

Brown Bag Program

On-Line Antitrust Compliance Training: The ABCs and the XYZs

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MODERATORS



Brian R. Henry
*Senior Competition
Counsel,
The Coca-Cola
Company*



Paula Render
Bell, Boyd & Lloyd



Theodore L. Banks
*Associate General
Counsel, Kraft Foods
North America*



Kirk Jordan
*Vice President,
Compliance Services,
Integrity Interactive
Corporation*



Willis Moore
*Principal/
Vice President,
Sales and Marketing,
WeComply, Inc.*



Sherry Greer
*Consultant, Office of
Ethics & Integrity,
Olin Corporation*

PARTICIPANTS

BRIAN HENRY: Good Afternoon. I am Brian Henry, Senior Competition Counsel at The Coca-Cola Company in Atlanta and Co-Chair of the Corporate Counseling Committee. Along with the co-moderator of this program, Paula Render, who is a member of the Antitrust and Trade Regulation department of Bell, Boyd & Lloyd in Chicago, we welcome you to “On-line Antitrust Compliance Training: the ABCs and the XYZs.”

You may be wondering why we selected that title for this program. Those of you who have had experience with on-line compliance programs already know the answer. For those of you who do not, or have not had experience with on-line training, you will know after listening to our program. Implementing an on-line compliance training program requires the consideration and resolution of hundreds of issues and the crossing of a lot of t’s and dotting of a lot of i’s. Hence, “The ABCs and the XYZs.”

While the training modules that employees see on their computer screens may be simple to navigate and appear to operate flawlessly, there is a significant amount of groundwork that must be done prior to the first employee’s completion of any course. Having been a member of an on-line training task force here at The Coca-Cola Company over the past year, I can report first hand that this is one of those areas where, when you are starting out, “you don’t know what you don’t know.” Thus, the purpose of our program today is to introduce you to on-line compliance training and to raise and discuss some of the more significant issues that you will have to consider if your company proposes going down the on-line path. As you are about to hear, the issues to be considered go far beyond teaching antitrust law.

PAULA RENDER: Our four speakers have very good and somewhat different expertise in on-line antitrust compliance training areas. Our first speaker is Theodore L. Banks, Associate General Counsel at Kraft Foods. Ted's group is responsible for antitrust, merger and acquisitions, and compliance programs, as well as other corporate matters and litigation. To give you an idea of what that means: he successfully defended New York's challenge to the Kraft acquisition of Nabisco in a fully litigated merger case. In the area of compliance, Ted has been on the leading edge of technology utilization by corporate law departments. He will be speaking today about the educational principles that are the basis for a successful on-line compliance training program and about the benefits of in-house programs versus off-the-shelf programs.

Then we are going to turn the floor over to Kirk Jordan. Kirk is a founder and Vice President of Integrity Interactive Corporation. Kirk is a leading legal authority on corporate ethics and compliance. He has written extensively on compliance issues and has been quoted in the *Wall Street Journal*, among a number of other prestigious publications. Kirk is going to speak on the Integrity Interactive on-line training program and get us familiar with what Integrity Interactive does by walking us through one of his on-line training programs.

Next up is Willis Moore, a Principal and Vice President of WeComply. WeComply is a leading on-line compliance training provider. Willis has worked with Fortune 100 companies as well as small high-tech companies. He will talk about the difference between the needs of an enterprise-wide solution versus a single program for a single location. He will familiarize us with the WeComply programs and he will give us some tips on selecting a compliance training partner.

Lastly, Sherry Greer of Olin Corporation will talk to us about implementation issues and critical success factors. Sherry started with Olin as a consultant in 1998 and has worked with Olin's approximately 6,200 employees domestically and abroad to implement their compliance education programs. She supports the Vice President of Business Ethics and Integrity at Olin in developing company-wide ethics programs.

TED BANKS: I would like to talk about the educational principles that apply when doing a compliance program, the computer implementation tools that are available to you, and how to determine whether to develop a custom course or buy one off-the-shelf.

To successfully develop an effective compliance program you need to start by understanding how adults learn what they learn. Most attorneys approach an antitrust compliance program by assuming that it will be sufficient merely to stand up and explain (for example) the Sherman Act. Unfortunately, many people don't learn from that. Even if the information delivered in a boring speech is important, the boring aspect of the speech will outweigh the importance, and the audience will tune out. So, you must concentrate not only on the substance of what you are saying, but how you say it.

