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Convercent Disclosure Manager

Innovation in User Experience for Compliance Management

SOLUTION**PERSPECTIVE**

Governance, Risk Management & Compliance Insight

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TALK TO US . . .

We look forward to hearing from you and learning what you think about GRC 20/20 research. GRC 20/20 is eager to answer inquiries from organizations looking to improve GRC related processes and utilize technology to drive GRC efficiency, effectiveness, and agility.

Convercent Disclosure Manager

Innovation in User Experience for Compliance Management

Compliance at the Front-Lines of the Organization

Too often we shovel compliance into the bowels of the organization thinking it is the responsibility of legal in the back office of the organization. This misperception is a critical issue organizations must address. The most significant exposures to compliance issues are not in the bowels of the organization, they are at the front lines.

The scenarios of compliance exposure across business operations and frontline employees are unlimited. Some involve malicious employees, others could be inadvertent mistakes, while some scenarios involve activity that employees should catch and report. From the receptionist at the front desk, to the sales person in the field, and to the janitorial staff cleaning — all have a role in compliance. The organization has to effectively engage employees and educate them about compliance in the context of their role in the organization. The challenge is that organizations need to find a way to get everyone involved and owning compliance to build integrity across the whole organization and the extended enterprise.

Historically, compliance has been focused on back-office legal and compliance departments. These functions are still critical to compliance, but are no longer enough. Compliance needs to move to engage all levels of employees in the organization as each plays a critical role in compliance in the context of distributed roles and responsibilities. The teller in a bank, salesperson in life sciences, field agent in insurance, contractor in the call center of a hospital, the receptionist at the front desk, the factory worker in manufacturing, or procurement personnel onboarding the supply-chain all have a part in compliance. Compliance extends in all directions throughout the organization. Up to executives and the board, down to the front lines of employees and across the extended enterprise.

Engaging Employees in Compliance

The user experience for compliance has been typically poor in most organizations, resulting in time-consuming and redundant processes, a check-box mentality and lack of central coordinated efforts for communications. Organizations have ended up with multiple sources of policy, training, surveys, assessments, and issue reporting hotlines. Interaction with these systems has consumed human and financial capital. Interaction is often inconsistently logged in documents and spreadsheets, if they are logged at all. There is no coordination of compliance communication and no way to prioritize messages and employee tasks. The result is emails and documents that fly about, slip through cracks, are never responded to, or are simply forgotten.

Compliance needs to realign to deliver value as well as integrate and align with strategy, process, information, and technology throughout the organization. Compliance requires an integration of information, processes, and systems to engage employees and agents at all levels of the organization. Compliance needs to deliver an exceptional end-user experience: getting employees involved by providing intuitive interfaces that are interactive and engaging. Compliance solutions need to instruct, inform, and be easy to use at all levels. Employee engagement happens through intuitive interfaces, socialization, collaboration, and mobility.

From a compliance management perspective, compliance needs to deliver a 360° contextual awareness of compliance where it is monitored and understood in the course of business operations, changing risks and regulations, and interactions. Delivery of contextual awareness requires a compliance central nervous system to capture signals found in processes, data, and transactions as well as changing risks and regulations for interpretation, analysis and holistic awareness of risk in the context of business.

The Value of Compliance Engagement

GRC 20/20 measures the value of compliance engagement around the elements of efficiency, effectiveness, and agility. Organizations need to be:

- **Efficient.** Compliance engagement provides efficiency and savings in both human and financial capital. Compliance should be efficient by providing access to the right information at the right time for employees, and reduce the time spent searching for answers (or just giving up). Compliance efficiency is achieved when there is a measurable reduction in human and financial capital resources needed to address compliance in the context of business operations.

- **Effective.** At the end of the day it is about effectiveness. How does the organization ensure compliance is effectively understood, monitored and managed at all levels of the organization? That policies are not only read but understood, that employees are trained properly, that they know how to ask questions when in doubt, to report issues and how to be intelligent about risk in their specific context.

- **Agile.** Compliance engagement delivers business agility when organizations can respond rapidly to changes in the business environment (e.g., conflicts of interest) and communicate to executives in context to these changes. Compliance engagement is measured in responsiveness to events and issues so organizations can identify and react quickly to issues because they are reported in a timely manner.

