

GIVING VOICE TO THE VALUE CHAIN

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SO YOU WANT TO DEVELOP AN ETHICS AND COMPLIANCE PROGRAM?

- Clarify appropriate and inappropriate behaviors
- Identify ethical dilemmas so employees easily recognize them
- Support Ethical Culture - Reinforce and codify core values

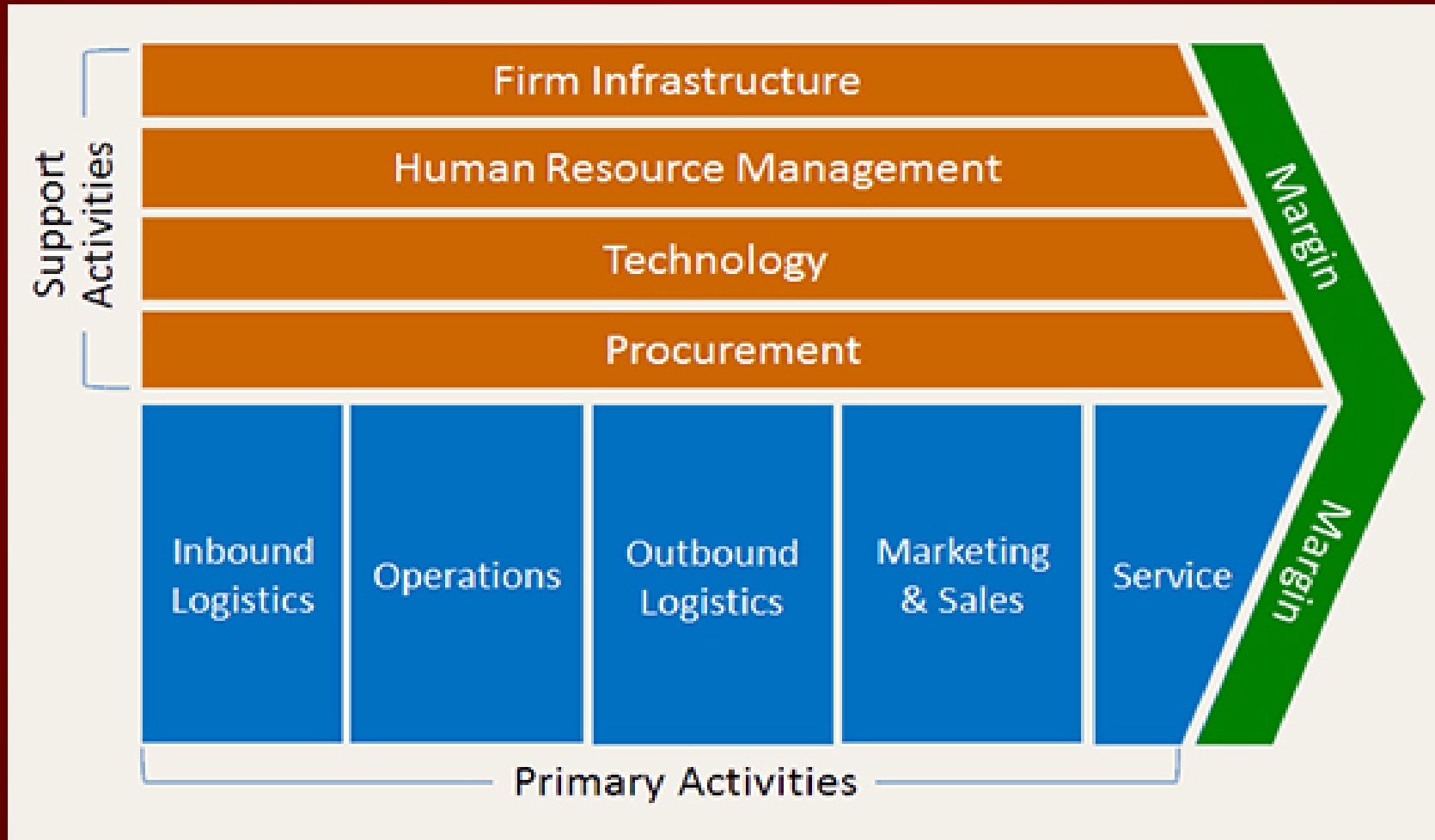
SO YOU WANT TO DEVELOP AN ETHICS AND COMPLIANCE PROGRAM?

- Provide decision support and guidance
- Avoid future consequences of bad actors and bad choices
- Reduce punitive liabilities in the event of misbehavior
- And on, and on...

WHERE DO I START?