We can use technology to make the communication of compliance information more effective—if we do it right. There are several different things we want to accomplish in a compliance program: we want to get people's attitudes or values changed, and we want to give them substantive or cognitive information about a subject. They need to know about the policies and procedures of the company, how to respond in certain situations, where we go for information, and how to communicate with others in the company. So, in addition to the substance of a compliance area, the employee needs to know what to do in response to a given fact situation and needs to have the attitude so that he or she will automatically want to do the right thing. Very often, we say, "We don't want to turn you into a lawyer; we just want you to recognize an issue and know where to go with a question."

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—TED BANKS

The compliance training program should generate intuitive responses—getting people to react in a certain way that is in accordance with what we think are proper compliance rules. One of the things that makes this whole area challenging is we know that people learn in different ways. Some people just want to read something: you hand them a book or you give them a computer screen and they read it and they get it. But my experience indicates that most people don't work that way. You can't just give someone information, expect them to assimilate it immediately, and then be able to regurgitate it at the proper time. Most people learn by becoming involved in a situation, by being forced to think about something where they have to engage their mind and make choices. This can be done by a live teacher challenging a class with questions—forcing them to respond. It also can be done by videotape, where a simulation of a situation that is analogous to the person's job is presented. The audience then can connect with the scenario and associate themselves with what they are seeing on a screen. And it can be also done with a computer, where people are presented with a situation that implicates a compliance subject. Once the scenario is assimilated, the user must make a choice: What is the proper course of action?

The most effective computer-based training programs are based on simulation exercises. By putting the employee into a scenario where he or she must make a choice, the training, optimally, will be able to convey both the substantive information about antitrust compliance and the attitudinal or value information about why it is a good thing to do the right thing in a given situation. Participants are forced to make a choice, but they can do so in a safe venue because it is a simulation. The most obvious illustration is to think about how an airline pilot is trained: on a flight simulator. The student pilots can crash many, many times without hurting themselves or any passengers. From each one of those crashes they learn how to avoid a problem or respond in a given situation. And, to a certain extent, any sort of simulation, whether it is in a classroom or on a computer, does the same thing. People learn to make the right choices by first making the wrong choices.

It is also important to remember that a compliance message should be reinforced in multiple venues. Think of it as a holistic approach. The same message should come to the employee from a variety of sources. Don't just rely on computer-based training programs—no matter how state of the art. Consider the other tools you have. You can send e-mail messages periodically with little reminders or updates. A printed newsletter, or articles in a company magazine, can be very helpful. Some companies have set up telephone chats with groups of employees to talk about issues and to enable them to get live answers to their compliance questions. There are computer programs to facilitate having information on a screen while a live discussion takes place via conference call. And of course there is the traditional live appearance at a company meeting where you still can deliver an effective training program. But all of these things are most effective when they are used together and reinforce one another.

Consider doing some awareness testing before you embark on any sort of program. Before buying or building a program, consider what you actually need. Is a computer-based training program something that is common in the company? Do you have the technology available to be able to handle it? Are employees accustomed to this type of training? Both on-line surveys and live focus groups can be used to determine employee preferences and capabilities. You will get a great deal of useful information in these interactive sessions. Plus, people like being asked for their opinion. The exercise can help build the relationship with the law department, as clients know that what they think counts.

Computer-based training can be delivered in a variety of ways. It can be done through a network server to which everyone is connected. Or, it can be recorded on a CD-ROM or DVD that is

mailed out to people who may not be on a network but have a computer. It could be done through the Internet, either through the company or through an outside vendor. Note that computer-based training is sometimes referred to as CBT. If it is delivered through the Internet it may be referred to as WBT (Web-based training).

The other abbreviation to keep in mind is LMS, which stands for Learning Management System. You may have heard about these from your human resources department. This is an integration of a computer system that ties training needs and training accomplishments to a human resources or personnel system. These are incredibly powerful tools in the area of compliance because by using LMS you can align your training requirements with individual employees, based on their jobs. For example, you don't really need to give antitrust training to a plant maintenance supervisor, but you probably should give it to a sales person. By knowing what the person's job is, the computer can direct the training appropriately. The system will also track who has completed the training.

These are not simple systems; for companies to adopt them usually represents a major investment. If your company has installed one, or is thinking of installing one, you should work closely with your HR department. Make sure that the system is set up not just to handle training for how to be a better salesman, but also to address the specific compliance requirements tied to each job in the company. In terms of the Sentencing Guidelines, a LMS can be an effective way to demonstrate to a judge that you have delivered the right compliance message to the right people.

The other computer tool that can be an incredibly powerful element of your compliance program is the computer portal. There are a variety of implementations of this tool, but I think of it as control of the screen that users see when they first sign on to the computer. The portal has the ability to direct them to specific information. In the compliance area, you should consider having a section of every employee's first screen devoted to "My Compliance Information," or something similar. The computer knows the identity of each employee who is logged on. Its directory can also have information about the person's job responsibilities. This can hit a database that pulls up on-screen links to information about key compliance areas for that employee.

