

Take a Seat at the Table: How to Realize Your Potential as a Strategic CCO



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Throughout corporate America, and especially in heavily regulated industries such as healthcare and finance, CCOs have long been an integral part of the legal landscape. The seven elements outlined by the United States Sentencing Commission not only serve as the baseline of CCO responsibility, but a good tool for helping management and boards develop internal compliance programs to help the organization meet and adhere to regulations. Over the past few years, however, many CCOs have transformed their role from that of watchdog and enforcer on the legal floor to a strategic business partner opening the boardroom door - while simultaneously moving from spreadsheets and data silos to software and transparency.

Revealing some of their newly found power, CCOs and board members interviewed for the esteemed law firm DLA Piper's *2017 Compliance & Risk Report: Compliance Grows Up*, reflected on what is happening now: "It also points to another trend evident in our survey results. Respondents are increasingly able to affect change, procure adequate resources, access senior leadership and run strong compliance programs, even in the absence of heightened regulatory risk or enforcement. Taken together, these data points indicate that the compliance function is gaining independence and stature within organizations. They could also point to

compliance officers' growing ability to demonstrate the value of compliance beyond risk management. "Compliance officers have to think like a business person to make an impact," one CCO told us.

Clearly, strategy focused CCOs are being welcomed into the boardroom, but the skills they need to develop to grow in stature and help their companies succeed are very different from the core competencies that may have originally fueled their success in the regulatory environment. The successful, strategic CCO of today must master these seven critical skills:

1 **Be Wise to the Enterprise**

Every leader at the table understands what makes the company tick and the successful CCOs of today do, too. In-depth knowledge of how the company generates revenue and/or succeeds at its mission is job #1 for a CCO. A thorough understanding of business operations is the foundation for building a compliance program focused on the sticky issues that can prevent a company from meeting its goals. A top CCO knows that to find, fix, and prevent misconduct, he/she must first understand how the business works.

2 **Be an Effective Communicator and Listener**

A successful CCO needs to get a clear message across to widely disparate audiences. The first step is to know and understand the audience and that is accomplished by asking questions and by active listening. Reach out and move toward others, so they know you are interested in what they do and in their concerns and ideas. A good CCO is visible and accessible. Being seen is a form of communication and the CCO who is known will be able to garner support. An effective CCO is interpersonally sophisticated and knows that to gain buy-in at any level, the target needs to feel that they have been heard.

3 **Be a Relationship Builder**

Good communication is critical for making connections, but the communication effort must be sustained to grow meaningful relationships. Great CCOs know they need a reliable internal network through which to spread the compliance message. Good relationship builders have more connections - bridges throughout the organization - which allow the compliance message to penetrate the culture.

4 **Be a Respected Leader and Team Player**

Effective CCOs display solid business and interpersonal judgment, because being good at what you do and working well with others are the foundation for success. CCOs must be engaged and practical and have a positive attitude about the organization and the compliance program. This attitude should be on display for everyone to see. Respected leaders are trusted leaders who treat others fairly, develop strong teams, and advocate for the advancement of others. They get "down in the trenches" when they need to.

5 **Be a Master Influencer**

If a CCO is a trusted and respected colleague and leader, he/she will have the power to influence compliance and business outcomes. Effective CCOs need to convince people to change minds and to do things differently. Change is difficult for many, so a CCO must get people on board with the compliance mission, winning over the hearts and minds of their team, senior leadership colleagues, and the board. In fact, they must be able to “sell” the compliance program and themselves and positively overcome objections to their mission.

6 **Be Board Savvy**

Understanding the audience is key. An effective CCO has a plan and sets expectations with the board about what will be achieved and when. Provide the board just enough detail that they have confidence in your plan and your ability to execute. The CCO must be able to clearly communicate serious issues but need not get “into the weeds.” Know the board’s top concerns, not just in compliance, but in all areas of the business.

7 **Be Risk Focused**

All C-suite leaders, including the CCO, are laser-focused on risks to the business. These risks usually come in the areas of strategy, compliance, operations, and reputation. Every executive must consider and evaluate the potential risks in their area of the business. The language of risk is how leaders across a company come together to focus and take proactive steps toward mitigation.

The path ahead for the strategic CCO is filled with opportunity for growth and recognition, as the necessary skills for moving up the corporate ladder are learned and communicated. In addition, there is increasing emphasis on board oversight and the need to ensure that boards understand the compliance function. As Haydee Olinger, BarkerGilmore’s Senior Advisor and former Chief Compliance Officer for McDonalds notes, “A Compliance Officer needs to show how the compliance program is designed to support business goals and objectives.” When that is achieved, businesses can be sure they have a new partner in achieving success.

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