LEAN COMPLIANCE

ELEVATING COMPLIANCE TO HIGHER STANDARDS

ELEVATE COMPLIANCE WEBINARS

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ABOUT LEAN COMPLIANCE

About the founder

Raimund Laqua, PMP, P.Eng. founded Lean Compliance Consulting in 2017 to help companies in highly-regulated, high-risk industries transform the way they do compliance to always stay between the lines and ahead of risk.

Mr. Laqua has consulted across North America for over 30 years and continues to apply his technical, strategic, and managerial knowledge and expertise to improve safety, security, sustainability, environmental, quality and regulatory outcomes across: oil & gas, energy, pharmaceutical, medical device, financial, technology and government sectors.

He is the author of weekly blog articles, and an upcoming book on Operational Compliance. He regularly speaks on topics of risk, compliance, lean, and organizational transformation.



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ABOUT LEAN COMPLIANCE

Who we are and what we do



We help compliance succeed.

Lean Compliance provides the means for compliance to finally reach higher standards and achieve greater impact from their efforts.

We accomplish this by harnessing Lean principles, along with proactive, integrative and holistic strategies to meet risk and compliance challenges.

Our clients are forward-looking, ethical organizations that strive to always stay between the lines and ahead of risk associated with meeting all their obligations and stakeholder commitments.

Lean Compliance consists of a body of knowledge, methodology, programs, and services provided by a network of experts and practitioners dedicated to elevating compliance across the world.

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LEAN COMPLIANCE

ELEVATE COMPLIANCE WEBINARS

Currently scheduled



Thu, Jan 25

Elevating Compliance To Higher Standards

Register Now



Wed, Feb 07

Elevate Compliance - Mastermind Group (Waiting Li...

Register Now



Thu, Feb 22

AI Ethics and Compliance

Register Now



Thu, Mar 28

Elevate Compliance Outcomes Using Programs

Register Now

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BIG IDEA

For organizations to meet all their obligations, compliance must raise its standard not reduce scope



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OUTLINE

1. Five Compliance Demands
2. Five Compliance Capabilities
3. Five Compliance Principles
4. Elevating Your Compliance
5. Q & A

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1. FIVE COMPLIANCE DEMANDS

What is driving compliance to higher standards?



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LEAN COMPLIANCE

1. FIVE COMPLIANCE DEMANDS

Operational obligations for compliance

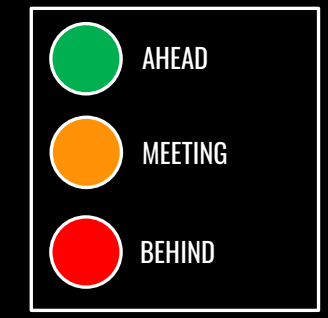
MEET ALL OBLIGATIONS	DELIVER STAKEHOLDER COMMITMENTS	PROTECT VALUE CREATION	CONTEND WITH UNCERTAINTY	PURSUE EXCELLENCE
AHEAD	AHEAD	AHEAD	AHEAD	AHEAD
MEETING	MEETING	MEETING	MEETING	MEETING
BEHIND	BEHIND	BEHIND	BEHIND	BEHIND