Should you purchase a preexisting compliance program or build one from scratch? I'd approach this with realistic expectations. One should not expect perfection from an off-the-shelf program, but if you want to design the perfect program for the unique requirements of your company, it will take a fair amount of time and a considerable amount of money. It might be a more prudent course to use a preexisting course that hits 80 percent of your issues, and supplement with other kinds of training. If your company does not have an LMS, you may be able to provide the information to an outside vendor of compliance courses, who will track training on their server.

On the other hand, you may want to do it yourself. If so, there are a lot of consultants out there that can give you a great customized training program. If you have a comprehensive PowerPoint presentation, or an internal compliance manual, you have a head start on telling the consultant what you need to cover. The consultant can work with you to develop illustrative scenarios which will resonate with your employees.

For each company it is an individual decision—there is no one general rule. But there are a lot of resources out there to help you deliver an effective compliance program to your clients.

KIRK JORDAN: I am one of the founders of Integrity Interactive Corporation, and a corporate ethics and compliance lawyer by experience and training. Integrity Interactive provides Web-based corporate ethics and compliance training. Currently, we have about 150 client companies around

the world. The Integrity Interactive team includes Joe Murphy and Win Swenson. Joe is widely regarded as the dean of corporate compliance, and Win Swenson headed up the task force that produced the 1991 organizational sentencing guidelines, which many regard as the foundation of the modern corporate ethics and compliance movement.

Integrity Interactive's mission is to help our clients to reduce substantially the risk of compliance and ethics failure by giving employees training based on their risk profiles: that is, their job activities and responsibilities. At Integrity, we analyze each piece of our service against two tests. First, how will the training affect employee behavior? Our goal is to raise employee awareness of compliance risk and to drive employees to do the right thing, namely, ask questions of the internal company experts. The second test is: does the compliance training create a record of due diligence? Does it demonstrate that your company is a good corporate citizen? Does it create evidence that you could hold up to a prosecutor, regulator, or a plaintiff's attorney to show the overall effectiveness of your compliance program?

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—KIRK JORDAN

We have found that some employees are “riskier” than others. Now, that is not to say that all employees don't need some compliance and ethics training. Many of our clients are rolling out, for example, code of conduct training across virtually their entire employee population. But when we get into the compliance areas of antitrust, insider trading, and harassment we find certain employees who present higher risk than others, by virtue of their job responsibilities and activities. Examples are sales executives, management employees, and R&D employees.

Today, I'm going to put you in the shoes of a sales executive whose risk profile indicates that she should have antitrust training. I'll be showing you screens from one of our courses called “Antitrust—Contact with Competitors,” which covers that part of the U.S. antitrust laws dealing with collusive conduct.

But first, how did our hypothetical salesperson arrive at this antitrust course? Well, prior to this point, we would have worked with the client company and determined that this course was appropriate for the employee. Then the salesperson would be invited to the course via an e-mail that appeared to come from a boss or the company's general counsel; that is, someone with clout in the organization. (Actually, Integrity Interactive handles administration of these e-mails). If necessary, further e-mails will remind, even coax the employee to take the course. This enrollment e-mail contains a unique user ID and an active link to the login page, which in turn leads to the company's home page. The home page is both an ethics resource center and a portal to the training itself.

The Integrity system recognizes which employee has logged in, and sends our sales executive to her company home page and the training course she needs: in this case, “Antitrust—Contact with Competitors.” We have found that employees learn best when they are told a story which illustrates in a real and practical way what type of behavior we are concerned about. This is a story-based course, involving a sales person named Ryan at the fictional company, Globetech Industries. Ryan has just closed a very large deal with a customer, and Ryan's boss has called him to his office. Ryan thinks he is going to get a big “Congratulations,” but in fact something else has happened that Ryan's boss wants to talk to him about. And now we're going to hear the meeting between Ryan and his boss:

“When Ryan arrived for the meeting with his boss Michael, it was immediately clear that something was very wrong. The Globetech Corporate Counsel, Dan Levinger, was sitting stone-faced in the corner of the room.”

Michael: “You've been one of our best sales managers, Ryan. But I don't have any choice.”

Ryan: "Antitrust? Price-fixing? But I'm just a sales guy . . ."

Michael: "You're not just a sales guy, Ryan. You're the guy who may have ruined our company. Because of what you did the Feds came in here and seized all the files about our business with Zyco, your big client Zyco—and they've started a criminal case against us. They're coming after you, too Ryan."

