



INFORMATION MAPPING

Policies and Procedures Compliance: Writing Policies and Procedures that Reduce Corporate Exposure and Increase Employee Productivity

An Information Mapping® White Paper

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<u>Compliance is a Growing Concern</u>	1
<u>The Missing Piece in the Compliance Puzzle</u>	2
<u>Policy and Procedure Hot Spots</u>	3
<u>Ignition Points</u>	5
<u>Six Steps to Improving Policies and Procedures</u>	6
<u>The Benefits of Information Mapping</u>	10



Policies and Procedures Compliance: Writing Policies and Procedures that Reduce Corporate Exposure and Increase Employee Productivity

Compliance is a Growing Concern

As internal and external forces clamp down on corporate governance and accountability, regulatory compliance has become a rapidly growing business concern.

New rules bring new roles. The rapidly increasing pressure and scrutiny to comply with everything from Sarbanes-Oxley, HIPPA, USA Patriot Act, the Anti-Money Laundering Act, and SEC rules to Six Sigma and ISO 9000, has spawned new senior-level hot seats with such titles as Chief Governance Officer, Chief Compliance Officer, and Chief Risk Officer.

Compliance costs and efforts are escalating. There is more evidence that compliance issues are commanding corporate scrutiny and budgets. In a research survey of 650 business technology executives conducted by *InformationWeek* (Media Network Compliance study, October 2003), 71% of the respondents said their companies will spend more on technology to achieve compliance in 2004 than they did in 2003. Since 2003, the number of record management vendors has doubled in 12 months, with compliance driving the messages they are bringing to the market.

The advent of the Sarbanes-Oxley Act of 2002 *alone* has created an almost unprecedented level of activity and concern regarding financial reporting and regulatory compliance. AMR Research estimates that companies spent up to \$2.3 billion on Sarbanes-Oxley compliance in 2003. The spending in 2004 is anticipated to exceed \$5 billion.

Accountability is also on the rise. Financial Services officers are being forced to evaluate and assume full responsibility for the information included in their financial reports – and to actively review and certify the processes and procedures by which financial reporting information is gathered and compiled. With high-visibility prosecutions and executive jail sentences on the rise, it is no wonder that companies are taking compliance issues very seriously – and taking actions to make sure they are ready to meet regulatory requirements.



The Missing Piece in the Compliance Puzzle

As companies pour billions of dollars into technology solutions to help them comply with the onslaught of rules and regulations, they overlook a critical element: **the diverse workforce who must be able to find, comprehend, and execute evolving policies and procedures so their company and their management are not put at risk.**

Without clear, well-organized policies and procedures, no amount of technology can save companies from simple human error.

Whether you have had policies and procedures in place for the last 50 years, are creating new ones, or are in the process of reviewing and revising existing policies to meet new requirements and business realities, this white paper will:

- help you identify when policies and procedures may be putting your company at risk
- suggest key areas for improvement, and
- introduce the Information Mapping method for creating, organizing, and presenting effective policies and procedures that employees can find and use.



Policy and Procedure Hot Spots

Regardless of the size of your company, the nature of the policies you must follow, or number of procedures your organization develops and uses, the following policy and procedure “hot spots” are key indicators that inadequate or ineffective documentation may be putting your company at risk.

A large number of employee mistakes. Although most companies point the finger at employees when errors are made repeatedly, the culprit is usually inadequate policies and procedures that are poorly written, hard to find, incorrect, or out-of-date.

Audits that result in fines for non-compliance. Fines and business disruptions resulting from unacceptable audit findings and observations can be devastating. Often non-compliance found during an internal or external audit can be tracked to inconsistencies in policies and procedures; confusing business communications that fail to convey important messages or bury key points; or mistakes made because employees misunderstood the documentation.

A swamped help desk. Ask anybody with a beeper, and they will tell you that most help desk requests could be eliminated if employees were able to easily find and understand previously-published policies, procedures, and documentation.

Long average call times and too many customer complaints. When call center reps take too long looking for information; fill out forms or follow procedures incorrectly; or provide incorrect or misleading information to customers, it creates risks in customer satisfaction, regulatory compliance, and lost productivity. These problems can often be avoided by providing well-structured, easy-to-read content that is readily available.

Missed deadlines. Employees who are under pressure to meet deadlines do not have time to waste looking for information. Whether they are reviewing, updating, and documenting compliance information, submitting sales proposals, or conducting employee performance reviews, employees need an accessible, reliable source of information to find out what they need to do, how they need to do it, and when the work needs to be completed. Providing employees with clear, effective policies and procedures can save time and help ensure that deadlines are met.



Policy and Procedure Hot Spots, Continued

Misunderstood concepts. Whether they are following reporting procedures or e-mail policies, many employees do not adhere to policies and procedures because they do not understand what they are expected to do – or why. Effective policies and procedures communicate “what’s in it for me” to employees and explain the corporate risks of not following established protocols. Once employees are elevated above the task level with a clear understanding of underlying concepts and business initiatives *as they relate to them*, their performance, efficiency and effectiveness increase.

