

The Importance of Cross-Functional Alignment for Compliance Improvements

By Wendy Heckelman, PhD

One of the important lessons learned related to costly compliance fines and restrictive corporate integrity agreements levied against [pharmaceutical] companies for their sales and marketing practices is that compliance practices, not policies, are the source of the risk exposure. This raises the question, “What can be done to improve the effectiveness of a pharmaceutical company’s compliance policies?”

Like most corporate-wide requirements, there needs to be an organizational response and cross-functional alignment for successful implementation of policy. Compliance practices are no different. The challenge for compliance leaders is how to proactively engage their counterparts in sales, marketing, training, and other functions? Specifically, how to foster cooperation when the perception is that compliance requirements are a necessary burden because they only help the company avoid bad outcomes and not achieve good ones. Compliance has even been called a “sales buster” by commercial colleagues.

To overcome this challenge, Compliance needs to engage stakeholders in compliance program improvement efforts. They also need senior leader buy-in and reinforcement to shift this perception and ensure that improvement efforts get off the ground. To create the cross-functional alignment needed, Compliance needs to communicate the benefits of their participation in compliance program improvement efforts:

- For Marketing, having input into the improvement of field conduct monitoring efforts can provide them with the ability to measure and metric the delivery and effectiveness of marketing messages. They can also collaborate on the translation of marketing messages into scripted field sales behaviors (e.g. compliant sales messaging and handling questions/objections). This will result in closer alignment between marketing messages and field sales delivery of these messages.

- For Sales, input into field monitoring and reporting improvement efforts can enable managers to receive more detailed information on field behavior that can be used to coach direct reports on sales effectiveness. Working with compliance can also result in combined sales and compliance training programs that provide field representatives with the guidance on what they can do, excellent sales behaviors (e.g. sales messaging) within the compliance guidelines.

- For Business Leaders, improvements to training, field monitoring, reporting, and follow-up efforts provide greater organizational understanding of the key drivers required for compliant selling. Senior Leader involvement helps ensure success, keeps the company in safe harbor, and creates a shared organizational culture of compliance.

The challenge for compliance leaders is how to proactively engage their counterparts in sales, marketing, training, and other functions?

Evidence of proactive compliance program implementation improvement can also help reduce the severity of any future fines and settlements.

Once stakeholders are on board, a cross-functional team should be created to address compliance issues affecting the whole organization. The team can develop an execution plan for compliance program implementation and establish the metrics for success.

Best practices for forming a cross-functional team include the following:

- Determine which stakeholder groups need to be involved for effective decision making and ensure

individual contributors have decision-making authority.

- Establish overarching goals for the group so members can transcend specific responsibilities of their separate functions.
- Help the team members recognize the strength that exists in the diversity of their expertise and establish the trust required to face challenges.
- Form sub-teams to resolve complex issues and avoid getting bogged down on anyone particular issue.
- Create specific measurable outcomes, track progress, and communicate successes to maintain motivation.

In summary, the advantages of cross-functional collaboration to improve compliance program implementation include the following:

- Clear direction on how to drive revenue growth within compliance guidelines for the Sales organization.
- Closer alignment between Marketing messages and Sales delivery.
- Clarity of roles and responsibilities for Compliance and improvements to the organization's "*culture of compliance*."

One final advantage of cross-functional collaboration is that compliance becomes part of the team's effort to focus on improving business growth. By engaging stakeholders and forming an effective cross-functional team, compliance leaders can manage organizational efforts to improve compliance program implementation, close the gap between compliance policy and practice, and protect and improve the organization's bottom line. ■

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