Ryan: "I'll fix it. I can explain."

Michael: "You're not fixing anything, Ryan. We've already canceled your password and your e-mail account. Security is on their way up to escort you out right now. You can stop by your desk to get any of your personal belongings. And by the way, Dan here says that you and the company are going to be on opposite sides of this one. So I'd say you better get yourself a real good lawyer. I've been called before the board tonight . . ."

Ryan: "What am I going to tell Kim? What am I going to tell the kids? A lawyer, how am I going to pay for a lawyer?"

Michael: ". . . and on top of that we'll have the shareholder's suits . . . the story will be all over the papers . . ."

Ryan: "How am I going to get another job after this? They're not going to put me in jail—I know it. They will probably just fine me. But how am I going to pay a fine that large?"

Michael: "Can you imagine what this is going to do to us as a company?"

Ryan: "What was I thinking?"

So, after that powerful introduction, the employee will move to the course menu, where she will go back in time to see what Ryan did wrong to get himself and his company into such a jam. And if you look at the next slide (the Antitrust Course Menu page) you'll see that we've taken this antitrust scenario of "Contact with Competitors" and divided it into six lessons. An employee must complete all six lessons before he or she has access to the final test. An employee must "test to 100%" in order to get credit for the course.

The next slide, "Competitive Issues" is a course lesson screen. Here we have the black letter text that summarizes the important legal principles under this topic. You will see a couple of highlighted words: we call them "side notes." Side notes give more detailed information about the term or the subject area. You will also see a graphic towards the top of the screen that links to a number of controls and access to the library. Each course has its own library, which includes a course handbook, Dos and Don'ts, and so on. Company-specific information can be added to the library.

The entire course takes about 35–40 minutes for an employee to complete, and an employee can proceed through the course at his or her own pace. An employee gets those red checkmarks that you see as she goes through; they act as bookmarks so that the employee can leave the course and come back later to finish it.

When the employee finishes the last test, that is recorded in our databases as a successful course completion, and the employee will receive a congratulatory e-mail. That e-mail can direct the employee to an internal company resource—for example, the antitrust lawyer—in the event the employee has follow-up questions or issues. Integrity Interactive's courses are designed to raise employee awareness of legal and ethical issues in the workplace—and encourage employees to ask questions and report ethical violations or illegal behavior internally.

WILLIS MOORE: WeComply is an on-line compliance training provider based in New York. We've been selected as an Alliance Partner by the Corporate Counsel Association of America (ACC), which is the national bar association for in-house counsel. We are also members of the NASDAQ™ Corporate Services Network, a network of service providers selected by NASDAQ for NASDAQ-listed companies for, among other things, compliance training services. What I would like to do today is to take you through what I call Ten Tips for selecting an on-line training partner. Assuming that you have made the decision to go outside your company rather than creating the training tools yourself, here's what you should consider.

Ten Tips for Selecting an On-line Compliance Training Provider

1. Demand quality content. When I say quality content I not only mean content that has been vetted by topnotch legal professionals, but also by experienced learning developers. Remember that this content must appeal to a very diverse audience. You want to avoid training programs that smack of legalese. At WeComply, we have a team of e-learning developers who are also attorneys. They will take drafts from our attorney writers and editors and turn them into something that is digestible by a broad cross section of a corporation.

2. Avoid one-size-fits-none content. Corporate cultures vary dramatically; an off-the-shelf training program cannot meet every corporation's needs. Most vendors today are claiming to offer customizability, but you really need to press them on that point. At WeComply we provide 100 percent customizability, which means if Ted wanted to include a reference to the "Packers And Stockyards Act" in his training program, our system would allow him to do that. We provide an on-line customization center that allows you to edit our training content as freely as you would a legal form product.

3. Test accessibility. The real value to an on-line training program is the ability to cast a wide net across your entire employee population. We have one client, for example, who is training employees in forty-three different countries. If you're considering training programs that use streaming video, streaming audio, animation, or other special effects, talk to your IT professionals to make sure that all your employees can accommodate them. The truth is that many companies, even some of the largest telecommunication and technology manufacturers, do not have the bandwidth to deliver elaborate types of interactive programs to their employees. At WeComply, we take a very simple no-download, no plug-ins approach. Any computer with a Web browser and Internet access will be able to use WeComply training programs.

4. Flexibility. There are hundreds of learning management systems on the market right now. There will be a great deal of consolidation in the e-learning industry over the next couple of years. Companies are really wrestling with which solution to choose. You can play it safe when you're shopping for an on-line training vendor by selecting a vendor that designs materials to AICC and SCORM specifications, the industry standards for e-learning interactivity. Training content built to AICC and SCORM specifications will inter-operate with most learning management systems. Selecting an on-line training vendor that designs to AICC and SCORM specifications will ensure that you're not stuck with a solution that won't work when or if your company ultimately decides to purchase and implement a learning management system.