The bottom line: Compliance for the average employee of the organization has been confusing and disconnected from what they do. Too often they see compliance activities as a burdensome task that gets in the way of real work with no real value provided. Compliance is only as good as the front-line understanding, participation, and alignment with it. It is no longer enough to have the right compliance documentation and incident reporting; organizations have to show compliance is a part of the organization's operations and processes. This requires employee engagement in compliance.

Convercent Disclosure Manager

Innovation in User Experience for Compliance Management

Convercent's Disclosure Manager is a GRC solution that GRC 20/20 has researched, evaluated, and reviewed with organizations that are using it in distributed and dynamic organization environments. GRC 20/20 has evaluated and verified the innovation in user experience found in Disclosure Manager and sees this as a compelling offering for compliance programs to more effectively manage disclosures than they have in the past. It delivers an intuitive and engaging user experience that makes compliance processes more efficient, effective, and agile. In this context, GRC 20/20 has recognized Convercent's Disclosure Manager with a 2015 GRC Innovation Award for the best user experience in Compliance Management in 2015.

What Convercent's Disclosure Manager Innovation Is About

Many organizations continue to address disclosure management through ad-hoc forms. Sometimes these forms are in electronic format with some degree of workflow and tasks, while many still use paper-based forms. These approaches left compliance teams with imperfect solutions that did not accurately capture the nature of relationships or their effect on organizational risk.

Convercent's innovation is an evolution of compliance disclosure management utilizing technology to create a need-driven solution from the ground up. Convercent's Disclosure Manager delivers an innovative framework for employees to make disclosures (e.g., conflicts of interest, gifts, and political contributions). It breaks away from traditional approaches that leave employees feeling like they are reporting wrongdoing—though that is often, in fact, not the case—and is designed to encourage open and honest reporting and communication to increase the likelihood that employees will self-report potential conflicts of interest. This provides compliance teams with an easy-to-use interface for communication and interaction with disclosing parties while enabling those teams to review disclosures and record and communicate decisions and stipulations.

GRC 20/20 continues to see that Convercent is dedicated to clean, user-friendly software accessible from anywhere. This is apparent in Disclosure Manager, which has an easy-to-use and intuitive platform for both employees and compliance administrators. Employees can easily see the status of their disclosures and communicate with the compliance team. The solution gives employees the ability to update any previous disclosure as needed, negating the requirement to file a new disclosure for even the slightest circumstance change. Through easily configured routing rules and notification triggers, the compliance team can be automatically notified of any changes or new disclosures.

Compliance managers have access to analytics and customizable dashboards that quickly display real-time data to help compliance teams track changes and trends. This helps companies easily identify the most common conflicts of interest and enables them to focus in on COI hotspots to proactively manage risk.

How is Convercent's Disclosure Manager Innovation Different?

The traditional approach to disclosure management has been manual print or electronic forms that treat compliance disclosures, like conflicts of interest, the same way reports of incidents, misbehavior, and non-compliance are treated. Disclosure software has commonly been an incident/issue management system with disclosure fields simply added in. This approach did not change the fundamental framework or understanding of the product's functionality resulting in a "disclosure" product that was a case intake channel in everything but name. It treated disclosures as static entities, making it difficult, if not impossible, for employees to access or update previously filed disclosures. This resulted in static disclosures that were filed and forgotten like reports of misconduct, rather than living documents that contained accurate, up-to-date insight into relationships and their potential impact on the business.

Convercent's Disclosure Manager is innovative and different because it was architected as a completely independent solution. Rather than being a case manager with additional fields, Disclosure Manager was designed and built specifically with relationships, not issues and incidents, in mind.

As a data-driven solution, Disclosure Manager provides organizations with the ability to generate insights from the analytics they can apply to the information entered. No longer does a disclosure need to be an annual form: Disclosure Manager makes disclosures a real-time living disclosure that employees and compliance professionals can update and review as needed. This enables organizations to go beyond simply letting employees report relationships; it encourages information that elaborates on how that relationship potentially affects the organization. Disclosures are perpetually "owned" by the filing party and easily updated as the relationship changes over time, resulting in accurate records and employee confidence.

