

Cyber Compliance

The Internet as a Means for Enhancing Compliance Training in the Financial Services Sector

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With new regulations emerging on a continual basis, it has become increasingly difficult to deliver and prove compliance. Compliance officers need to standardize the process of delivering, reporting, and analyzing the ever-changing volumes of training data. This challenge is especially acute in the financial services sector, which must cope with Sarbanes-Oxley and a host of other new and rigorous compliance mandates.

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Managers are discovering how easy it is to conduct and track compliance training online, using the latest tools and technology that are already at their fingertips, to create effective and dynamic training sessions.

Today’s global, around-the-clock, Internet-connected economy is putting enormous pressure on financial services firms to innovate. They must streamline their infrastructures, to operate more efficiently and profitably. At the same time, the only way for them to retain the loyalty of increasingly fickle customers is to offer a cornucopia of new products and services.

As if these competitive pressures weren’t enough, financial services firms also face the growing burden of new regulations and mandates that call for better financial reporting and compliance. As these companies search for new compliance and reporting solutions, they’re discovering the benefits of online communications.

The stakes are huge. Notably, Sarbanes-Oxley puts the onus for the accuracy and efficacy of many types of reporting on the shoulders of top management, with possible criminal penalties for non-compliance. At the same time, Gramm-Leach-Bliley requires the implementation of formal safeguards to protect the integrity of customer information. These customers must be allowed the preference to withhold their information from the bank’s permitted information-sharing practices, with penalties for non-observance of this preference. Moreover, top management is also pushing Sarbanes-Oxley certification requirements into the branches, necessitating a greater reach of compliance training and the ability to verify who has been trained when issues arise.

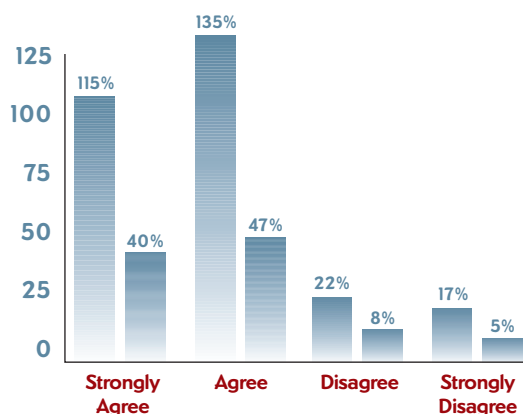
Online conferencing, presentations, and training represent the leading edge in workforce communications, but at the same time, the upfront capital expenditures of this method are minimal. Without costly investments in additional computer equipment and software, online communications allow companies to quickly communicate with employees, customers and sales prospects, by sharing their best, time-honored practices via an online environment. These virtual environments combine the expertise of sales staff with the benefits of an online conference or classroom.

Effective in the Field

These trends are borne out by a recent Larstan Business Reports survey of top managers within the financial services industry. The data gleaned from this survey provides empirical confirmation of the efficiencies of online communications, especially in the compliance process among financial service companies.

Notably, a huge majority of respondents (87%) reported that real-time Internet communications technology plays a key role in supporting field operations within their company (see chart). To view the entire survey, go to: <http://www.larstan.net/5/WebEx121205.htm>.

Real-time Internet communications technology plays a key role in supporting field operations for our company.



Of course, real-time Internet communications technology plays a key role in supporting more than field operations. Case in point: Michael Singer, vice president, organizational development and learning, Regions Financial Corporation, attests to the efficacy of Web-based financial services compliance training. In particular, he relies on methods provided by the leader in on-demand collaboration applications WebEx, based in San Jose, California. Singer says WebEx’s technology is state-of-the-art and helps him stay a step ahead of increasing compliance demands.

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Based in Birmingham, Ala., Regions is a full-service provider of retail and commercial banking, trust, securities brokerage, mortgage and insurance products and services. Regions’ \$84.6 billion in assets makes it one of the nation’s Top 15 banks.

Regions Financial Corp. uses a blended approach of customized vendor Computer Based Training (CBT) courses and live instructor-led WebEx sessions, to meet the requirements of compliance training. The CBT courses are delivered via a Learning Management System, and the live “synchronous” instructor-led training is delivered by WebEx Training Center™.