5. Test drive the tracking tools. In addition to providing a learning environment for your employees, what you're doing is creating an electronic paper trail showing who in your organization has

*In addition to providing
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support tool.*

—WILLIS MOORE

been trained. This is what you're paying for: a litigation support tool. Ask your partner to let you use the tracking system and to show you in detail how it works. Make sure that the interfaces are user friendly so that whoever you select as the administrator of the training program will be able to access it and use it without a great deal of training. Make sure it's available 24/7. Most larger companies now are using HRIS systems (Human Resource Information Systems), such as PeopleSoft, SAP, or ADP. Make sure that the tracking system your vendor is providing will generate reports that can be imported or read by your HRIS system. As in the case of learning management systems, even if your company doesn't have an HRIS system now, you still want to purchase your tools from a vendor who is forward-thinking and can provide those tools if your company decides to use an HRIS system.

6. Increase completion rates. Your goal in rolling out any on-line training program, live or otherwise, is 100 percent completion. You want all the targeted folks to line up and participate and to get as much out of the program as possible. Make sure that the partner you're considering has some tools to help you achieve those results. We, like Integrity, use automated e-mail assignment and reminders. They're a very effective way of encouraging your employees to complete assignments and to make sure you have solid training statistics.

7. Ask for references. When you're talking to a vendor, ask about their current customers. Ask to speak to two or three of their customers who are similar in size and business focus (retail, manufacturing, etc.) to your company.

8. Beware of partners that specialize. This is just a dollar and cents issue to me. There are a number of vendors who specialize in only employment law topics or specialize in only the Health Insurance Portability and Accountability Act. I think going with one of those solutions is limiting. You should look for vendors who have a substantial library of training programs so you're not limited in the topics you may select and your employees will not be required to learn multiple platforms from multiple providers or juggle different passwords.

Additionally, you may qualify for deeper discounts or higher volume usage with many vendors. While your concern may be with antitrust, there may be other attorneys in your law department or other departments within the organization who have concerns over privacy, or the HIPAA, for example. You may be able to share the cost or spread it out across the organization, rather than shouldering the full burden yourself.

9. Think about security. You want to make sure that your partner's privacy policy is out there and available. Make sure you review it. Make sure your partner is certified by Verisign™ and Trust-e™, the industry standards in Internet security. If you're training employees based in Europe, you want to make sure that your vendor is a member of the U.S. Commerce Department's Safe Harbor Program for compliance with EU Data Protection Directive.

10. Make it fun. Select a partner that makes the training entertaining. Look for games, pop quizzes, news stories, scenarios and other elements that enhance the learner's experience. If the training is a pleasant experience, word of mouth will enhance your completion rate. At WeComply our programs all end with scenario-based assessments that are wrapped in an on-line game. The games have been a big hit with employees.

In closing, I'd like to invite you all to be our guest. If you'd like to sample the WeComply approach to on-line training or if you didn't receive the materials that accompanied this presentation, please feel free to send me an e-mail message at wmoore@wecomply.com and I will send you login

credentials and a copy of the materials. We also publish a quarterly on-line newsletter called *Compliance Training Quarterly*. You may find it at <http://www3.wecomply.com/newsletter2>.

SHERRY GREER: I work with Olin Corporation, reporting to the Chief Ethics Officer of the company. My challenge at Olin has been to merge the legal compliance components of our company education programs with our ethics program. I am not a lawyer, which may in some cases actually be an advantage. As you go forward, I would encourage you to include some non-attorneys in the selection process to assure that the content you are purchasing or developing is as user friendly as possible.

Olin began the process of selecting a training program in 2001 knowing that we would purchase off-the-shelf courseware and customize it. We do not have a large training and development or IT staff available so we knew that off-the-shelf would be the right choice for our company.

In selecting a vendor we knew we wanted a broad-based, awareness-generating program, rather than an in-depth program. So when you look at your own needs, you should clearly identify your objectives as to the scope of the courseware.

As you begin the selection process, I would also advise you to be honest with yourself. Look at your company's resources. You have individuals in your company who will say they can develop on-line, multi-media training, but you need to see what they've done. We have three divisions in our company. One of them is ahead of the curve in terms of training technology. They have a learning management system and have developed on-line courses, but if you look for quality in those courses, it's not there. The material tends to be boring and the delivery is not terribly engaging. We have two other divisions that are way behind the curve. They don't have a learning management system and would not have the resources to develop in-house multimedia courseware.

