SOFT-SKILLS: HOW TO DEVELOP SUCCESSFUL PROJECT MANAGEMENT FOR COMPLIANCE INITIATIVES

Imagine a doctor who tells a patient that he's sick, but doesn't identify the illness. Or a mechanic who tells a customer her car is going to break down, but doesn't say how or when. How about a travel agent who books a family vacation, but doesn't indicate when the flight leaves?

When information is not fully communicated to those who need it, it loses its value. A brilliant strategy is useless if it is not understood throughout the organization. Strategic alignment is about adding value – a misalignment means a loss of investment, either financial or in terms of time and capabilities. Your compliance strategy, goals and objectives directly impacts every single employee's daily work and activities, so it has to be understood by every person within the organization. Your compliance program depends on your team for execution, so if you don't communicate it, you have no chance of achieving it.

Strategic initiatives by their very nature drive change in an organization. It is no secret that people are resistant to change, no matter how cutting edge and open-minded we deem ourselves to be. Each one of us have likely experienced the excitement of rolling out a new compliance initiative, policy, or technology advancement for our firm, only to later have to either modify it due to resistance, misapplication or misunderstanding by others, or lack of top-down endorsement. Change can be tough. But the cost of complacency can have even deeper repercussions.

To survive in this rapidly changing regulatory environment, organizations must stay ahead of the curve. That means developing a smart strategy – and executing the projects that will bring it to life. Yet even at high-performing organizations – those that achieve 80% or more of projects on time, on budget and meeting original goals – only 57% of projects are aligned to strategy.[1] Over one-third of businesses surveyed said inadequate or poor communication was the primary cause of project failure. Communication between executives and different project teams, whether Trading, Portfolio Management, Compliance, Marketing, Operations or IT, plays a vital role in translating strategy into action. Keeping everybody informed and involved in the process at all stages makes them more flexible when a change in direction is inevitable.

Case Study: Implementing New Compliance Technology Solutions for Your Compliance Program

You are the CCO at XYZ Financial, Inc. You have been assigned the new task of implementing a compliance technology platform at your company to help automate several major components

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[1] *See* Project Management Institute's 2015 Pulse of the Profession: Capturing the Value of Project Management Report at http://viewer.epaperflip.com/Viewer.aspx?docid=451ba082-9a3d-42f9-b831-a45f0121fe6c#?page=8.

of your compliance program. The deployment of the technology will require participation from all department managers for the surveillance efforts, which ultimately will be used by them for the supervision and management of day-to-day activities. You have spearheaded the research, sat in on every online demo, gotten the pricing information and finally have the contract signed off by Senior Management and scheduled the installation to happen next week. Once installed, the system will be customized for the firm's business model and deployed throughout the organization.

- **Question: What is missing here?**
- **Answer: There is no project rollout plan and no analysis as to the potential impact to department managers and firm personnel.**

In the above scenario, you have already done so much work just getting to this point. To have the compliance technology tools you have desired for so long is an exciting accomplishment. However, if you did not conduct an impact analysis and do not have a communication plan in place to rollout this initiative, it will be difficult to both deploy and measure its successfulness. Often times things that don't get measured don't get acted upon. It is not enough to simply get the technology solution installed. The department managers need to believe that this technology will be useful to them in advancing their teams – and themselves. There needs to be communication as to why the technology is important in addition to what their roles and responsibilities will be. There needs to be an evaluation as to the amount of time that needs to be committed to the project rollout and an understanding of where Senior Management prioritizes this initiative amongst the firm's many other initiatives that may be deployed around the same time frame. And most importantly, there needs to be training of how to use these tools – both at the employee level and management level. The ease of getting past these hurdles is to have "buy-in" from the beginning with benchmark measurements.

How to Achieve This: For every initiative, whether small or large, there have to be documented Key Performance Indicators ("KPIs") that need to illustrate that not only is your plan measurable and realistic but most importantly, that it is aligned with the firm's vision, strategy and objectives. Some examples of important factors you need to consider when formulating your KPIs would be:
- Budget: What is the project estimate in place for this initiative and has a contingency budget been allocated to this project?
- Schedule: Is there any flexibility in the overall schedule or with respect to certain milestones? What penalties (additional resources, time, or money) need to be taken into consideration if there are scheduling delays?
- Scope: Has the project scope been clearly defined and have sufficient resources been assigned, meaning have you clearly outlined what is or is not included in this specific project initiative?
- Quality of Work: How are you defining the quality of work for this initiative? Is it within a certain margin of error?
- Communication: In this case study, early involvement by the department managers is instrumental to the successful deployment of a new compliance technology rollout. They will be able to communicate the message of why this is important to employees and gather feedback to share quickly with compliance so modifications can be made early in

the process, when necessary. Build in regular communications into your schedule in order to ensure your team is on the same page.

- Client Satisfaction: While it can be difficult to measure client satisfaction, doing so is critical to the success of your project. Reach out to your clients and ask them for a rating or feedback throughout the lifecycle of the project initiative so that changes can be incorporated as needed.

- Team Satisfaction: Often the most overlooked KPI in a project initiative is satisfaction of our employees. Employees will be most satisfied when they are part of the process and involved in the decision making process (where applicable).

The choices of KPIs need to be reviewed periodically as a dynamic process. Once the KPIs are defined and measured, this will help to facilitate change. And the KPIs should be a consideration and incorporated into every planning meeting so that the action plan is known by all.

Conclusion

All organizations go through change. When leading strategic initiatives, particularly in the compliance area, we must champion such efforts and demonstrate our commitment to it through the use of KPIs. Often, the gap between developing a strong strategy and executing it will be substantial if there is a lack of engagement with those impacted and little or no strategic leadership within the company. To successfully close that gap, intentionally focus and align compliance initiatives with the broader strategy of the firm. Successful deployment requires the entire team to understand why something is changing, how it will impact them, what they must do and how they must do it. Strong communication, benchmarking and training will help drive the entire organization toward the same destination.

For more information, please do not hesitate to contact CCLS at info@corecls.com, at (619) 278-0020 or visit us at www.corecls.com. Thank you.

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