



An insight-driven approach to compliance: How can you place your customer at the centre?

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Balancing risk while creating great customer experiences

Rather than a chore, compliance can be an opportunity to boost performance and improve customer experience; it can even have a positive effect on KPIs.

Contrary to popular perception, effective compliance initiatives can have a positive impact on customer experience, provided one has good quality data upfront. To be effective, compliance needs to take into account data as much as people, processes and technology.

Why comply?

Getting customers to provide (and then to participate effectively in safeguarding) their data can be a thankless task, but the consequences of failing to do so can be dire.

In the digital world compliance is foremost a data problem.

The average cost of a data breach in South Africa is R43.3m, according to an IBM study¹. The reputational damage can be even more severe, as Liberty Holdings discovered when its share price dropped by almost five percent in a single day following the June 2018 hack of its data², in which the personal records of 30 million people were accessed³.

So why *not* comply?

Compliance programmes require executive attention and support to be successful. These initiatives span multiple business units, incorporate input from numerous data sources and require cross-organisational collaboration.

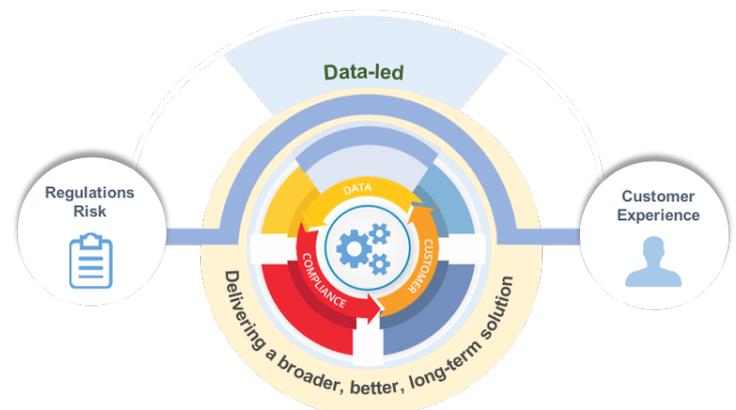
By aggregating initiatives into portfolios one can identify areas of overlap, eliminate duplication of effort and prioritise within portfolios.

The compliance function in many organisations is compelled to fight for budget share, as it is frequently a grudge purchase.

Despite the high cost of non-compliance, executives are averse to investing much in it. The reasons for this are, typically:

- compliance is **complex**
- compliance is **difficult**
- compliance **disrupts** the smooth process of customer onboarding and/or CRM, making for a negative experience

But this doesn't have to be the case.



1. Simplify

Careful planning can significantly reduce the amount of effort required for onboarding and CRM. It is possible to deliver a frictionless customer experience, seamlessly integrating compliance into the customer journey, removing unnecessary steps and smoothing the process.

Aggregating initiatives into portfolios means that compliance requirements which impact on the same sets of people, processes, technologies and data needn't be approached on a case-by-case basis; rather, common areas of impact can be identified and dealt with holistically.

Compliantly centralising customer information – behavioural as well as personal – protects against creating silos of data, which is fatiguing for both customers and the organisation.

2. Put the customer at the centre

Gathering good quality data requires building trust with customers through transparency and visibility. When customers trust an organisation, they are more willing to share their personal information. Businesses must make it clear why they need a customer's information, and what steps they will take to protect it.

Approaching the compliance process as a mere box-ticking exercise can negatively impact the customer experience, especially if an organisation complies to the letter in a way that doesn't make sense to the customer. Without careful planning, the compliance process becomes onerous, long-winded and overly technical; an exercise in endless form-filling.

The organisation may be meeting every legal and ethical obligation to avoid fines or reputational damage... but that does not necessarily make for happy customers.

Good quality data enables an organisation, in a compliant way, to personalise interactions with the customer and market appropriately, targeting a customer's specific needs, rather than employing broad-based marketing. This, too, positively affects the customer experience, reduces the likelihood of spamming and significantly improves the hit rate of sales leads.

Defining an insight-driven strategy for compliance which contributes to customer trust can not only streamline the process, but also benefit both the organisation and its customers.

3. Support business KPIs

Drawing insights from data enables organisations to drive multiple KPIs, such as revenue, growth and customer satisfaction. Through well-thought-out, insight-driven initiatives, compliance can provide other business units with better customer information, allowing them to understand customers better and communicate with them more effectively – all of which drives these KPIs.

When compliance (a) improves your CX, (b) supports your business KPIs and (c) helps you get the most out of your customer data, it stops being a "grudge purchase" and becomes a business imperative. All in all, a better way to approach compliance and improve the customer experience.



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References

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