

# Compliance & Ethics Professional

March  
2015



A PUBLICATION OF THE SOCIETY OF CORPORATE COMPLIANCE AND ETHICS

[www.corporatecompliance.org](http://www.corporatecompliance.org)



## How Ernst & Young is training its Brazilian team

by Adam Turteltaub

Vice President of Membership Development at SCCE

See page 14

17

Eight steps in launching an information governance program

Mark Diamond

27

The dominant CEO: Great for business and terrible for compliance?

Ted Banks

37

Myths of anti-corruption compliance

Alison Taylor

41

Compliance dilemma: It takes disruption to beat corruption

Geert Aalbers

by Walter E. Johnson, MSA, CHC, CRCMP

# Guest or pest: Lessons from The Wolf

- » Business partners may not understand the compliance officer's role with the remediation process.
- » A successful approach to addressing business partners requires some flexibility.
- » Personal and professional development may alleviate some challenges with daily compliance program management.
- » Applying the 5 Cs of Trust may improve relationships with business partners.
- » Compliance officers and business partners seek similar results, but may apply different approaches.

**A**s compliance officers (COs), we will encounter numerous professionals throughout our careers. Many of our interactions will be amiable and some will not. Some interactions will be consistent and others inconsistent. Individuals and personalities differ; we must be flexible in our approach but firm with our objective. In general, individuals do not seek to have a partly cloudy day instead of a sunny day. Perception and management of their encountered situations determine whether the day is consumed with opportunities or challenges.



Johnson

The CO has an obligation to the public, employing organization, and the profession.<sup>1</sup>

We are passionate about this obligation and committed to making significant contributions. When compliance guidance is necessary, business partners may welcome the CO with a celebrity greeting, classifying him/her as a welcomed guest. Unfortunately, there are times when the reception is unwelcoming and business partners classify the CO as a pest. Regardless of the welcoming committee's tone, the CO has an obligation to fulfill.

In the movie, **Pulp Fiction**,<sup>2</sup> there is a character named, Winston Wolf (The Wolf). The Wolf has one of the shortest roles in the film, but one of the most important. Despite the film's intensity and story, there are few debatable observations. As I watched this movie again, it reminded me how COs may be greeted when compliance guidance is requested. Established COs are less likely to experience this unwelcoming reception. New compliance professionals should not be overly concerned with this behavior. In some cases, disappointment is demonstrated by business partners for their own inability to resolve the problem without compliance guidance. In others, it is because the CO has not established the relationship.

In this article, I will illustrate Kurt Mortensen's "5 Cs of Trust to The Wolf."<sup>3</sup> Although there are several contributing factors to varying professional scenarios, the focus is on personal development and the application of relationship building. This may be beneficial to understanding why hesitation exists when compliance guidance is necessary. The Wolf is not a compliance professional, but his role is to provide guidance.

In the film, two main characters are faced with a dilemma that is the result of an unintentional action. Both characters assume accountability, but only one character is responsible for the unintentional action. Recognizing the seriousness of this issue, one of the characters contacts their superior, who responds with a series of “if” questions, attempting to measure probability scenarios. Frantically, the character communicates his displeasure with the response and shares his preferred response, which is, “...wait for the cavalry, which should be comin’ directly.” Surprisingly, the superior’s response to this frantic statement is “... you ain’t got no problems; wait for The Wolf, who should be comin’ directly.” It is amazing how instantly relieved the character becomes when he hears The Wolf is the individual assigned to the case.

According to Mortensen, an individual must rank high in the 5 Cs of Trust to experience this reception. Individuals who experience ranking troubles with any of the 5 Cs of Trust can potentially receive an unwelcoming reception. The 5 Cs of Trust are Character, Competence, Confidence, Credibility, and Congruence. I would like to use Winston Wolf and the 5 Cs of Trust to demonstrate how this is useful to the CO.

### **Character**

*“You’re sending The Wolf; that’s all you had to say.”*

The first C is character. Merriam Webster’s definition is the way someone thinks, feels, and behaves. Mortensen believes that an individual’s character impacts their persuasion success levels. A subset is an individual’s reputation. In the film, it is left up to the viewer to conclude whether the troubled character has worked with The Wolf previously or is familiar with only his reputation. Regardless, the troubled

character readily embraces The Wolf’s assistance.

In the film, The Wolf arrives at the location before the anticipated time. Upon arrival, he sticks his hand out and says, “I am Winston Wolf. I solve problems.” After his greeting, he politely requests entry into the meeting location. Within seconds, this character demonstrates respect, empathy, and commitment. As compliance officers, demonstrating similar behavior consistently will support an open line of communication. Our business partners should have an impression that the CO has a welcoming personality, which makes it easier for business partners to express concerns and strengthens trust between parties.

### **Competence**

*“Let’s get down to brass tacks, gentlemen. If I was informed correctly, the clock is ticking...”*

According to Merriam-Webster, competence is the ability to do something well. The Wolf understands the urgency to diligently remediate the problem. He doesn’t hesitate with his approach. The film’s characters and viewers alike are instantly convinced that The Wolf has experience with remediation. Quickly, he asks questions to confirm information previously received from his superior and obtain new information from parties at the location. He requests the availability of resources that may assist him with completing the task. He delegates responsibilities to complete his communicated strategy.