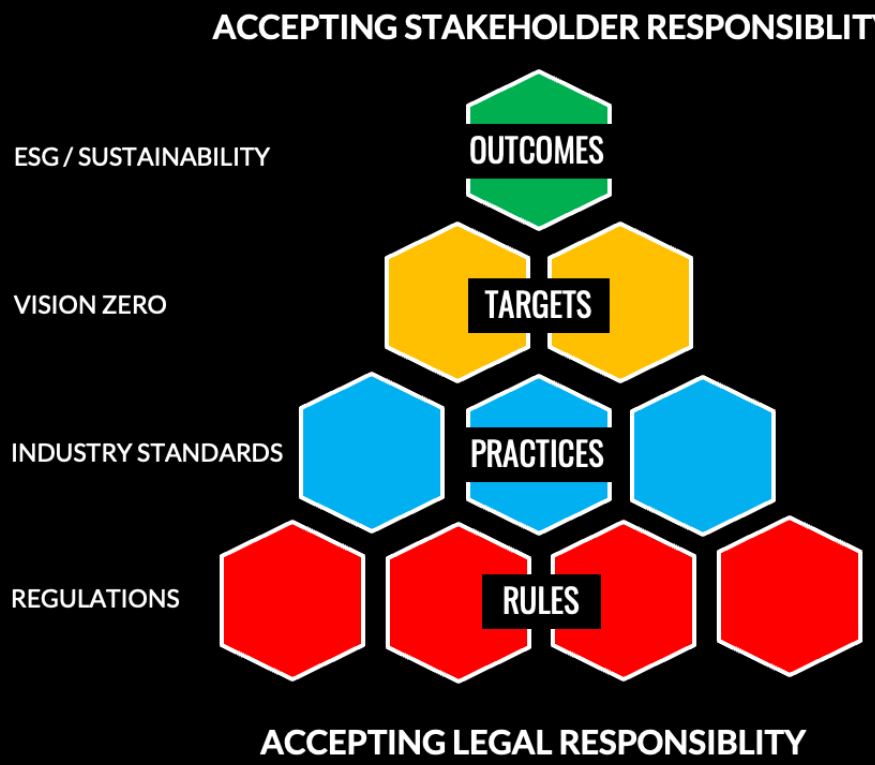


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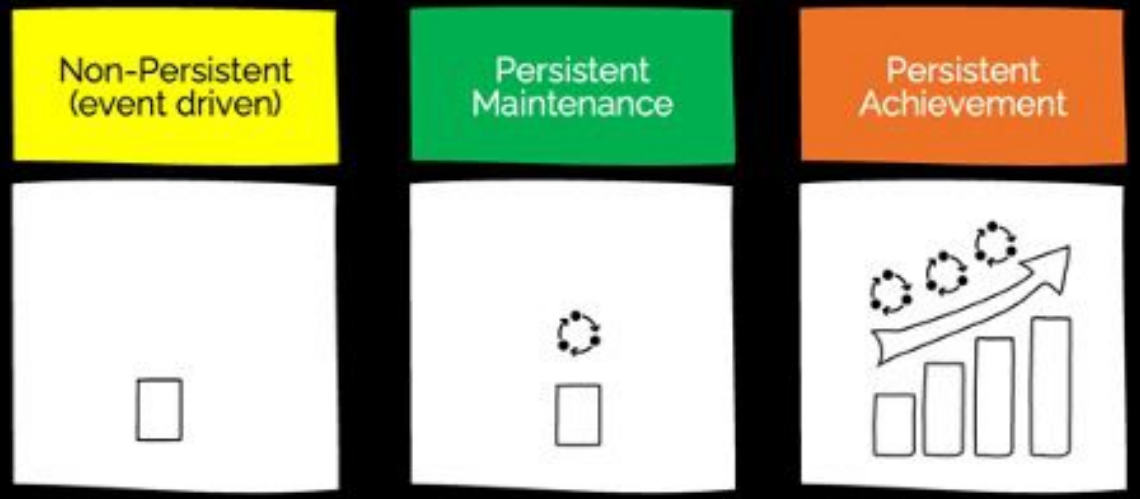
1. FIVE COMPLIANCE DEMANDS

#1 Meet all obligations





Types of Obligations



Adherence to rules is no longer the only priority

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1. FIVE COMPLIANCE DEMANDS

#2 Deliver Stakeholder Commitments

AHEAD
MEETING
BEHIND



To meet obligations organizations must learn to keep their promises

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1. FIVE COMPLIANCE DEMANDS

#3 Protect Value Creation

AHEAD
MEETING
BEHIND













Many organizations are only one mishap, incident, or violation away from mission failure

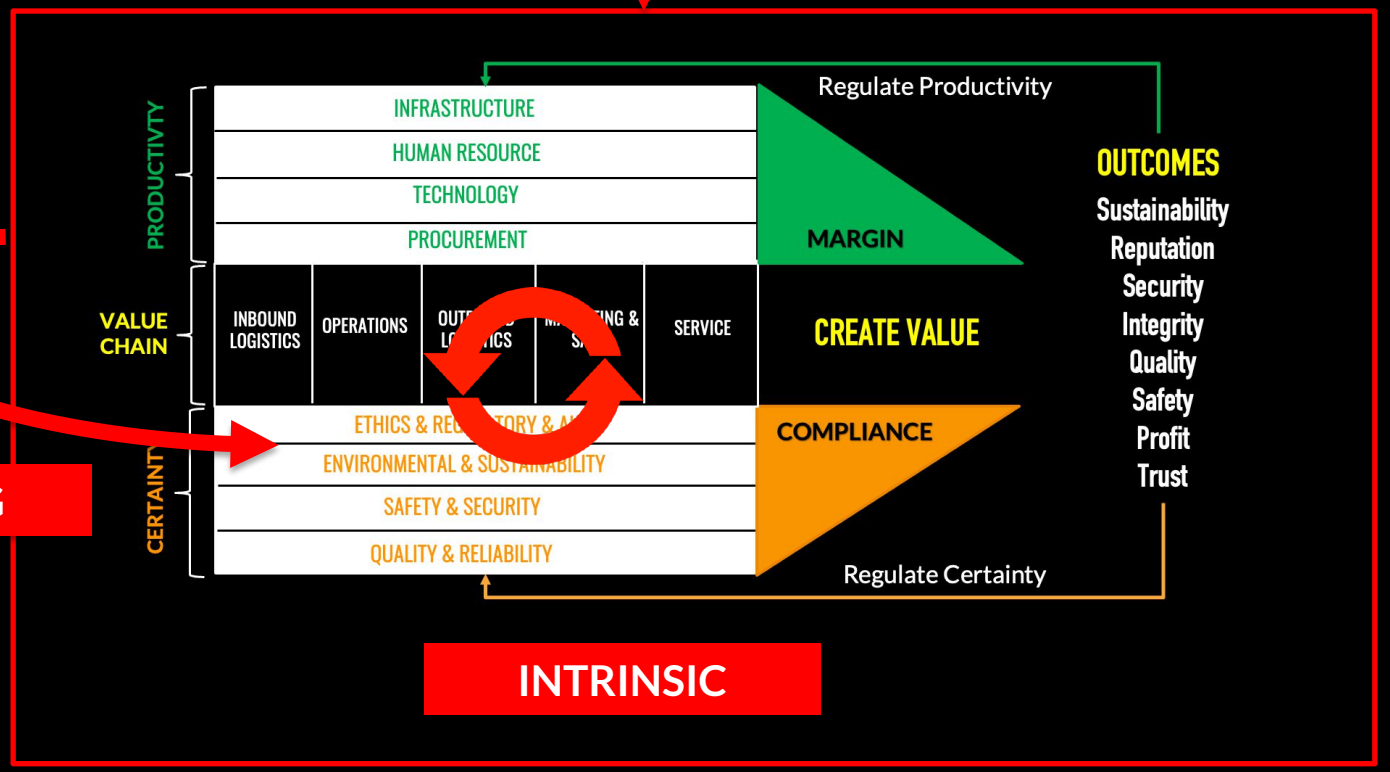
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1. FIVE COMPLIANCE DEMANDS