In evaluating a vendor's courseware, I'd like to add a couple of things that have not been touched on before. Some vendors will provide huge amounts of information in their courses. They may also take a more "legalistic" look at the topics. Or maybe they'll provide a lot of courses on one topic. You really need to understand upfront whether you want content-heavy courseware that will take multiple sessions to complete. Personally, I think there is a limit to the amount of information that employees can absorb in an on-line training course.

We talked earlier about whether your vendor is going to host your training. Olin knew that would be the case. We did not want to expend IT resources hosting or keeping the courseware on our computers. As I said, we have a learning management system with one division, but not with our other divisions. So we needed the vendor to provide us the hosting services as well as the targeted e-mail support and tracking information.

On the subject of courseware and whether or not it's engaging, I think it's important to remember that we are all consumers of the media. We watch television. We play games on the computer. Training is no different. It needs to keep people interested. If they're not interested, they're not going to pay attention. They're not going to learn and your money is not going to be well spent.

I'm going to move on to a topic that hasn't been discussed, but was important for us at Olin. We had to establish upfront whether courses would be mandatory or optional. We chose the mandatory approach. Every course we offer is required of all our salaried employees. Our required curriculum includes a core group of courses. There are currently eight courses on that list. Everything from code of conduct, financial integrity, insider trading, harassment, records management, intellectual property, etc. These are courses that all salaried employees are required to take, and they are introduced sequentially approximately every sixty days. Certain "high risk" employees also take additional courses, including antitrust, FCPA, export controls, and govern-

ment procurement. All of these courses are targeted to specific individuals using the targeting capabilities of our vendor's learning management system.

Another requirement we established upfront is that our employees must pass the final quiz with a score of 100 percent. I think most training vendors provide this option. If you miss a couple of questions, you have the opportunity to go back and review, get the right answers before you test out to 100 percent and are given a certificate of completion at the end of the course.

When we introduced our first course, we had an 80 percent completion rate after about two weeks. I think it pretty much astounded our supplier. I will tell you that I honestly believe the reason for our high level of completion is that the courses are mandatory and, most importantly, the welcome e-mail in the very first course came from our CEO. In fact, the welcome e-mails for all of our courses come from the CEO and that is a tremendous incentive for employees to finish their courses on a timely basis. To date, after five course introductions, our completion rates still remain at the 80 percent level after the first two weeks.

Another aspect of implementation is the need to plan for enforcement. I think most suppliers will provide you with an opportunity to send an automatic e-mail to remind employees to complete a course. With our vendor, the capability also exists to copy the supervisor of the individual who may be lagging behind.

Before you launch a training program you will need to do an employee risk assessment to identify which employees get which courses. We decided to target our employees individually. By that, I mean we had each salaried employee reviewed by his supervisor using a questionnaire. The questionnaire helped the supervisor determine the kinds of activities the employee was engaged in and then the supervisor assigned courses based on that information. A simpler way to assess risk would be to look at categories of employees, such as sales employees or R&D employees, for example. We took the more rigorous approach, and while it was initially time consuming, it has worked well for us.

As the other speakers mentioned, if you purchase off-the-shelf courseware, it's very important to customize it. We have used actual case histories because we think employees can learn from other employee's mistakes. We also provide company-specific Q&A's in the courses. We hyperlink to relevant policies and procedures. Occasionally, we use audio recordings of our key managers within the course. Audio files are really quite small, and you can deliver them in a timely way over the Internet to employees who have a browser that has a flash plug-in. We have never considered video because the infrastructure just doesn't exist for us to deliver it smoothly. But the use of audio files has been very successful for Olin.

The other important thing we do in our courses is to always provide a link to our compliance hotline. In the latest course we're introducing, which is our code of conduct course, we do a great deal of education about who to contact if you have a problem or question.

The last component of course customization is on-line certification. It has been a remarkable administrative timesaver. At the end of several courses we ask our employees to certify that they have read a certain policy, or in the case of our new course on the code of conduct, that they have read our code of conduct. If they have, they click and go on to the certification page. This page states that you have read and you understand the policy or code and you agree to abide by it. All of that is recorded and archived and it's so much easier and quicker than having written, signed verifications coming in from employees.

One final note . . . be sure to pilot test. I don't mean pilot test before you buy, but once you've selected a supplier, select a sample of employees from different locations who have desktops and laptops and let them actually take a course. This will identify any technical issues with browsers

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—SHERRY GREER

or laptop users and you'll learn about those in time to equip your helpdesk to work with any problems during your rollout.

