

Corona Compliance Risk: Are you flying blind?

An integrity test you did not ask for

Compliance risk naturally depends on people's decision-making behavior. It is not the knowledge of the rules that is decisive, but the circumstances in which decisions are made. Wars, economic crises or pandemics are particularly stressful situations that can shake the standards of ethics and morals. The set of rules is being reinterpreted, authority of leadership is questioned, fear of future begins to override certainties.

The corona pandemic is one such circumstance. A real bad weather situation. And of course, **compliance discipline will also be a massive challenge for companies these days. The likelihood of compliance violations will increase.**

You know that of course. Your company is in the survival phase. You are checking processes and controlling risks to avoid control-free islands. You sent emails to your top and middle management reminding for watchfulness and compliant behavior. Good approach. **But what if your decision-makers circumvent such barriers at the crucial moment nevertheless? Think of fraud mechanisms such as fake president fraud, money laundering or supply chains.**

Simply memorizing rules without taking into account one's own personal context and background doesn't help much here.

The good news

In a crisis breach of duty often happens with positive intent or simply unconsciously.

Shift in perception is triggered by a number of stress factors that reduce cognitive control (because of bad brain fuel management). Bad resource management (running out of brain fuel) can lead to the assumption that goals can no longer be achieved with fair, compliant means. The good news: these cognitive processes can be analyzed and changed.

A bad weather training

Individual diagnostic and tailor-made risk training enable individuals to autonomously do the right thing, even if they have some inner resistance to it. This is similar to pilot training for flying in bad weather. **Managing risk and dealing with the consequences makes the purpose of compliance something tangible. As if you were in a burning building and saved lives. There is nothing better than your own experience. That's a rewarding awareness training to increase the resilience of your management.** And this is exactly what rule-based trainings, such as e-learning and face-to-face seminars, are not capable of achieving. Only complex business simulations running advanced analytics in the background can achieve this.

Forward-looking companies enrich their human capital now to mange compliance from a risk & integrity perspective

Support your top and middle management in making compliant decisions without loosing the entrepreneurial mandate, especially in real life emergency situations.

A simple wrong or right (rules knowledge, strong processes) will not be the solution because a number of different factors can influence or disrupt the planned decision any time.

Using advanced analytics Ludaciti is able to empower your decision-makers to understand their own „inner constitution“ in order to make the right decision, especially when it matters. That is what we call self-risk gap closing.

Are you flying blind?

Ensure systematic and risk-oriented compliance. Keep your compliance risk under control even in pandemic times.
Ask for our services: +49 (0) 89 127 39 200. info@ludaciti.com. www.ludaciti.com

Better safe than sorry. Your Ludaciti Team