The Real Benefits of Going Virtual

The real-world experiences of leading companies in the financial services sector has shown that rapid online communications can accomplish the following:

- Provide compliance managers with training, tracking and reporting on the latest regulations and mandates;
- Arm managers with the skills and knowledge they need to effectively comply with new regulations;
- Enable compliance managers to obtain the competencies necessary to advance in their careers;
- Align people with the right positions in the organization, thereby enabling companies to effectively recruit and retain the managers in the area of reporting and compliance;
- Allow managers to respond more quickly to changes in compliance and reporting requirements that would not have been met through traditional classroom training;
- Track and record completion of compliance training in order to mitigate future company compliance risk.
- Prepare and motivate managers to start training online;
- Prepare managers for quick e-learning implementations; and
- Provide interactive and engaging online conferences.

“Tangible and intangible cost savings are recognized,” Singer says. “Major benefit categories include time savings, by leveraging resources through increased geographical reach, reduced time to completion, and quality improvement by standardization. We also derive soft benefits, such as a positively impacted work climate.”

Singer must manage compliance training over a far-flung operation: The bank operates 1,300 offices and a 1,600-ATM network across a 16-state geographic footprint: Alabama, Arkansas, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, South Carolina, Tennessee, Texas and Virginia.

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From his own experience in the field, Singer cited the additional key advantages provided by WebEx:

- The ease of authoring narrated multimedia WebEx presentations, complete with video and animations.
- The content library, which makes it possible for managers to share presentations.
- The ability to easily deliver live, on-demand presentations.
- The proprietary WebEx MediaTone technology is not stored and served; it's streaming and network-based, which is better suited for the financial services industry, because it provides enhanced security.

He notes that Web-based knowledge transfer is a powerful tool in financial services, because financial regulations are constantly changing. Web-based conferencing doesn't just obviate the need to purchase plane tickets or drive long distances — it makes meetings and presentations more robust, more compelling and more persuasive. It also accelerates business processes like compliance training.

IT Compliance

Wireless Platform and E-Mail Management

Content Management

Identity And Access Management

Spyware Administration And Securing Your Enterprise

Anti-Spam Initiatives

HR Compliance

Sexual Harassment and Discrimination

Equal Employment Opportunity

Fair Labors Standards Act

Family Medical Leave Act

HIPPA

Americans With Disabilities Act

Financial Compliance

Ethics Training

Anti-Money Laundering

Risk Management

Sarbanes Oxley

Check 21

Regulation Z

Growing Influence

Time is often the enemy of compliance and reporting. Online communications is an enormous advantage in this regard, because it prevents the duplication of effort and communicates to large numbers of people in one fell swoop.

The popularity of online communications, and its growing influence within the area of compliance and reporting, is in large measure a function of the pervasiveness of the Internet.

“Online communications help compliance managers obtain the competencies necessary to advance their careers.”

“Increasingly, people have broadband access in the workplace,” said Geoffrey Bock, senior vice president, Patricia Seybold Group, Boston-based technology analysts. “It’s ubiquitous, at home and at work. So, as the Web grows, we don’t simply want access to information. We want to do something with that information. One of the ways to do that is to deliver the right information to the right people, just in time, so they can do something with the information.”

Bock pointed out that Web-based training is a new tool with which companies should supplement and extend their existing real-time meetings. “Online training is a much more cost-effective, lower-cost, higher-impact kind of medium,” he said. “If

you want to be competitive, Web-based training needs to be a tool in your toolkit of training methods.”

For a full copy of Larstan’s survey on Web-based communications as a sales tool in the financial services industry, go to: <http://www.larstan.net/5/WebEx121205.htm>. To view a complete set of Larstan reports, go to: www.larstan.net.

Resources:

www.astd.org is the world’s largest association dedicated to workplace learning and performance professionals.

www.clomedia.com is the leading magazine focusing on solutions for enterprise productivity in the enterprise learning market.

WebEx Communications, Inc., San Jose, California, is the world’s leading provider of on-demand web meeting applications. WebEx applications improve collaboration and increase productivity in sales, support, training, marketing, engineering and product design. WebEx delivers its suite of web meeting applications over the global WebEx MediaTone Network, a network specifically designed for secure web collaboration (www.webex.com).