In closing, I would say the most important success factor is upfront management support. Try to make the compliance requirement mandatory, at least for high-risk employees. Choose a vendor who provides a learning management system that allows you to push these courses out on a predetermined schedule with automatic reminders. You will get really solid completion rates. And make sure management continues to support it. Our CEO takes every course, sometimes faster than many other employees. We believe this commitment from top management is really important.

BRIAN HENRY: Sherry, you've told me about the incredible success rate that Olin had in implementing the program. I think it would be very helpful to share some of the statistics and describe how quickly Olin employees responded to invitations to take the courses.

SHERRY GREER: From the very first course, the "welcome to compliance training" e-mail came from our CEO, who asked that employees complete the course in two weeks. You have to ask people to do what you want them to do. You can't expect them to read your mind. When I look across the five courses we have launched to date and the completion rates, they average about 80 percent for each course. We are now at 98 or 99 percent completion rate for all but the very last course. We will never get to 100 percent because we have new employees coming in, employees on leave, and various reasons why employees haven't taken a course. But we're very happy with 99 and 96 percent.

BRIAN HENRY: How do you keep on-line programs up-to-date? How much of a challenge is that? Do most vendors do that as a service to the companies that have purchased their programs?

WILLIS MOORE: Updating is part of a subscription at WeComply. There's no additional charge for them. We have attorney authors and editors who routinely monitor changes in the law. We notify our subscribers about a change that impacts their training program. One of the things we really try to focus on at WeComply is empowering the attorneys or compliance officers who are charged with making compliance decisions, giving them the opportunity to determine whether or not a change in the law will affect their business and whether or not they want to include it.

SHERRY GREER: This is software, and it's very easy to update. For example, as a result of the recent Sarbanes-Oxley legislation, at least three different training suppliers including our current supplier have developed financial integrity courses and enhanced code of conduct courses. In my experience over the last year and a half I have found that anything that was important in the marketplace has found its way into a course.

WILLIS MOORE: Absolutely, and one of the great things about software is that it allows you to cut and paste learning objects from one program to another. We tend to think in corporate policies rather than in antitrust law or competition law, and we give our customers the option of taking elements from one training program and combining them with elements of another training program to create something that's really useful for them.

PAULA RENDER: Several panelists have talked about conveying the message in a variety of different forms. Have you found that there are key components that your whole compliance training

program that you rely on in addition to on-line training? Are there particular kinds of problem situations when you feel that one kind of training is better than another? Can you elaborate a little on that?

TED BANKS: There are combinations of things that depend on the circumstances. One of the dilemmas for any corporation is that if it hasn't had a recent disaster, it's much harder to convince people to pay attention. We've literally had situations where a number of employees have called up the chief compliance officer and said: "I don't see why I should have to take this course since we don't have any problems." This complacency is very frustrating. So what we try to do is send the message in a variety of ways. We have, for example, weekly e-mail messages that look like a newsletter from the Chairman. Just last week, for example, her message was why the company's success was tied to compliance, particularly in the environmental area dealing with sustainable operations. That was triggered by our thinking that we've had no disaster to point to, so we'll just keep hammering on the message that success of the company is tied to doing the right thing. In individual training programs, we also sell the message that career success is tied to developing expertise in compliance areas related to your job and therefore this is one of the things you need to master if you expect to get ahead. In our focus groups, we found that this message resonated particularly strongly. When you appeal to self-interest, the barriers fall away and employees think: "Aha, I will be evaluated on this and if I screw up I know it's a real derailer for my career." This is a good thing!

PAULA RENDER: If there was a compliance problem out there, do you feel that it would come to your attention through on-line training as effectively as it would through other kinds of compliance training?

TED BANKS: We've built a reporting tool into one of our courses. As employees go through the training, we say if you have something to disclose on this subject, click here and we'll get back to you. We also have in our intranet sites a one-button click where you can send a question to a lawyer. Our goal is to make it as easy as possible for people to get information or raise questions. What we have found is just like people differ in terms of learning, they differ in how they want to communicate. Some want to pick up the phone, some want to walk into the office and close the door, and others want to send an e-mail. There are always some people who are reluctant to talk and so of course we provide an anonymous telephone hotline. When you want to make it as easy as possible, you provide as many vehicles as possible to get that information.

Using on-line resources gives you the ability to keep records of the fact that you've made that opportunity available, that you've addressed the questions and so on.

BRIAN HENRY: Would somebody talk a little bit about the cost of these programs and the extent to which they're impractical for smaller companies that may not have the resources of a large public company?