#4 Contend with Uncertainty

AHEAD
MEETING
BEHIND

EXTRINSIC



EMERGING

INTRINSIC

Uncertainty creates the opportunity for risk

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1. FIVE COMPLIANCE DEMANDS

#5 Pursue Excellence

AHEAD
MEETING
BEHIND



Compliance must deliver more than the sum of its parts

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1. FIVE COMPLIANCE DEMANDS

What color are your mountains?

MEET ALL OBLIGATIONS	DELIVER STAKEHOLDER COMMITMENTS	PROTECT VALUE CREATION	CONTEND WITH UNCERTAINTY	PURSUE EXCELLENCE
AHEAD	AHEAD	AHEAD	AHEAD	AHEAD
MEETING	MEETING	MEETING	MEETING	MEETING
BEHIND	BEHIND	BEHIND	BEHIND	BEHIND

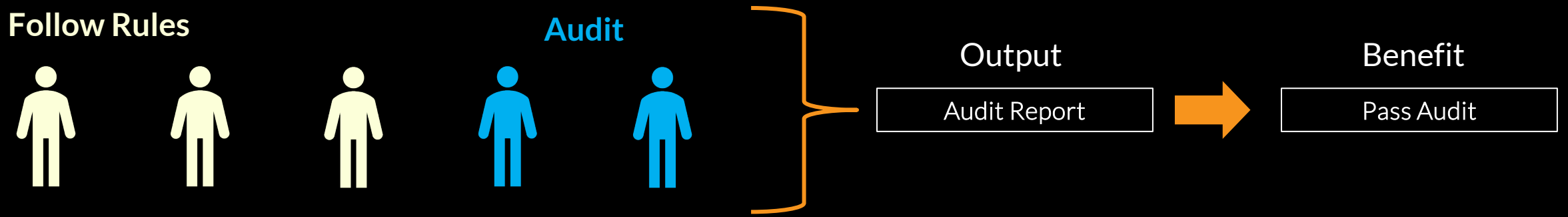


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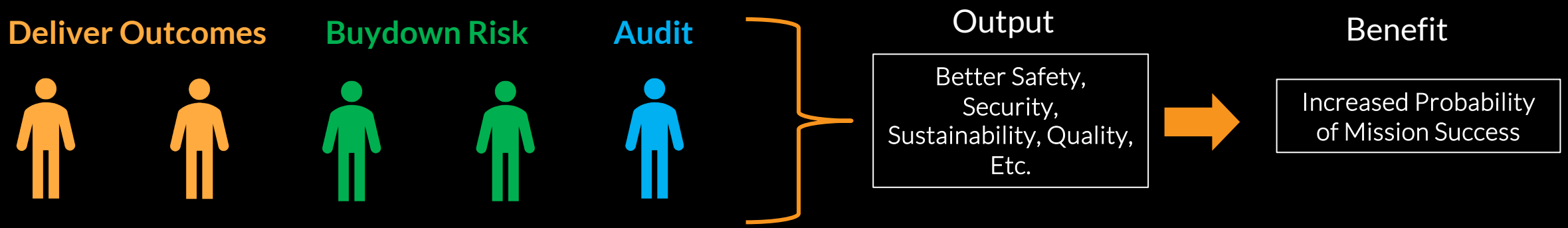
1. FIVE COMPLIANCE DEMANDS

Traditional approach to compliance is no longer enough

Procedural Approach (Internal Controls, Audits, Corrective Actions)



Operational Approach (Performance, Risk Management, Preventive and Correction Actions, Continuous Improvement)



