

## Ethikos Volume 37, Number 1. January 02, 2023 The ROI of good ROI speak

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Melanie, Giovanni, and Nick are passionate about empowering compliance and ethics leaders across the US and world.

There are 1,000 different things that you do in a year to move your compliance program forward. But you might not be doing the most valuable one: making a strong case to invest in compliance and ethics. If you're stuck in that make-do zone where you're trying to do your best with limited resources, use the tips below to move into make-happen by advocating for your budget. We'll show you some new ways to present numbers, but just as much of the change you need will be from how you present and persuade.

We believe—and have seen again and again—that this works. Making small changes to how you present budget requests can have a huge impact! By understanding your audience, creating a compelling case for all the things you know are worth doing, and strongly positioning the great returns from investing in ethics will ultimately lead to more budget and more senior strategic involvement. If those are things you would like to see happen for you and your team, read on.

### **The pandemic of paltry budgets**

Every leader has a vision bigger than their current constraints. Your ideal compliance program will take resources, progress, inventiveness, and hard work to achieve. But to lead your program forward, you need to believe and then communicate the ideal new world that can't be achieved with your current budget. From years of experience and interacting with great people in our profession, we know compliance leaders understand what it will take to improve our broader organizations. Insufficient budget is likely one of the biggest impediments.

Now for a little tough love: If you don't have the budget you need, it's nobody's fault but your own. That sounds harsh, and we certainly don't mean it literally, but it's intended to help you realize that *you* are probably more likely to lead yourself out of this quandary than you are to have someone begging you to spend more money.

### **Where we fall short**

There are a few things that commonly hamper the standard presentation of a compliance budget. These are nearly ubiquitous and certainly understandable. But they're holding us back. By shedding—or at least significantly building on—these old standbys, you will begin to unlock the persuasion that will pave the way to the budget you know is worth spending.

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First is the standard loss aversion mentality. If the most exciting part of your return on investment (ROI) presentation is telling somebody about a fine or loss they'll avoid, you're probably not going to finish that slide deck to a standing ovation. "Cover your posterior" isn't especially inspiring, and believe it or not, your compliance budget pitch should be inspiring! Keeping regulatory fines at bay, keeping people from getting hurt, and reducing potential legal bills and settlements are surely important. But they're not the whole story! We'll be walking you through how to build on top of that compliance 1.0 mentality to get everyone's eyes to brighten and ears to perk up—from board members to the CFO.

Banking compliance requires KYC (know your customer). If you want your ROI pitch to land, you need to employ an even more critical axiom: Know Your Audience. Your budget pitch and how you highlight elements of your ROI should adapt to the titles in the room as well as to the specific personalities, preferences, and goals of the people you rely on for approval. If the CFO or the makeup of your board changes and your ROI pitch doesn't, you probably need to spend some time focusing your pitch on your audience.

Finally, all too often, we present a short-term request for change in budget without including the context of a compelling vision. If I told you to get in the car and drive two miles east, you'd wonder what the point was. If I told you that by the time you drove four miles east, you'd be at the best sushi restaurant in town, you'd be on your way and calling me for menu highlights. Whether you are asking for a single line item or a full annual budget, you should always demonstrate how that contributes toward an impact on the whole company that's bigger, more comprehensive, and more integrated than the simple result you might see in three to 12 months.

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