The HR department acts like a call center. When employees cannot understand company benefits, policies, or procedures – or cannot easily find the information that they are seeking – they can turn your HR organization into an unproductive call center. Too often, HR departments spend their time answering the same questions over and over again rather than providing value-added services that support organizational initiatives.

Incorrectly completed, routed or documented forms. Whether it is an expense report, benefits submission, capital equipment requisition, partner authorization, supplies request, new account registration, vacation submittal or any of the other myriad forms that organizations create...the chain of execution is usually large and opportunities for delays and mistakes abound. When an employee does not know how to fill out a form, where to submit it, and when to expect a response; or a manager is not aware of how the approval process works or where they fit in the chain of command for authorization; or an assistant is not sure how to enter information into a database and generate and route necessary reports, the process gets bogged down and it can take days or weeks to process a simple form. Not only do inefficiencies like this result in lost productivity, but they can put a company at risk of non-compliance with corporate, State and Federal Government regulations.



Ignition Points

These hot spots are further compounded if your department or organization is facing common business challenges that may add to or ignite compliance risk and reduce employee productivity.

High employee turnover. Some areas within an organization exhibit higher than average employee churn. Turnover can be a problem for call centers, entry-level fund accountants, data entry clerks, and security guards. In order for new employees to get up to speed quickly, policies and procedures must be provided and communicated in a way that maximizes understanding and retention. More effective training materials and reference documentation can help to reduce errors, increase productivity, and minimize ramp up time.

Product proliferation. The competitive financial services market has necessitated rapid product introductions. In many instances, marketing may introduce a new offering before IT, call centers, or back-office accounting can be fully trained. That is the nature of the market, and an area that leaves companies open to customer complaints, poorly represented products, and lost revenue. When employees can confidently search for and find clear, relevant information about new products they can significantly reduce ramp up time, increase new product sales, and provide customers with the most appropriate solutions for their needs.

Moving to new media. The advent of Web technologies, knowledge repositories, e-learning platforms, and content management tools has provided today's businesses with new opportunities for capturing, managing, and sharing information. These technologies can help make all types of critical business information much easier to find and use. However, there is a catch. To optimize the return on investment in information technologies, organizations must ensure that their content is highly structured, precisely labeled, and tagged with relevant information for optimizing search results. Content must also be clear, effective, and usable. The old adage still remains true today: If you put garbage in, you will get garbage out. To improve compliance and productivity, employees need access to content that they can actually use and understand.

Instituting new online and physical security systems. The tightening clamp of security – from e-mail and Instant Messaging policies to facility access cards and real-time log-on passwords – creates the need for well-defined security boundaries that every employee understands and follows. Organizations that are working to improve security will need to create and revise a wide variety of policies and procedures. Implementing new security systems and procedures can present the perfect opportunity to review existing documentation and make sure that it is written in a way that optimizes understanding and performance.



Six Steps to Improving Policies and Procedures

Companies that want to reduce corporate exposure and improve employee productivity need to ensure that policies and procedures are clear, accurate, and accessible. Adopting a systematic method of analyzing, organizing and presenting effective policy and procedure information is essential. Information Mapping, Inc. has developed a method that has been used by thousands of leading organizations worldwide to ensure that their documentation helps support employee productivity and performance and reduces compliance risk.

Begin with an audit of your existing policies and procedures. Choose one key corporate objective or known problem area and begin a drill-down process. The following are six of the key elements from the Information Mapping method that you can apply to analyze and improve the effectiveness of your organization's policy and procedure documentation.

Step 1: Understand the needs of the audience. Before you begin evaluating or developing your policies and procedures, step back and determine who needs to do what, and what they need to know in order to do it. Then assess your existing documentation. Is the right level of detail provided for different audiences? Can they easily find and access the information they need where and when they need it? Do they find the documentation to be easy to understand and use?

Perhaps the most common mistake that organizations make is to write and distribute policies and procedures in a "one size fits all" fashion. For example, the procedures for emergency evacuation need to be presented differently for employees than for security personnel, the executive management, or an audit team. In the same manner, a person filling out an expense report for the first time needs a different level of detail than the experienced salesperson who just wants to check the meal allowance before completing a weekly report. When information for different audiences is placed in one document without considering their needs or how the information will be used it creates confusion, inefficiencies, frustration, and, usually, mistakes.

As a rule of thumb, if each audience cannot quickly find the specific information they need, changes are needed.

Six Steps to Improving Policies and Procedures, Continued

Step 2: Ensure that information is categorized by type and purpose. Information Mapping's research shows that information is easiest to find and understand when it is categorized based on the purpose for the information for the audience. The table below describes six distinct Information Types that can generally account for as much as 80 to 90 percent of the content created in most business documentation.