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1. FIVE COMPLIANCE DEMANDS

The situation for many organizations

70%

† Harvard Business Review (HBR)

Lack of effectiveness:

- **70%** of companies do not measure the effectiveness of their compliance programs
- Incomplete and invalid metrics
- Mistaking legal accountability for compliance effectiveness
- Self-reporting and self-selection bias
- Focusing on the elements and not the whole



Rising costs:

- Compliance alone is estimated to be between **8%-10%** of the workforce
- Compliance can be **2 to 3 times** that in highly-regulated, high-risk sectors (ex. oil & gas, energy, finance, etc.)
- Risked-based compliance will be more

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POLL #1

Which compliance demand do you need to elevate this year:

1. Meet all obligations
2. Deliver stakeholder commitments
3. Protect value creation
4. Contend with uncertainty
5. Pursue excellence

Answer:

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2. FIVE COMPLIANCE CAPABILITIES

5 capabilities to drive higher levels of performance



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2. FIVE COMPLIANCE CAPABILITIES

Golden Assurance Thread for Compliance

ELEVATING
OPERATIONAL
BASIC PARTS

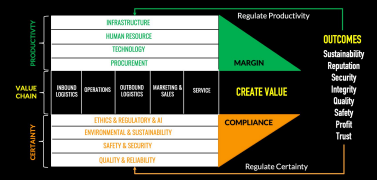


1. OBLIGATION MANAGEMENT

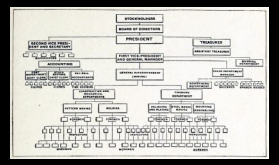
2. PROMISE FULFILMENT

Continuous
Obligations
Promises
Compliance

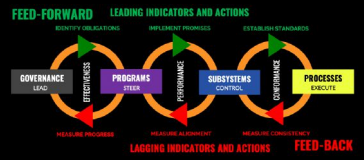
3. VALUE CHAIN INTEGRATION



4. ORGANIZATIONAL ALIGNMENT



5. COMPLIANCE OPERABILITY



OPERATIONAL COMPLIANCE

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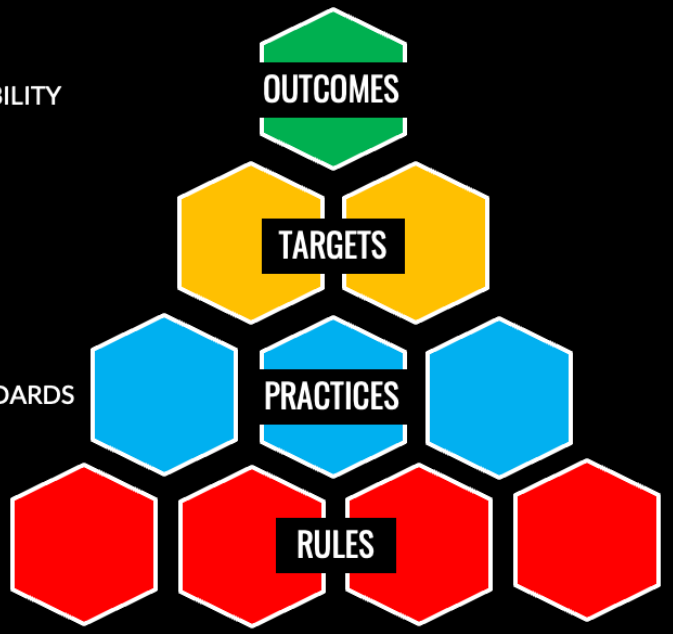
2. FIVE COMPLIANCE CAPABILITIES

#1 Obligation Management

ELEVATING
OPERATIONAL
BASIC PARTS

ACCEPTING STAKEHOLDER RESPONSIBLITY

ESG / SUSTAINABILITY
VISION ZERO
INDUSTRY STANDARDS
REGULATIONS



ACCEPTING LEGAL RESPONSIBLITY

ISO 37301



Compliance must manage obligations

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2. FIVE COMPLIANCE CAPABILITIES

#2 Promise Fulfillment

ELEVATING
OPERATIONAL
BASIC PARTS

Promises Are Operationalized Obligations

MANAGED OBLIGATIONS

Obligations are compliance requirements.

Obligation-based systems based on a divide and conquer approach become more numerous, complicated and fragile over time.



MANAGED PROMISES

Promises are compliance specifications.

Promise based systems converge multiple commitments and are able to leverage capabilities to reduce cost and improve efficiencies.