WILLIS MOORE: At WeComply, we've designed our pricing to be scalable so that it will appeal to small and large companies. We don't have any requirements on how large an organization must be to use the WeComply materials. Some other vendors will not work with small companies. Our pricing starts at \$7,500 per year. From there, the pricing is based on the volume of usage you anticipate. Typically a training program at WeComply is \$15 per use—or completed training. The

price per use goes down as the volume goes up. We also offer fixed-rate pricing for companies that want to purchase our entire library of training programs. The fixed-rate pricing is based on the number of employees in the organization. Another thing that you want to consider is contractual lengths. Some vendors require a three-year commitment. WeComply usually asks for a one-year commitment. So there are several different pricing options. If I added a Number Eleven to my Ten Tips, flexibility in pricing would be something to look for when you're looking for a vendor.

BRIAN HENRY: Do you find that most of the other companies that provide on-line training programs charge using this kind of per use format or is there a different method?

WILLIS MOORE: I don't want to speak for the other vendors, but I'm aware of another pricing format that's very popular. That's a per seat license, where you pay an amount based on the number of employees in the organization.

SHERRY GREER: My own experience, from some eighteen months ago, is that some vendors were very flexible and some were not. A lot can change in a year and a half as competition has heated up; everyone may be more flexible now. Olin chose to go on a per seat basis with access to the full library and courseware because we planned to utilize thirteen or fourteen courses. That course number may go up as our supplier develops new courses.

WILLIS MOORE: To add to what Sherry just mentioned, you should consider not only how many training programs you will ultimately want but also how soon you will need them. Is it reasonable to think you will roll out fourteen in one year, or will you roll out fourteen over a three-year period? We encourage our clients to be realistic. If e-learning is very new for the organization, it is reasonable to expect a six-course adoption rate in the first year? Does your culture support that type of aggressive schedule? Perhaps you should limit yourself to one or two e-learning programs for the first year. I know that sounds like bad business sense for the vendors, but it's not in the long term: the goal is to make sure the company has a good experience and good completion rates so that they'll come back again and again.

QUESTIONER: I am a competition lawyer in London and we've been rolling out an on-line compliance system to our clients here in Europe. I want to ask the panel whether they have ever experienced the reluctance we've encountered in clients who are not really used to the on-line training approach. In particular, French, Italian, and German clients who regard the big-brother function of on-line training and on-line compliance product as perhaps being too "Anglo-Saxon" for their liking.

WILLIS MOORE: We haven't encountered that, although we have rolled out training programs to 43 different countries in 19 different languages.

SHERRY GREER: I would have to say that we haven't had that problem at Olin either, although we're not in those countries that you mentioned. The reluctance has not been vocalized. Maybe it's there and we don't know it, but our completion rates would indicate it's not a problem.

TED BANKS: In terms of our worldwide rollout of various programs, which is relatively new, what we're seeing is that there is more reaction to some of the components of the courses, rather than

the fact of the courses themselves. There are cultural issues. Sharing business information with competitors may be a hard habit to break. Subjects like diversity and sexual harassment may be difficult for people in other countries to understand. In some countries, the works council must be part of the process for reporting wrongdoing. So the issues that we've experienced in our international implementation are cultural more than technological, at least so far.

WILLIS MOORE: We've tried to address some of these issues by bringing in great translation and localization partners who look specifically for these cultural issues, and then before rolling it out to a large population, we test it on a group of folks in the location to make sure that it resonates and is not offensive.

BRIAN HENRY: From an international operations perspective are there any special technology issues that need to be considered?

TED BANKS: Since our training is Internet based, it really goes back to whether the employee's desktop or laptop computer is equipped with a relatively fast network connection. Dial up connections make getting a course, whether it's text or audio, very cumbersome.

WILLIS MOORE: Even some large telecommunications and technology companies face limitations on bandwidth. So we err on the side of technological caution—designing our content in dynamic HTML so that there's interactivity and animation that engages the employees, but does not require a lot of bandwidth. We avoid downloads or software plug-ins that may challenge firewalls. Our programs can be accessed from a dial-up connection as well as a T-1 connection so everyone will have virtually the same experience. That's what you want to aim for.

TED BANKS: Once again you have to consider your target audience. In the antitrust world, we're probably not worried about educating, for example, assembly-line workers in a manufacturing plant who have no computer. But we may have people who are in remote locations where a lot of people work out of their homes with only a dial-up connection. So then we go to the lowest common denominator for the technology. As an alternative, we sometimes will take a course and burn it onto a CD because our corporate standard computer, whether it's a laptop or desktop, has a CD-ROM player and sometimes you can get a little more robust course on the CD than you do on dial-up. In this situation you have to deal with the certification at the end of the course by sending an e-mail message or memo. In areas where we can't use computer-based training we use what we call the workbook (paper) equivalent. ●