

## CEP Magazine – September 2018 Compliance as a competitiveness driver

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Crises are opportunities to change behavior and human evolution. A good example is the effort to combat corruption in the United States, which since 1977 has been supported by the Foreign Corrupt Practices Act (FCPA). But it took nearly three decades and mounting scandals for the topic to take root in the country's political and corporate culture. Now, Brazil has the same chance to improve its ethics, integrity, and transparency standards in its public life starting with the full practice of the Anti-Corruption Law, in force since 2014. This transformation has been strengthening in the corporate environment, influencing the public sector to follow the same path.

There is a long way ahead until we reach this objective, but we already have taken the first steps. Never before have we seen such a proliferation of programs, seminars, and workshops on the topic of compliance, or the growing demand in our job market for professionals specializing in the field. It is the evolution of a trend that began at companies with their implementation of codes of business ethics, whistleblower channels, ombudsman channels, corporate governance, and enterprise security policies.

### Challenges

Often, we still must overcome internal resistance, especially at companies not very comfortable with controls and procedures, where the requirement to establish processes, verify compliance, and measure results can be confused with increased bureaucracy and losses in agility, efficiency, and decision-making autonomy. The challenge for compliance professionals is to show colleagues that, once the necessary control processes and mechanisms are implemented, the effort and resources invested are more than offset by the reductions in risk and even in costs. Not only do we avoid misappropriation of our funds and resources, these controls support proper decision-making and improve our access to financial markets at more favorable conditions. We must understand that such a path is a competitiveness driver that requires a cultural change that cannot be accomplished overnight.

In parallel, this change in mind-set must be expanded to include the entire value chain by engaging suppliers, customers, and trade associations to make the business environment healthier and more transparent. Participating in joint initiatives through associations with other companies and organizations is one way to express the company's commitment to share experiences, results, and actions; to influence and be influenced by good practices; and to promote improvements in market conditions and business environments.

So, by engaging and conducting integrity due diligence of our business partners, we prevent the efforts made by one company in the right direction from being compromised by a partner that adopts practices that are not conducive with ethical conduct, integrity, and transparency. In some cases, the precautions could result in losing a deal or a customer, which is unpleasant, but necessary.

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