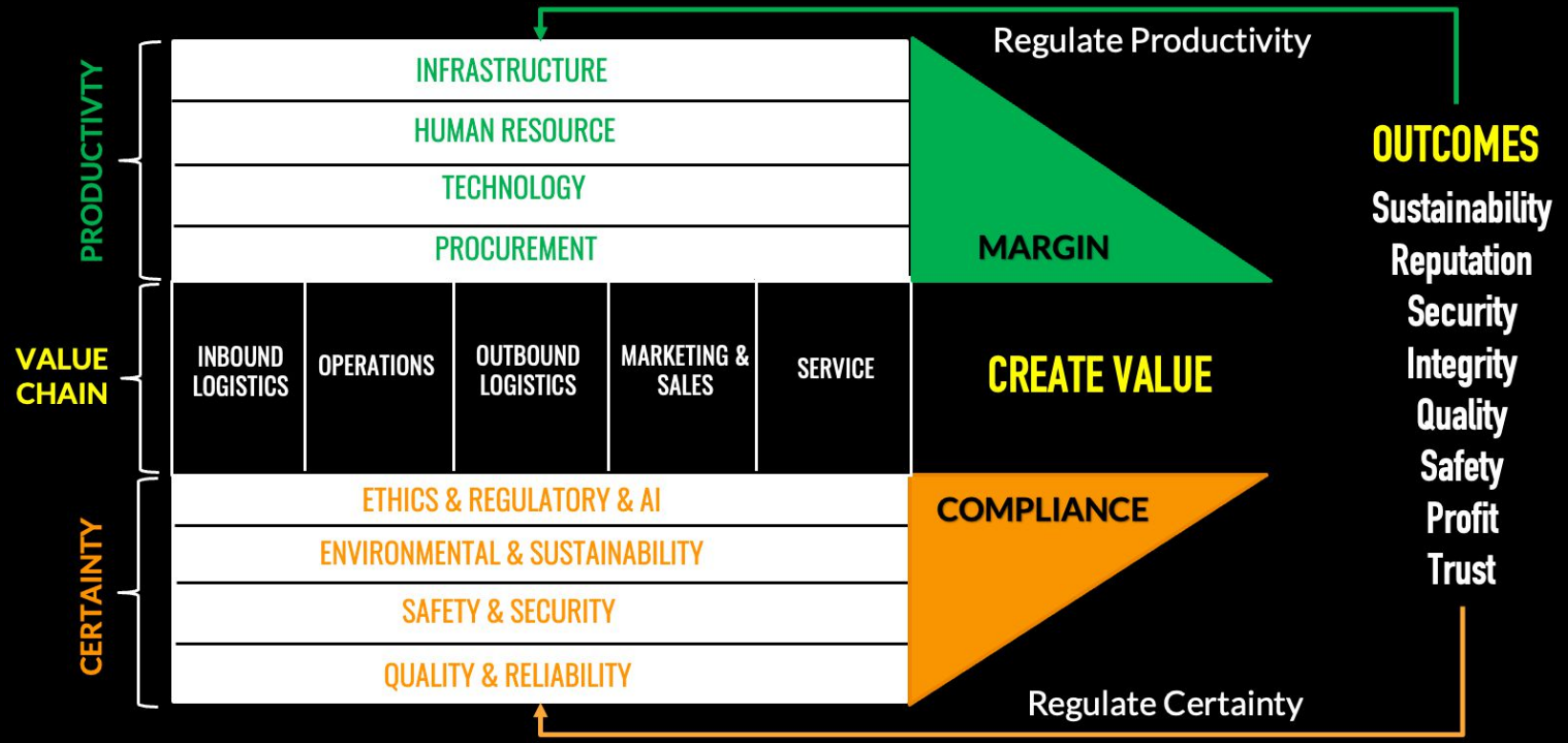
Compliance must operationalize obligations

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2. FIVE COMPLIANCE CAPABILITIES

#3 Value Chain Integration

ELEVATING
OPERATIONAL
BASIC PARTS



Compliance must be an integral part of the value chain

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2. FIVE COMPLIANCE CAPABILITIES