- Show me some step by step guidelines!
 - Academic literature is lacking
 - Practitioner approaches are inconsistent
- Need an generalizable framework consistent across businesses
 - Develop a systematic approach
 - Apply universal principles
 - Consider federal sentencing guidelines

THE GENERIC VALUE CHAIN

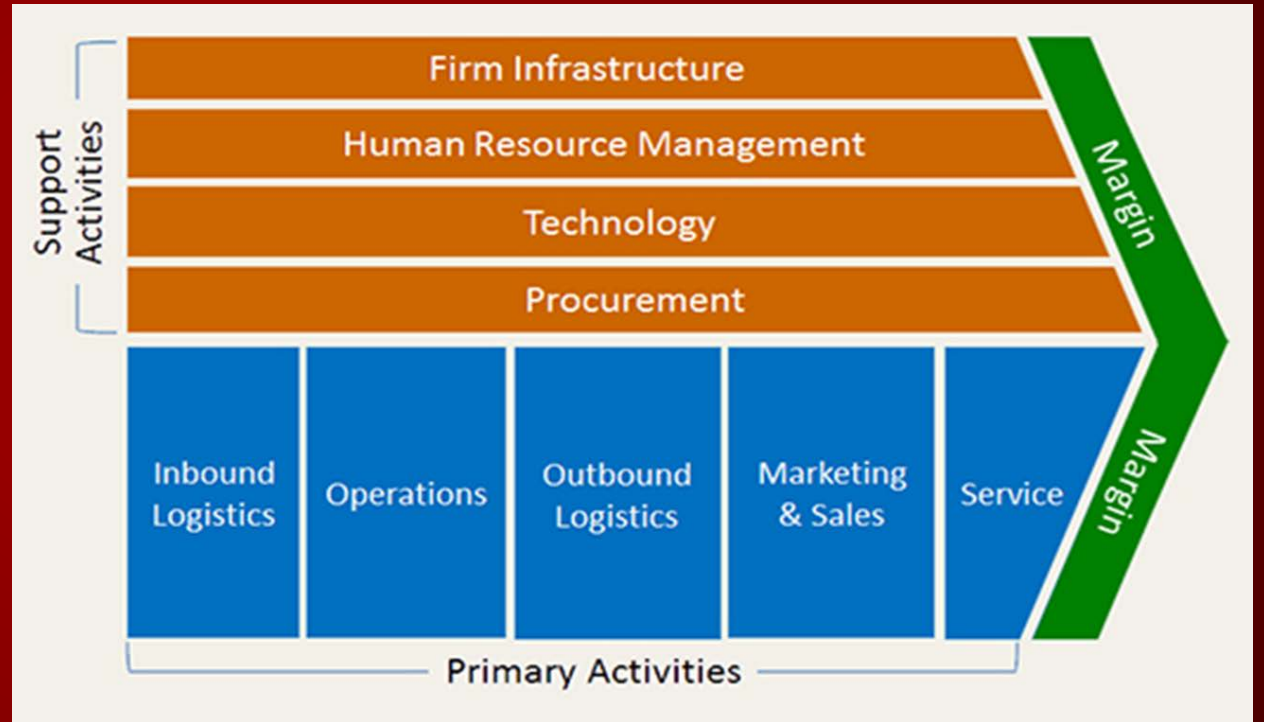


IDENTIFYING WHAT THE COMPANY CARES ABOUT

- 1. Company Vision – What if the BHAG came true? Can you see it?
- 2. Company Mission – What do we do? Not do? What is the goal?
- 3. Perspectives on Values
 - Organizational Core Values – What does the organization care about?
 - Societal Core Values and Law – What does society care about?
 - Personal Core Values – What does the individual care about?

WHAT ACTIVITIES EXIST?

- Ethical dilemmas reside within activity sets
- Value Chain activities are composed of behaviors
- Some behaviors are consistent with values... others are inconsistent



IDENTIFYING ETHICAL DILEMMAS

- 4. Within each category of value chain activities, identify the key activities and behaviors
 - Tasks
 - Job Roles
 - Responsibilities
- 5. Apply the core values test
 - What situations of this activity could violate organizational core values, societal core values, law, or individually held core values.
 - Identify Ethical Dilemmas

FINALIZE THE ETHICS AND COMPLIANCE PROGRAM

- 6. Create the Code of Conduct
 - Describe Dilemmas
 - Identify Appropriate and Inappropriate behaviors
 - Fictional Scenarios (While working in procurement, Bob is asked to...)
- 7. Finalize the Ethics and Compliance Program Documents
 - Background, Mission, Vision, Core Values
 - Code of Conduct based on Value Chain Activities
 - FAQ sheet – Federal Sentencing Guidelines for an effective program

KEY TAKE AWAYS

- Benefits
- Challenges
- Next Steps

QUESTIONS !?!