

Localizing Company Standards

The Challenge

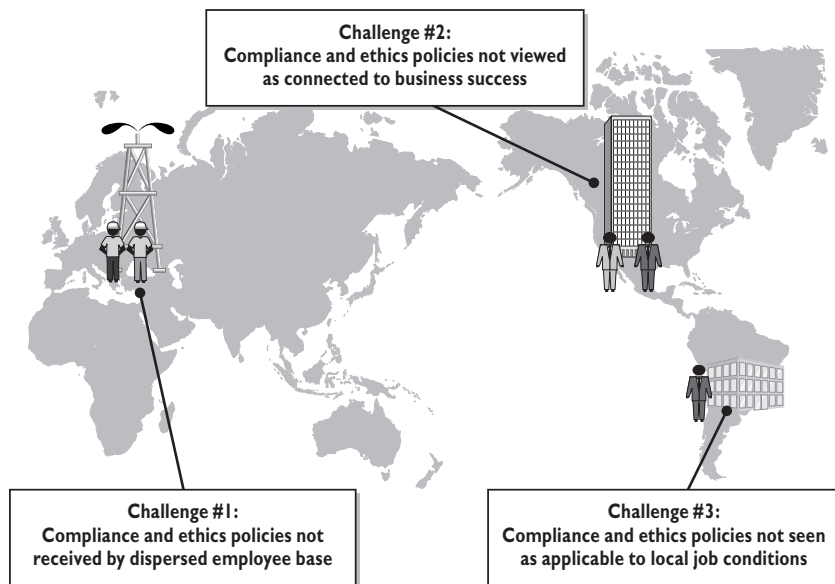
In both the development and rollout of policies, CCEOs face a potentially costly trade-off in balancing the need for uniformity with demands for regional customization. Specifically in businesses with a global footprint or diversified operations, CCEOs run the risk of creating overly generic standards and procedures that lack local relevance or run counter to the cultural norms and traditions of a region.

Figure 1:
Making
Compliance Local

MAKING COMPLIANCE LOCAL

CCEOs Are Challenged to Make Policies Relevant across a Dispersed, Global Workforce

Challenges in Rolling Out Policies across a Global Employee Base



The Root Cause

Corporate compliance and ethics initiatives often don't keep pace with the rapidly evolving needs of the business as a result of acquisitions, introduction of new products, and geographic expansion. Moreover, policies are typically not designed with the end user, the employee, in mind and lack applicability to day-to-day work.

The Conventional Wisdom

CCEOs correctly maintain a focus on instilling common principles and standards across the business to ensure a consistent treatment of risks and compliance with regulatory obligations, yet, their level of customization and application to different audiences doesn't extend beyond translation and the inclusion of generic examples.

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Key Insight

Facing increased regulatory scrutiny of FCPA compliance, Acme International* alters the design and delivery of its anticorruption and bribery policy to enhance local adoption at minimum additional cost. The new, principles-based policy squarely addresses the concerns employees may have about common business practices, outlining alternatives to unacceptable behavior. In addition, region-specific training courses delivered by local managers use real-life scenarios and provide detailed guidance to integrate the policy in day-to-day work.

Case in Point: Acme International

INTEGRATING POLICY IN BUSINESS DECISION-MAKING




Regionally-led training helps simplify the policy and its business consequences...

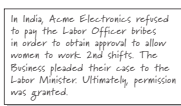
Regionally Led Anticorruption Training
Excerpt of Presentation

Frequently Asked Questions
1. What is the FCPA, and why should I care about it?
2. What does the FCPA antibribery provision really prohibit?
3. How do you define "anything of value," "corruptly," and a "foreign official"?
4. What is Acme's policy related to the FCPA?
5. How can I grow my business and still comply with our ethics and compliance standards?
6. What is permissible under the FCPA?
7. What are the consequences of violating the FCPA?
8. How does the FCPA apply to our third parties?

...and teaches employees to incorporate the policy in day-to-day work

Key Learning Strategies to Increase Adoption of Policy

- Use Real-Life Scenarios to Increase Adoption of Policy**


Role-playing of real-life scenarios helps increase employee understanding of acceptable business practices and identify red flags in future transactions
- Share Stories of Ethical Leadership to Reinforce Company Standards**


In India, Acme Electronics refused to pay the Labor Officer bribes in order to obtain approval to allow women to work 2nd shifts. The Business pleaded their case to the Labor Minister. Ultimately, permission was granted.

Success stories of ethical leadership help alter employee perceptions of policy as a hindrance to business
- Provide Guidance on Integrating Policy in Day-to-Day Work**
 - Incorporate compliance risk assessment into the strategic planning process
 - Conduct due diligence, incorporate contractual safeguards into contracts, and provide education when working with third parties

Practical guidance that integrates standards in day-to-day work eases employee adoption of policy

How the Compliance and Ethics Leadership Council Is Helping Members Develop and Communicate Policies

Upcoming Events— Peer-to-Peer Networking

Tailored Support

From Our Archives

The FCPA: Practical Compliance Program Tips

Teleconference—Tips and guidance for building an effective anticorruption program
8 May

The Compliance and Ethics Message Generator: Supporting awareness of policies and procedures

Instilling Global Values and Standards: Best practices on managing compliance requirements globally

Launch of CELC Peer Group on Education and Communications

29 February

The Policy Clearinghouse: Database consisting of examples to support the design and updating of your policies

Collection of Best-in-Class Codes of Conduct: Guidance on developing a code and inventory of sample codes

* Acme International is an industrial conglomerate with more than \$15 Billion in 2007 revenue.