#4 Organizational Alignment

ELEVATING
OPERATIONAL
BASIC PARTS

UPPER MANAGEMENT


Accountable


Programs


Obligations


Ends

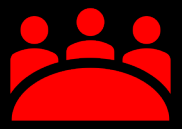

Benefits


Vision

MIDDLE MANAGEMENT

ORGANIZATIONAL BARRIER

Responsible



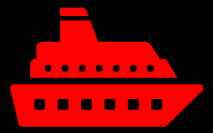
Systems



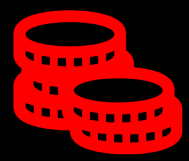
Promises



Means



Cost



Mission



LOWER MANAGEMENT

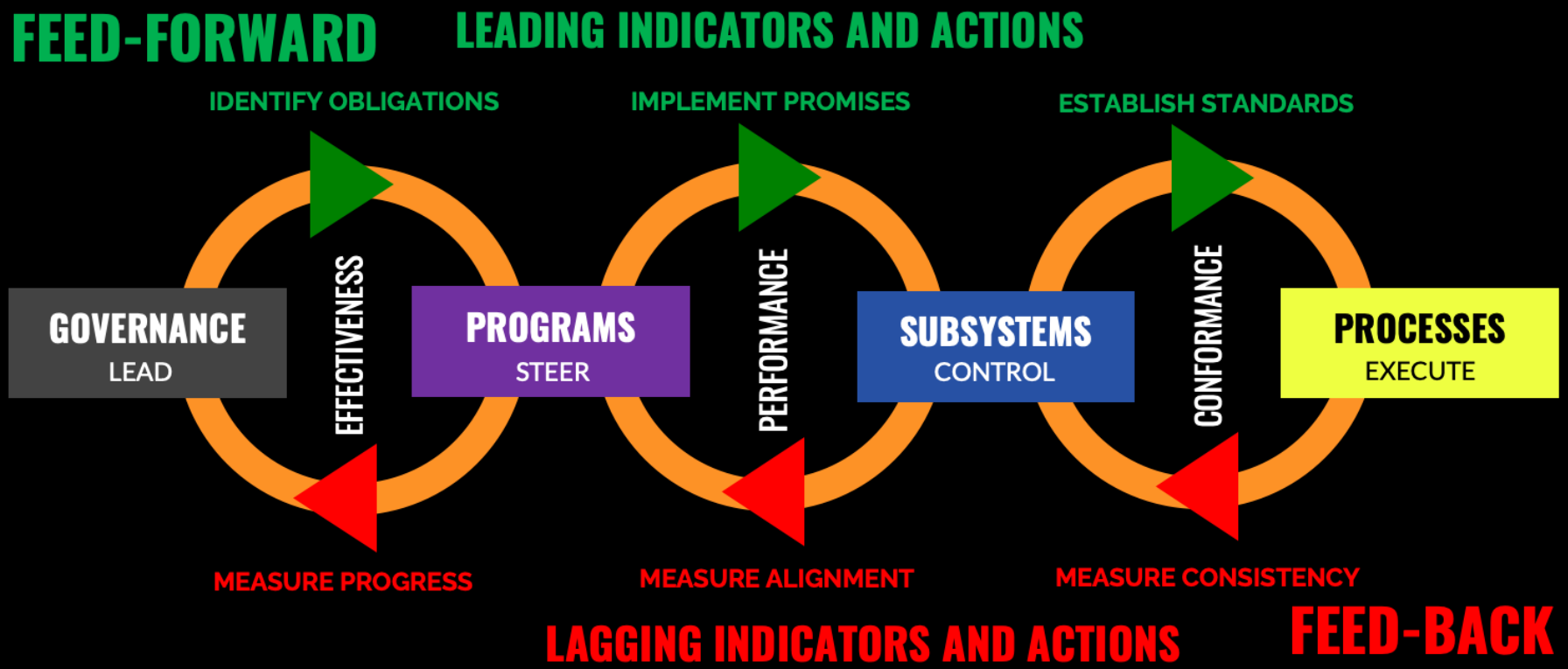
Compliance must bridge the gap between what's above and what's below

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2. FIVE COMPLIANCE CAPABILITIES

#5 Compliance Operability

ELEVATING
OPERATIONAL
BASIC PARTS



Compliance must be operational

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2. FIVE COMPLIANCE CAPABILITIES

What color are your capabilities?



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POLL #2

Which compliance capability do you need to elevate this year :

1. Obligation Management
2. Promise Fulfilment
3. Value Chain Integration
4. Organizational Alignment
5. Compliance Operability

Answer:

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3. FIVE PRINCIPLES OF PROGRAM SUCCESS

How to plan for compliance success



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3. FIVE PRINCIPLES OF PROGRAM SUCCESS

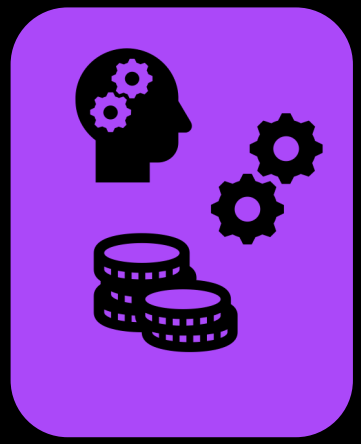
Each compliance program needs a destination, strategy, capabilities, risk plan, and measures of success



1. What does compliance success look like?



2. What is our strategy to realize and sustain compliance success?



3. What do we need to execute our strategy?



4. What obstacles or opportunities need to be handled?



5. How will we measure our progress?

Five questions that must have compelling answers



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3. FIVE PRINCIPLES OF PROGRAM SUCCESS

#1 Define what compliance success looks like





1. What does compliance success look like?

PLANNING QUESTIONS	EVIDENCE YOU ARE FOLLOWING PRINCIPLE
• Where are you heading? • What are your outcome goals and targets? • What are your obligations & promises? • How will you know when you are in compliance and when you are not?	• Program Scope & Context • Obligations / Promises Register • Conditions for Success

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3. FIVE PRINCIPLES OF PROGRAM SUCCESS

#2 Develop strategy and plan to realize and sustain compliance success





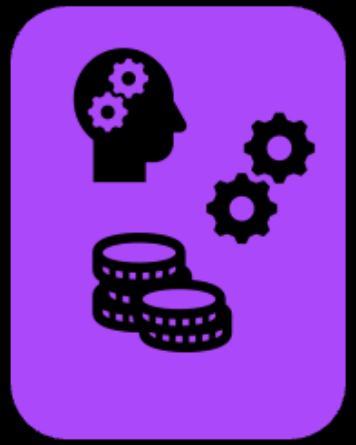
2. What is our strategy to realize and sustain compliance success?

