


Compliance & Governance: The Competitive Advantage for Your Organization

TOP THREE TAKEAWAYS

Competitive advantage is not the first thought that comes to mind when thinking of compliance and governance. However, Joe demonstrated a very viable connection between these two areas.

1. **Compliance consists of many barriers to entry.** Most notably are technology, lack of regulatory guidelines, the complexity of social media content and the misperceptions of social media. However, those organizations that are able to overcome these hurdles will set themselves apart as leaders in their industry. Thus, they will earn a distinct advantage over their competitors.
2. **Distinguish the risks.** Joe explained that organizations blend the compliance risks and treat each of them as if they were critical. However, Joe recommends distinguishing the risks associated with each non-compliance issue because not all risks have the same level of impact on the organization.
3. **Joe recommended the following to help organizations get started with social compliance and governance:**
 - a. Set-up a cross-functional body to own social media compliance.
 - b. Use this cross-functional body to find out what is happening with social media at all levels of the organization.
 - c. Focus on creating a defensible social media compliance strategy.
 - d. Manage social media compliance the same way as traditional compliance.

 SNAPSHOT
<p>SPEAKERS Joe Shepley (Doculabs) & Jim Storer (TheCR)</p>
<p>COMPETENCIES Policy & Governance</p>
<p>MATURITY PHASES CMM3</p>



BEST PRACTICES

1. **Understand How Organizations are Addressing Social Media Today:** The three tactics that help address social media compliance are technology (a tool approach), compliance (litigation management and records management and adapting them to social media) and behavior changes (acceptance use and code of conduct). There are three ways that organizations are attempting to stitch these tactics together.
 - a. The low-fi approach is the lowest level. It uses the technology and compliance function approach. It is the easiest and the lowest cost, but not very effective.
 - b. The medium level is the medium-fi approach. Most organizations use this approach, partly because it leverages some of the capability that most firms have in place already by treating social media content as e-communications.
 - c. The hi-fi approach is very theoretical. Not many companies have achieved this stage of compliance. It uses an enterprise's content management system to backend its social media platforms so that the content is retained with a holistic view of all the relevant materials in order to facilitate retention and disposition.
2. **Be Clear Regarding Obligatory Compliance for Each Kind of Social Media Usage:** Joe broke this down into two types of social media usage: internal and external. Internal compliance refers to those policies that the organization has imposed on itself; there is no direct or immediate external mandate. For the most part, these are etiquette guidelines that represent a bar that the organization has set for itself. On the other hand, external social media is bound by policies that the organization has adopted because it must meet the requirements of an external body.
3. **Understand the Levels of Risks and Set Compliance Standards Accordingly:** Organizations blend the risks and treat each of them as if they were critical. However, Joe recommends distinguishing the risks associated with each non-compliance issue because not all risks have the same level of impact on the organization.

Those risks are embarrassment (brand fallout, which is not critical to the operations of the company), loss (this could result in IP leakage or data loss, which has very tangible negative effects and is greater than the risks associated with embarrassment) and non-compliance (a direct violation of laws, treaties, standards, regulations, etc.). The risks associated with non-compliance pose the greatest danger, which is why it is important to understand the difference between these three levels. By knowing the difference, the company will recognize where it should focus the bulk of its efforts.

BEST PRACTICES, CONT.

4. **Follow These Recommendations to Get Started:** Joe uses the following recommendations to help organizations get started with social compliance and governance:
 - a. ***Set-up a Cross-Functional Body to “Own” Social Media Compliance:*** Joe pointed out that social media practitioners, although very important in assisting the organization with compliance, do not own the social media compliance problem. They own the use of social media technologies and modalities to achieve business goals. For example, it is no different than the claims department, which does not own the compliance problem for how claims are processed. It is an enterprise problem. This same line of thinking holds true for social media
 - b. ***Find Out What is Happening with Social Media at All Levels of the Organization:*** Once the cross-functional body is set up, it is imperative that it discovers how social media is being used throughout the organization. If this cross-functional body does not know all the ways in which social media is conducted throughout the organization, non-compliance cannot be prevented.
 - c. ***Focus on Creating a Defensible Social Media Compliance Strategy:*** The next step is to create a reasonable, defensible social media compliance strategy. The organization creates a policy, it creates procedures that support that policy and it offers guidelines and training to help employees follow these procedures such that the organization can reasonably assume that they are compliant with the policy. Then, should there be a compliance failure, there will be a plan in place to manage it. This is the same reasonable, defensible compliance strategy that would be used in other parts of the business.
 - d. ***Manage Social Media Compliance the Same Way as Traditional Compliance:*** Joe pointed out that an organization does not have a separate email compliance or fax compliance or mail compliance strategy. Rather, it is a compliance strategy that is tied to the business processes that are regulated and there are standard bodies associated with them that are audited, etc. That is how the social media compliance strategy should be handled, as well.

LESSONS LEARNED

- Joe stated that IBM Connections is a popular product and gaining in popularity. It is like a product that has the best of Jive and SharePoint. Connections evolved from the Lotus side of IBM where their ECM system (FileNet) came from an acquisition.
-
- One participant asked Joe for advice on writing documents for internal team members vs. external team members. Joe replied by asking participants to think of it in terms of a hierarchy:
 -
 - **Top Level:** This would be the company's vision and mission statement for social media.
 - **Second Level:** An inspirational statement of what to accomplish with social media.
 - **Third Level:** A feel-good statement, i.e. what could be carved on the side of the company's building.
 - **Fourth Level - Policies:** How the organization will operate to meet the policy vision.
 - **Fifth Level - Procedures:** This is a step-by-step acclimation, i.e. if these steps are followed, the organization can reasonably assume that it is in compliance with the policy.
 - **Sixth Level - Guidelines:** Below the procedures would be guidelines or tips or desktop aides. For example, if someone is working in Outlook and he/she would like to save a document to the repository, they should right click and select this, etc.
 - The problem with social media is that it is everywhere. So, the governance document is a mishmash of policies, procedures and guidelines. When thinking about an external and internal audience and how to communicate with them, look to the goal of the communication. Decide if it is best put in a policy, a procedure or a guideline.
- In Joe's experience, most playbooks blend policy/procedures and guidelines because they are tactical documents. A best practice is for the governance compliance area to incorporate social media into the company's existing policies. That helps the company to issue standard operating procedures to support that policy.
- Jim asked Joe for his advice on ways to overcome the challenges related to data retention when it comes to compliance. Joe started off by putting it in the larger context of records management in general. The problem is split into two halves. There is paper records management, which is social media. Then there is electronic records management. Joe stated with assurance that of the Fortune 1000 companies, 95% are not doing electronic records management suitably. Instead, they are keeping a majority of their electronic content forever.

The challenge is figuring out a way to apply more granular rules so that the organization can feel assured as to which documents can be purged and still remain within the boundaries of the law and regulation. This is still a very emergent area. It will likely be a couple of years before any enterprise solutions are available that will work for most organizations.

ADDITIONAL INSIGHTS

- Joe encouraged participants to access white papers on the Doculabs' website. There are approximately 20 white papers that are free to download. These are excellent resources that have calculators for cost and risk and ROI all built into the PDF:
<http://www.doculabs.com/features/white-papers/>
- As well, Joe shared a slide deck from a presentation that he conducted a few years ago on how to build successful communities entitled: "*If You Build Them, They Might Not Come*":
<https://doculabs.box.com/s/5tyj3ap4v9r48quo8r8p>