Best Practices for Selecting the Right Compliance Technology Solution

Key Drivers for Evaluating & Requesting New Technology Solutions

Let’s face it. When it comes to changing technology platforms, inertia rules. No one enjoys the added work of implementing new technology and learning new systems. It’s much easier to maintain status quo and stick with a familiar software – even if that solution has become outdated.

But, in our current compliance environment, maintaining outdated systems or processes just because it’s the path of least resistance may be risky business. In fact, it could hinder your compliance program, because of post-Covid operational upheaval among many factors.

Consider these key drivers for a technology solutions upgrade:

- – There continues to be a rapid institutionalization of work from home environments that require ongoing evaluation of compliance controls, policies, and procedures to mitigate risk and protect client data.
- – This workplace evolution is the right time to step back and make an unbiased assessment of compliance processes, procedures and the technology that supports the overall program.
- – Additionally, annual budget season presents an ideal opportunity to examine the firm’s compliance program and technology systems to ensure they continue to fulfill the firm’s needs and ultimately support audit-readiness.

Utilize the following best practices approach to assess current compliance needs, gauge the viability of existing compliance technology systems, and prepare a business case to upgrade technology solutions.

1] Assess Compliance Program Needs + Exam Preparedness

Whether it's a single compliance officer or collaborative team managing the compliance program, there are often at least 5 key drivers that can trigger the due diligence process and influence the decision to upgrade the compliance technology solution:

1. Concerns about audit-readiness and exam preparedness.
2. Material changes to business operations.
3. New rules or regulatory requirements germane to the firm.
4. Gauging the adequacy of current processes, procedures and program management.
5. Concerns about the technology solution for "work from home" processes.

2] Evaluating Existing Compliance Technology Systems

After performing an initial assessment of the firm's program, it is not uncommon to discover areas of redundance, inefficiency and inadequacy across the firm's use of compliance technologies.

Opting to stay with one or more installed systems across departments simply because employees are familiar with them doesn't always justify the cost of multiple platforms and the ultimate risk of deficiencies during a regulatory exam.

Instead, evaluate the needs and performance of the existing compliance technology, so compliance professionals can build a relevant and compelling business ROI case and budget request.

Examine the following performance criteria:

- – What functionality needs drove the initial adoption of the system?
- – Were additional systems needed to support other functionality?
- – What aspects of the system have underperformed or have not met expectations?
- – Has the technology infrastructure and functionality scaled as

needed over the use period during firm's maturity?
- – Is there system functionality or configurability limitations?
- – Is the user experience and access methods sufficient for employees? Does it make lives easier, or does it promote inconsistency?
- – Was it efficiently upgraded for "work from home" regulatory policies and procedures?
- – Has system Support been a weakness or strength?

3] Build the Business Case and Budget Recommendation

Having undertaken the compliance needs assessment and evaluation of the existing technology system, assemble the business case for the leadership team.

Simply, it should indicate why it makes financial and business sense to find the right compliance technology solution for the firm's current needs and future growth.

Key areas of emphasis should include:

- – Why the current platform is insufficient for current of future needs, and the drivers that have occurred to support the necessity of the request.
- – Internal consensus among practice leaders whose operations will be positively enhanced.
- – The benefits and the value proposition for the firm of the new technology solution
- – A cost benefit analysis that assesses ROI, for example:
    1. Identify time savings a new solution will offers — unnecessary labor costs that would be reduced by your impending request.
    2. Identify potential cost savings achieved through the consolidation of multiple systems into a single platform.
    3. Detail how your existing budget allocation will be better optimized because of this request.
    4. Explain how improved Support services reduces unnecessary employee labor and rectifies issues more

efficiently.

4] The Value: Compliance Technology Built to Scale

Remember that selecting a compliance technology solutions vendor is more than a transactional exercise. These relationships are partnerships and serve as an extension of your firm’s audit-readiness, and ongoing commitment to compliance.

With a best practices approach to obtaining the right compliance technology solutions, firms will have a system with the core functionality and capability to scale for future regulatory requirements and firm maturity.

Ready to transform your compliance program?

Start your evaluation process today by scheduling a demonstration of the BasisCode Compliance suite.

Request Demo

Consultant’s Corner

“Key Considerations for Co-Sourcing and Outsource Compliance” with Hank Sanchez from Bates Group offers practical ideas and considerations on what to retain support for, and how to build the case for budget approval