PLANNING QUESTIONS	EVIDENCE YOU ARE FOLLOWING PRINCIPLE
• How will you meet all our obligations? • How will you keep all our promises? • How will you operationalize your obligations? • How will you always stay between the lines? • How will you manage change? • How will you improve?	• Concept of Operations • Operations Plan • Communication Plan • Change Management Plan • RACI Chart

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3. FIVE PRINCIPLES OF PROGRAM SUCCESS

#3 Identify what is needed to execute the strategy



3. What do we need to execute our strategy?

PLANNING QUESTIONS	EVIDENCE YOU ARE FOLLOWING PRINCIPLE
• Do you have enough resources (people, technology, knowledge, capabilities, capacity, etc.) to satisfy the plan?	• Compliance Resource Plan • Compliance Systems Map • Technology Map • Dependency Structure Matrix



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3. FIVE PRINCIPLES OF PROGRAM SUCCESS

#4 Estimate and handle uncertainty





4. What obstacles or opportunities need to be handled?

PLANNING QUESTIONS	EVIDENCE YOU ARE FOLLOWING PRINCIPLE
• What impediments or opportunities will you encounter? • What could go wrong? • What needs to go right? • How will you recover when boundaries are breached? • What is the nature of uncertainty (aleatory, epistemic) • What is you risk appetite? • What is you risk tolerance?	• Risk and Opportunity Register • Risk-adjusted Operations Plan • Risk Management Plan

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3. FIVE PRINCIPLES OF PROGRAM SUCCESS

#5 Measure and monitor progress





5. How will we measure our progress?

PLANNING QUESTIONS	EVIDENCE YOU ARE FOLLOWING PRINCIPLE
• How will success be measured? (MoE) • How will performance be measured? (MoP) • How will conformance be measured? (MoC) • How will risk be measured? (MoR) • How will assurance be measured? (MoA)	• Compliance Benefits • Obligations Met • Risk Ameliorated • Promises Delivered

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3. FIVE PRINCIPLES OF PROGRAM SUCCESS

Five questions that need compelling answers

PRINCIPLE	PLANNING QUESTIONS	EVIDENCE YOU ARE FOLLOWING PRINCIPLES
1. Define what compliance success looks like.	• Where are you heading? • What are your outcome goals and targets? • What are your obligations & promises? • How will you know when you are in compliance and when you are not?	• Program Scope & Context • Obligations / Promises Register • Conditions for Success
2. Develop strategy to realize and sustain compliance success.	• How will you meet all our obligations? • How will you keep all our promises? • How will you operationalize your obligations? • How will you always stay between the lines? • How will you manage change? • How will you improve?	• Concept of Operations • Operations Plan • Communication Plan • Change Management Plan • RACI Chart
3. Identify what is needed to execute the strategy.	• Do you have enough resources (people, technology, knowledge, capabilities, capacity, etc.) to satisfy the plan?	• Compliance Resource Plan • Compliance Systems Map • Technology Map • Dependency Structure Matrix
4. Estimate and handle uncertainty.	• What impediments or opportunities will you encounter? • What could go wrong? • What needs to go right? • How will you recover when boundaries are breached? • What is the nature of uncertainty (aleatory, epistemic) • What is you risk appetite? • What is you risk tolerance?	• Risk and Opportunity Register • Risk-adjusted Operations Plan • Risk Management Plan
5. Measure and monitor progress.	• How will success be measured? (MoE) • How will performance be measured? (MoP) • How will conformance be measured? (MoC) • How will risk be measured? (MoR) • How will assurance be measured? (MoA)	• Compliance Benefits • Obligations Met • Risk Ameliorated • Promises Delivered

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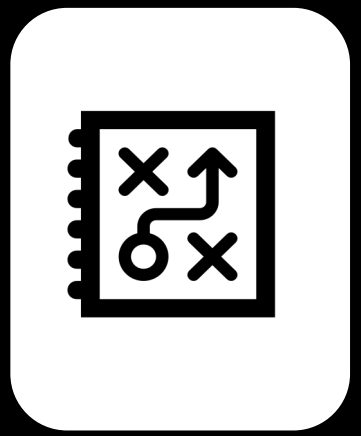
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3. FIVE PRINCIPLES OF PROGRAM SUCCESS

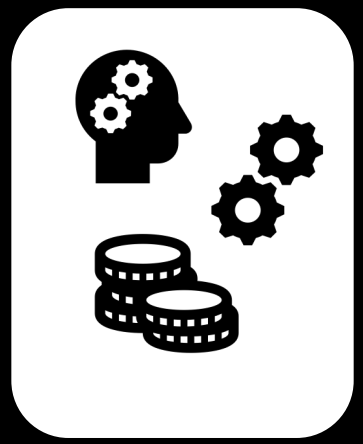
What color are your principles?



