

Creating Great Compliance Training in a Digital World 5 Principle 5: Measure and Manage Your Impact

“You don’t do anything in your compliance program without checking to see that it works.” – Joe Murphy

Towards A Better Product/Market Fit

Hui Chen’s *Harvard Business Review* article paints a pretty poor picture of the current state of our compliance programs:

The average multinational spends several million dollars a year on compliance . . .

[T]raining and other compliance activities consume thousands of valuable employee hours every year.

Many executives are rightly frustrated about paying immense and growing compliance costs without seeing clear benefits. And yet they continue to invest—not because they think it’s necessarily productive but because they fear exposing their organizations to greater liability should they fail to spend enough.

Employees, too, often resent compliance programs, seeing them as a series of box-checking routines and mindless training exercises.^[1]

Now, Chen was hired at the DOJ to move the compliance field beyond its reliance on a “perfect paper program,” so it’s her professional charge to provoke and to push the field where it has gotten complacent—and I appreciate her perspective.

In my 19 years in the field, I have definitely seen box-checking programs and compliance officers cynically going through the motions.

(I even worked with one company that paid for a training program and never rolled out any training, We had many monthly and quarterly meetings to try to get them moving until finally the client flat out told us: “I’m counting on this [i.e., paying for a program without using it] to be good enough, at least for a few years.”)

But I have also known many committed and passionate compliance leaders who weren’t just going through the motions and who made real change within their organizations.

It’s one of the things I love about this field—that its practitioners take their responsibilities very, very seriously. They work hard to influence senior leadership and speak directly and convincingly to employees.

I worked with one client who launched a manager-led training series that was not mandatory—and yet more than 75% of managers delivered at least one training each year, *year after year*.

I worked with another company that staggered their all-employee course rollouts, sending welcome emails to tens of thousands over several days instead of all at once—and the compliance team would get emails from employees who hadn’t yet gotten their training and wanted to know when it was coming. A similarly large

company had early training that featured the fictional company GlobeCo. When we changed directions creatively, employees kept asking when GlobeCo was coming back. Several years later, an article in the all-employee newsletter even made a reference to GlobeCo.

Finally, at the SCCE conference in Berlin, I saw a presentation by a dynamic compliance team whose live training game was so popular, the company sales teams actually paid for the compliance group to travel to their meetings to present it.

None of these things could happen in a culture that only resented and resisted compliance training.

All this said, my takeaway from Chen's work is that we can do better, and I agree.

Five years into my compliance career, I attended my 10-year college reunion. In conversation after conversation, I struggled to explain what I did. Until, finally, I realized how to frame it. Virtually everyone I had gone to school with worked at a largish company. So:

“You know that Code of Conduct training you have to take every year?”

“Oh yeah! I hate that thing. It's so boring. And the acting is awful. So cheesy!”

“Right. That's what I do.”

Even my own husband would roll his eyes and groan when the time came to take his annual anti-bribery training—and he knew why it mattered.

All this tells me that our industry struggles with a lack of product-market fit with our most important audience—the actual people who take our training.

Which brings us full circle, to a point I made back in the introduction: Compliance training didn't start out as a consumer-driven form, but a regulator-driven one.

And in many cases, that's why we are where we are and why we're grappling with new and risky-seeming approaches that are standard in other fields.

Compliance programs started by making things that would satisfy the government. Compliance vendors grew big by making things that would satisfy the compliance buyer.

And we never quite got in the habit of making things our **audience** wanted—and we still feel the gap today, even as we work to close it.

At this point in my life, I've been fortunate enough to participate in three different start-ups, joining each one pretty much just as it was getting off the ground. According to *Forbes*^[2] (and almost everyone who writes about start-ups), more than 90% of start-ups fail—and one of the major causes of failure is a lack of product-market fit.

What is product-market fit? It's when your customers want to buy what you're selling.

A frequently-cited study by CB Insights^[3] of 101 failed start-ups found that 42% failed because they were making products that no one wanted to buy.

In fact, in that study, lack of product-market fit was the #1 reason for start-up failure—ahead of running out of cash (#2), getting out-competed (#4), or bad marketing (#8).

As a blog post by the venture capital firm Andreessen Horowitz puts it:

You can always feel when product/market fit isn't happening. The customers aren't quite getting value out of the product, word of mouth isn't spreading, usage isn't growing that fast, press reviews are kind of 'blah', the sales cycle takes too long, and lots of deals never close.^[4]

Blah reception and lukewarm interest? Yep, sounds like a lot of compliance training.

Fortunately, the solution to fixing product-market fit is precisely what Chen and Eugene Soltes proposed: Measure what you're doing to see what works, then adjust things so you can do more of what works and less of what doesn't.

(Or, as they put it: "Better compliance measurement leads to better compliance management."^[5])

Perhaps not surprisingly, this only complements the audience-centric approach described in the section on persuasion in Chapter 3:

- Start with what matters to your audience, not to you.
- Develop audience insights so you can create content that actually resonates.
- Get people involved—start a two-way conversation. Over time, use those insights to keep adjusting your message to suit your audience even better.

Where should you start? Where marketing always starts: Go ask your customer.

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