Global Innovation for Your Compliance Program

One of the areas where the *best practices* for Foreign Corrupt Practices Act (FCPA) compliance programs is evolving is in the area a less US centric approach and incorporating the diversity across the globe. Many companies are now realizing that there should not be a one size fits all compliance program and that there is a treasure trove of ideas and capabilities in the compliance arena around the globe. This is also true regarding compliance talent as there is much talent outside the US which can and should be utilized by a company in constructing and developing their compliance group. Once found this diversity and talent must be groomed and integrated into an overall compliance structure for success.

A recent article in the **Harvard Business Review**, entitled "*10 Rules for Managing Global Innovation*" by Keeley Wilson and Yves L. Doz, explored some of these challenges and provided insight into how to tackle this issue from the corporate innovation angle. I found their article a good road map for the Chief Compliance Officer (CCO) to tap into and develop compliance talent. Wilson and Doz believe that many enablers of innovation occur naturally in a single location because "single location projects draw on large reservoirs of shared tacit knowledge and trust" but when these "projects span multiple locations, many of those natural benefits – often taken for granted - are lost." The authors formulated ten principals for successfully managing such global innovation projects across multiple locations which I believe translates into actions that a CCO or compliance group should institute when implementing or enhancing FCPA or Bribery Act compliance regimes.

1. **Start Small**. The authors believe that to be effective, dispersed teams have to develop a "new set of collaboration competencies and establish a collaboration mind-set." This can be done by running one or more small projects before the entire system rollout. In this way, a consensus can be developed on working practices and protocols. Additionally systems bugs can be worked out.
2. **Provide a Stable Organizational Context**. Periods of major change in an organization present their own set of problems, so the authors advise, to the extent possible, a global innovation program should be initiated during times of relative stability.
3. **Assign Oversight and Support Responsibility to a Senior Manager**. In addition to the usual key of having strong senior executive support as a factor for success, the authors believe that given disparate locations and teams, a strong senior leader will be needed to arbitrate disputes and generally be the ultimate decision maker.
4. **Use Rigorous Project Management and Seasoned Project Leaders**. The authors believe that for global innovation to succeed there must be "a strong project management team to drive the project on a day-to-day basis and strong team leaders supported by robust tools and processes." Often times, there are no off-the-shelf tools available so that they must be created to fulfill this role.
5. **Appoint a Lead Site**. It is important that there be one person at each implementation site who can focus on the bigger picture, the overall integration of the solution. The authors

believe that a key to overcoming localized support for their own initiatives is to task one lead to liaise so that he/she can have an understanding of the bigger picture and work towards appropriate resource allocation.

6. **Invest Time Defining the Innovation**. When an implementation or innovation project is split over several time zones, the authors believe that there "is little latitude for iterative learning." This means that the goals must be clearly defined and specified from the outset of the project. This definition process also helps but up trust and overall relationships between multiple locations.

7. **Allocate Resources on the Basis of Capability, Not Availability**. The authors believe that the staffing of a global innovation or implementation project "requires a great deal of attention in order to select and integrate the best possible knowledge and capabilities." Companies usually staff projects with the resources on the ground that are available. The authors believe that this is a mistake and companies should rather "bring together distinctive and differentiated knowledge and capabilities from around the world to create unique innovations."

8. **Build Enough Knowledge Overlap for Collaboration**. Without some overlap, the authors believe that "critical interdependencies between modules may not be apparent until the integration phase" when the cost is too great to change something. The authors cite to the Siemens example where one team member was tasked with liaising with other teams to ensure some overlap.

9. **Limit the Number of Subcontractors and Partners**. The authors believe that in such global innovation initiatives, the lead should be driven by the company's own workforce and not led by professional consultants or other third parties. Clearly for employee buy-in it is important for there to be employee involvement, additionally the authors believe that the coordination of third parties may be more time consuming and at the end of the day, more trouble than it is worth.

10. **Don't Rely Solely on Technology for Communication**. After the project is completed, it is critical that it be communicated effectively throughout the workforce. The authors believe that many managers "tend to underestimate the challenge of scaling communications globally." Without robust communications, all of the good work to-date may not be fully disseminated throughout the company. So the human element is important and the authors advise as many communications as possible where there is an opportunity for employee interaction with the project sponsors publicizing the initiative.

The authors focus has been on global innovation initiatives. However I think these ten points are an excellent resource for the compliance practitioner to utilize when developing or rolling out a major compliance initiative. Even Mike Volkov recently saw the light and advocated the decentralization of the compliance function throughout an organization. This decentralization may well bring compliance initiatives from areas or regions not traditionally seen as a hotbed for such ideas. This article establishes a framework for the compliance practitioner to use for such compliance innovation.