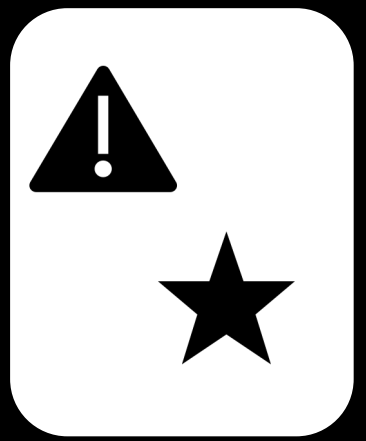
1. What does compliance success look like?



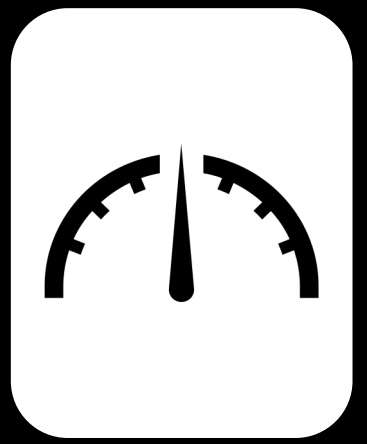
2. What is our strategy to realize and sustain compliance success?



3. What do we need to execute our strategy?



4. What obstacles or opportunities need to be handled?



5. How will we measure our progress?











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POLL #3

Which planning principle do you need to elevate this year?

1. Compliance Outcomes
2. Compliance Strategy
3. Compliance Capabilities
4. Compliance Risk Plan
5. Compliance Measures of Success

Answer:

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4. ELEVATE YOUR COMPLIANCE

Calculate your elevation



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4. ELEVATE YOUR COMPLIANCE

Calculate your elevation – total your scores (green-3, orange-2, red-1)

Elevation ____

DEMAND	SCORE	CAPABILITY	SCORE	PRINCIPLE	SCORE
1. Meet all obligations		1. Obligation Management		1. Define what compliance success looks like	
2. Deliver stakeholder commitments		2. Promise Fulfillment		2. Develop strategy to realize and sustain compliance success	
3. Protect value creation		3. Value Chain Integration		3. Identify what is needed to execute the strategy	
4. Contend with uncertainty		4. Organizational Alignment		4. Estimate and handle uncertainty	
5. Pursue excellence		5. Compliance Operability		5. Measure and monitor progress	
TOTAL		TOTAL		TOTAL	

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4. ELEVATE YOUR COMPLIANCE

For organizations to meet all their obligations, compliance must raise its standard not reduce scope



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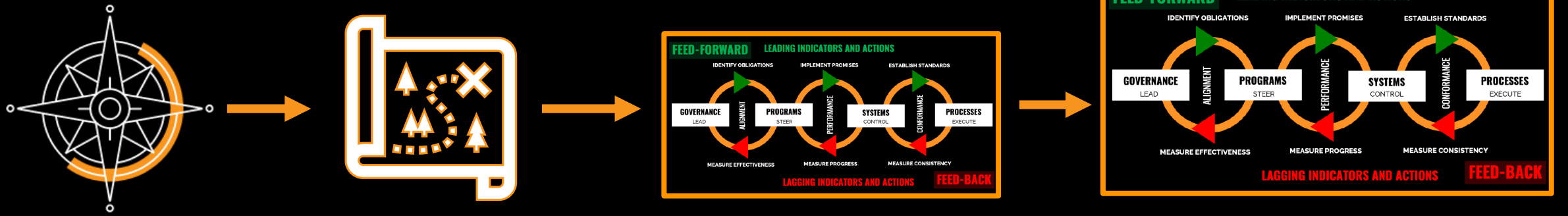
LEAN COMPLIANCE

4. ELEVATE YOUR COMPLIANCE

Our advanced program that takes everything to a higher level

The Proactive Certainty Program™ is designed to help you achieve compliance operability faster and sooner than traditional approaches.

Operability is the extent by which the compliance function is fit for purpose, able to achieve compliance and realize the benefits from being in compliance. A minimum level of operability known as Minimum Viable Compliance (MVC) is necessary before actual benefits can be realized.



1. ORIENT

Quickly assess your compliance situation and identify areas of risk and improvement.

2. MAP

Learn as you assess, analysis, and create your road map towards Minimal Viable Compliance (MVC).

3. OPERATIONALIZE

Implement essential functions, behaviours and interaction to achieve compliance operability.

4. ELEVATE

Continually improve your compliance effectiveness over time.

https://www.leancompliance.ca/the-proactive-certainty-scorecard

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Q&A



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ELEVATE COMPLIANCE WEBINARS

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