Benefits of the Convercent's Disclosure Manager

Conflicts of interest present one of the most common risk areas faced by organizations. Organizations need a 360° real-time window into potential conflicts within an organization to enable teams to make well-informed decisions and allocate resources wisely to address real, not imagined or blindly perceived, risks. This is accomplished with Convercent's Disclosure Manager, which offers a non-threatening method of disclosing potential conflicts that results in higher employee participation and, ultimately, an accurate understanding of the organization's related risk portfolio.

Disclosure Manager is an easy-to-use solution that reduces the amount of time compliance teams spend reviewing and resolving disclosures. One global organization using Disclosure Manager reported that its compliance team was previously spending 80% of their time managing the administrative aspect of conflict of interest disclosures. After the team adopted Disclosure Manager, there was a reduction in the amount of time spent on the administration of forms. This organization also reports that the number of completed disclosures increased by one-third within three months after implementing

Disclosure Manager because of the solution's focus on relationships and the form wizard that got employees thinking about additional potential conflicts that had not occurred to them previously.

GRC 20/20 sees some of the specific benefits of Disclosure Manager as:

- *Intuitive* solution for a common compliance issue
- *Visibility* into potential conflicts of interest that pose a real risk to the organization
- *Monitor* and mitigate risk of a costly instance of misconduct
- *Real-Time* insight into disclosures for the accurate understanding of risk posture
- *Collaborative* communication channels that keep exchanges between the disclosing party and compliance
- *Relevant* dashboards to highlight trends with analytics and reporting that enable better business decisions

As part of Convercent's integrated suite of compliance solutions, Disclosure Manager can function independently. However, its value comes together when coupled with the deep reporting and analytics provided by an entire compliance program's breadth and depth of data. Viewing disclosures next to employee attestation rates, hotline reports, case resolutions, and risk registers provides a 360° contextual awareness of compliance risk that enables compliance professionals to understand a disclosure's real potential impact, likelihood and effect on the organization's overall risk.

Considerations in Context of Convercent's Disclosure Manager

Every solution has its strengths and weaknesses, and may not be the ideal fit for all organizations in all situations. While GRC 20/20 has identified many positive attributes of Convercent's Disclosure Manager — readers should not see this as a complete and unquestionable endorsement of Disclosure Manager.

Overall, organizations have shown a high degree of interest in Disclosure Manager and find its ease of use and relationship approach to be more widely accepted and used by employees. Enterprise organizations and companies in high-risk industries that have a history of COI-driven regulatory actions and requirements have been early-adopters. Clients have positive feedback on Convercent as a company as well as their early use of the new Disclosure Manager solution. Disclosure Manager is designed to encourage open and honest reporting and communication and increase the likelihood that employees will self-report relationships that could potentially present conflicts of interest, or worse, ultimately lead to misconduct. GRC 20/20 is finding that Convercent is establishing itself as a next generation compliance platform that provides integrated compliance analytics through delivering connected solutions for compliance processes.

About GRC 20/20 Research, LLC

GRC 20/20 Research, LLC (GRC 20/20) provides clarity of insight into governance, risk management, and compliance (GRC) solutions and strategies through objective market research, benchmarking, training, and analysis. We provide objective insight into GRC market dynamics; technology trends; competitive landscape; market sizing; expenditure priorities; and mergers and acquisitions. GRC 20/20 advises the entire ecosystem of GRC solution buyers, professional service firms, and solution providers. Our research clarity is delivered through analysts with real-world expertise, independence, creativity, and objectivity that understand GRC challenges and how to solve them practically and not just theoretically. Our clients include Fortune 1000 companies, major professional service firms, and the breadth of GRC solution providers.

Research Methodology

GRC 20/20 research reports are written by experienced analysts with experience selecting and implementing GRC solutions. GRC 20/20 evaluates all GRC solution providers using consistent and objective criteria, regardless of whether or not they are a GRC 20/20 client. The findings and analysis in GRC 20/20 research reports reflect analyst experience, opinions, research into market trends, participants, expenditure patterns, and best practices. Research facts and representations are verified with client references to validate accuracy. GRC solution providers are given the opportunity to correct factual errors, but cannot influence GRC 20/20 opinion.

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