success of the company;
 - feel empowered to take control of their own learning;
 - have a rich reservoir of experience that can serve as a resource for learning;
 - tend to have a life-, task-, or problem-centered orientation to learning.



Effective Means of Communication





Face-to-Face Meetings

| Examples | Pros | Cons |
|---|---|--|
| <ul style="list-style-type: none"> • Company training event • Conferences (AAEI) • On-site training • Instructor-led training | <ul style="list-style-type: none"> • Face-to-face contact • Establish relationships and trust • Establish authority • Able to work through misunderstandings • Able to check for clarification | <ul style="list-style-type: none"> • Travel and expense • Difficult to schedule • Differences from class to class (message can be received differently each time presented) |



Video Conference

| Examples | Pros | Cons |
|---|---|--|
| <ul style="list-style-type: none"> • Company or team video meeting • Accessed by computer • Employees in each physical location log in and are videoed • Usually no more than two hours | <ul style="list-style-type: none"> • No travel costs • Establish relationships • Same message delivered to all participants • Able to work through misunderstandings • Able to check for clarification | <ul style="list-style-type: none"> • Difficult to schedule • May require off-hour participation for attendees • Participants need appropriate equipment |



Webcast

| Examples | Pros | Cons |
|--|--|---|
| <ul style="list-style-type: none"> • Presentation in streaming video • Registration is required • Presented on a specific date and time • Usually no more than an hour | <ul style="list-style-type: none"> • No travel costs • Can be accessed from any computer • Records attendance • Same message delivered to all participants | <ul style="list-style-type: none"> • No face-to-face contact • May be difficult to schedule • May not speak to users knowledge • Unable to check for understanding • Participants need appropriate equipment |



Webinar

| Examples | Pros | Cons |
|--|--|--|
| <ul style="list-style-type: none"> • Presentation is live • Instructor can interact with learners • Registration is required • Presented on a specific date and time • Usually no more than an hour | <ul style="list-style-type: none"> • No travel costs • Can be accessed from any computer • Records attendance • Same message delivered to all participants • Moderate interactive functions | <ul style="list-style-type: none"> • No face-to-face contact • May be difficult to schedule • Participants need appropriate equipment • Participants may be too shy to state their questions • Questions may be too specific to adequately respond to |



Online Training

| Examples | Pros | Cons |
|--|---|--|
| <ul style="list-style-type: none"> • Delivered by company's Learning Management System or outside vendor • Accessed by computer • Employees login in to individual accounts to access courses • Usually no more than an hour | <ul style="list-style-type: none"> • No travel costs • Self-paced, can stop and start as needed • Can be accessed from any computer at anytime • Same message delivered to all participants • Training administrators can track participation • Job based invitations | <ul style="list-style-type: none"> • No face-to-face contact • Participants need appropriate equipment • Usually no interaction with instructor |

Benchmarking

- New Strategies for Global Trade Management - *Aberdeen Group*
- The CFO's Agenda for Global Trade Benchmark Report – *Aberdeen Group*
- AAEI Export Benchmark Survey
- Geert Hofstede Analysis

| Hofstede's Dimension of Culture Scales | | | | | |
|--|----------------|---------------|-----------------------|-------------|-----------------------|
| Country | Power Distance | Individualism | Uncertainty Avoidance | Masculinity | Long term orientation |
| Arab countries | 80 | 38 | 68 | 53 | 31 |
| Argentina | 49 | 46 | 86 | 56 | |
| Australia | 36 | 90 | 51 | 61 | |
| Austria | 11 | 55 | 70 | 79 | |
| Belgium | 65 | 75 | 94 | 54 | |
| Brazil | 69 | 38 | 76 | 49 | 65 |
| Canada | 39 | 80 | 48 | 52 | 23 |
| Chile | 63 | 23 | 86 | 28 | 118 |
| China, Mainland | | | | | |
| Colombia | 67 | 13 | 80 | 64 | |
| Costa Rica | 35 | 15 | 86 | 21 | |
| Denmark | 18 | 74 | 23 | 16 | |
| East Africa | 64 | 27 | 52 | 41 | 31 |
| Ecuador | 78 | 8 | 67 | 63 | |
| Finland | 33 | 63 | 59 | 26 | |
| France | 68 | 71 | 86 | 43 | |
| Germany FR | 35 | 67 | 65 | 66 | |
| Great Britain | 35 | 89 | 35 | 66 | 25 |
| Greece | 60 | 35 | 112 | 57 | |



<http://spectrum.troy.edu/~vorism/hofstede.htm>
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Training Documentation

User Benefits

- Certificate of completion
- Transcripts
- Course materials
- Course references

Company Benefits

- Training logs
- Course materials
- Exam scores
- Evaluations



Layered Approach

- Utilize all methods of communication to capture the attention of employees and embody the message throughout the organization.
 - Face-to-face
 - Web casts
 - Webinars
 - Online trainings
 - Anonymous hotlines, suggestion boxes

Closing

- Communicate often
- Communicate from all levels
- Expect your employees to understand your code of conduct and compliance policies
- Reward ethical and compliant behavior
- And impact your bottom line