Often, COs receive requests to provide guidance quickly. Understanding the problem quickly is an expectation. Appropriately contributing to the strategy or remediation plan is essential and demonstrates competence. The ability to recite regulations is not a requirement. It is a skill acquired with experience. Many requests will require

reviewing a regulation or other reference material prior to contributing to a strategy or remediation plan. Delaying a response to review regulations also demonstrates competence. When there is appropriate communication regarding next steps and an anticipated timeframe, business partners are usually receptive.

### **Confidence**

*“Set it straight, Buster. I’m not here to say ‘please.’ I’m here to tell you what to do. And if self-preservation is an instinct you possess, you better do it and do it quick. I’m here to help. If my help’s not appreciated, lotsa luck gentlemen.”*

Confidence is a feeling of belief that you can do something well or succeed at something. Throughout this statement, The Wolf demonstrates his value to the situation. The Wolf implies that the main characters requested assistance because they questioned their competence and lacked confidence to remediate the problem alone. Next, he reminds them that if they forgot the reason for his presence, then they need to proceed with their strategy without him. Finally, The Wolf does not have confidence that the characters could get out of this situation without additional problems.

The compliance profession is evolving continuously. Maintaining awareness with numerous agencies, regulations, and industry news can be overwhelming. Personal and professional development contributes to confidence. For example, generating experience by implementing an organizational policy to comply with regulations may lead to confidence in policy implementation. Wisdom obtained from several implementations may lead to increased confidence in policy implementation. Demonstrating confidence may improve a business partner’s confidence in the compliance program.

### **Credibility**

*“Mr. Wolf...It was a pleasure watchin’ you work.”*

Credibility is the quality or power of inspiring belief. It is apparent that one of the characters believed The Wolf was credible prior to arriving at the location. To the other main character, The Wolf had to demonstrate his credibility.

Daily, COs receive numerous requests for compliance guidance and/or remediation. In many cases, the requests originate from the same business partners. Maintaining commitments and following through on promises is an approach to improving credibility with business partners. Through enterprise-wide program promotion and internal references, the CO will connect with other business partners that will reinforce program credibility.

### **Congruence**

*“If I’m curt with you, it’s because time is a factor. I think fast, I talk fast, and I need you guys to act fast if you want to get out of this. So pretty please, with sugar on top...”*

Congruence can be defined as the quality or state of agreeing, coinciding, or being congruent. One of the main characters doesn’t agree with The Wolf’s approach to communicating instructions. The Wolf defends his character and his need to be polite. The Wolf implies that he is the same cordial individual, but he is responding in congruence with this situation.

Resources and risks vary from organization to organization, so there is not an expectation for identical compliance programs. Similarly, the CO’s role varies from organization to organization. Some COs focus solely on compliance, and others alternate between other functions, such as quality, risk management, ethics, and emergency management. This is a contributing factor to the confusion that remains about the

Compliance profession. Confusion may exist internally also. COs may eliminate confusion by demonstrating congruence with the organization's mission and vision without compromising obligations.

### Summary

The CO must continuously promote the compliance program throughout the organization. Business partners will observe the CO and compliance staff to determine congruence with the organization's compliance program. For the compliance program to be effective, business partners must trust the program. Personalities, expertise, methods, and other characteristics

vary, making each individual unique. The CO must apply multiple approaches to communicating the program. Through professional development, self-reflection, and program reevaluation, applying the 5 Cs of Trust may improve the perception and effectiveness of the compliance program. \*

1. Society of Corporate Compliance and Ethics: Code of Professional Ethics for Compliance & Ethics Professionals. 2013. Available at <http://bit.ly/scce-code-of-conduct>
2. *Pulp Fiction*. Directed by Quentin Tarantino. Miramax Films, 1994.
3. Kurt W. Mortensen: *Persuasion IQ: The 10 Skills You Need To Get Exactly What You Really Want*. New York: American Management Association, 2008.

*Walter E. Johnson* ([walter@wejohnson.org](mailto:walter@wejohnson.org)) is a compliance professional practicing in Washington DC. [/in/walter16](https://www.linkedin.com/in/walter16) [@walter\\_johnson1](https://twitter.com/walter_johnson1)

## Don't forget to earn your CCB CEUs for this issue

Complete the *Compliance & Ethics Professional* CEU quiz for the articles below from this issue:

- ▶ **Schoolings from the GSK China verdict**  
by Thomas R. Fox (page 51)
- ▶ **An insider's look: The Antitrust Division's playbook**  
by Robert E. Connolly (page 67)
- ▶ **What every compliance lawyer needs to know about due process**  
by Mary-James Young (page 71)

### To complete the quiz:

Visit [www.corporatecompliance.org/quiz](http://www.corporatecompliance.org/quiz), log in with your username and password, select a quiz, and answer the questions. The online quiz is self-scoring and you will see your results immediately.

You may also fax or mail the completed quiz to CCB:

**FAX:** +1 952 988 0146

**MAIL:** Compliance Certification Board  
6500 Barrie Road, Suite 250  
Minneapolis, MN 55435, United States

**Questions?** Call CCB at +1 952 933 4977 or 888 277 4977

To receive 1.0 non-live Compliance Certification Board (CCB) CEU for the quiz, at least three questions must be answered correctly. Only the first attempt at each quiz will be accepted. *Compliance & Ethics*

*Professional* quizzes are valid for 12 months, beginning on the first day of the month of issue. Quizzes received after the expiration date indicated on the quiz will not be accepted.