Information Type	Description
Procedure	How to do something, including steps and decisions required to complete a task.
Process	How something works or what happens, including roles, responsibilities and expected outcomes.
Principle	Statements that dictate or guide behavior or present bigger truths, such as policies, rules, and guidelines.
Fact	Statements that are understood to be true without supporting evidence such as specifications, statistical data, and descriptions.
Concept	Abstract or generic ideas that need to be defined or explained, such as what an unfamiliar term means or why a particular policy or procedure is important.
Structure	A physical representation of parts and boundaries, including charts, diagrams, pictures, and graphical representations of relationships.

Once information is categorized by type, it needs to be labeled simply and clearly. Labels can help the reader quickly find information and also provide insight as to the content of the information. If different types of information are mixed together in documentation, the chances are that employees find it difficult to use and understand.



Six Steps to Improving Policies and Procedures, Continued

Step 3: Verify that information is selected and sequenced from the reader's perspective. Next, check to be sure the information the reader needs is presented in the order in which it should be accessed and used. New concepts should be readily available for novice readers, but easily skipped by experts who are already familiar with them. Cautions and warnings should be provided before a procedure is presented – not placed as a note at the end or buried in the text where the reader may not see them until it is too late. Information should be sequenced based on what the reader needs to do and what they need to know in order to be successful. If policies and procedures include extraneous information or fail to anticipate questions that might be asked, then readers can become frustrated and may turn to supervisors, co-workers, or other sources to get answers more quickly – and potentially less accurately.

Step 4: Check for consistency. Consistency in terms, acronyms, abbreviations and formats is critical. Policies and procedures should not be creative. A “form” should not later be called a “document.” Once an acronym is defined, it should be used consistently. If a certain type of information is typically presented in a tabular format, graphs should not later be introduced simply to add variety. Consistency aids comprehension and understanding and makes it easier for readers to understand where to find and how to interpret complex information. Policies and procedures are not the place for creative design or the Thesaurus. If your key documents are inconsistent, consider revising them.

Six Steps to Improving Policies and Procedures, Continued

Step 5: Determine whether the information is accessible. Even the best information is not useful if it cannot be easily found or accessed when it is needed. Ask employees where they go to find information and observe them to see how long it takes them to get answers to their questions. Excessive use of sticky-notes, bookmarks, and personal copies of controlled documents – or frequent questions to supervisors and help desks – usually indicates that employees cannot easily find the information they need.

Many factors can help make information accessible. Clear titles and labels, tables of contents and indices, access aids, references, hyperlinks, key words, search technologies, and well constructed content hierarchies are all essential for optimizing information access. Charts, tables, graphics, bulleted lists, and definitions can all help make information easier to access and understand. Generally speaking, needed details should be integrated into the documentation where they are needed, not relegated to appendices or stuck on other pages where they may be missed.

Also, make sure that information is stored and distributed in a way that makes it available when and where it is needed. For example, the procedure for fixing a paper jam should be located by the copier – not in a manual in the IT department; and procedures for responding to a power failure should be available on paper at ready reach – not online where they will be inaccessible if the electricity is out.

Step 6: Look for reusable information modules. When content is created in small, modular units companies can re-use the content across multiple departments and sites without losing the integrity of the information. For example, installation instructions that are developed for a user manual can be re-purposed for technical guides, training materials, and sales and marketing materials. Similarly, key concepts surrounding the necessity for AML compliance can be used in training, customer service, security and IT. The consistency of information and its presentation serve as a reinforcement that helps compliance and reduces corporate risk.

Research has shown that creating content in small, well-defined units also makes information easier to find and remember, aids comprehension, and significantly reduces the time it takes to update and revise documents. If your policy and procedure documentation is not structured into small, well-defined information modules that are grouped together into meaningful topics and parts, it will be difficult to ensure compliance and productivity.



The Benefits of Information Mapping

For over 35 years, Information Mapping, Inc. has worked with hundreds of financial services organizations to help them analyze, organize, develop and present clear and concise policies and procedures. Information Mapping's clients have consistently found that the benefits of improving the effectiveness of their policies and procedures are well worth the effort.

Real solutions produce real results. The science of Information Mapping puts the burden of clear, concise and well-thought-out policies, procedures, and documentation on the shoulders of the writer rather than the reader. The result is less second-guessing, less frustration, and more consistent, relevant, and predictable execution of critical policies and procedures.

Information Mapping has been the subject of many doctoral theses, research studies, and independent evaluations. The table below shows sample benefits and results that researchers and Information Mapping clients have reported for readers, writers, and organizations.

Benefits to ...	Sample Results
Readers	<ul style="list-style-type: none">• 10%-50% decrease in reading time• 32% increase in accuracy in retrieval• 13%-83% improvement in initial learning
Writers	<ul style="list-style-type: none">• 83% decrease in first draft development time• 75% decrease in document revision time• 20-50% increase in writer productivity
Organizations	<ul style="list-style-type: none">• 10%-50% decrease in training time• 38% increase in documentation use• 54% decrease in performance error rates• 70% decrease in questions to supervisors• 80% decrease in call volume• 25% increase in compliance rates

The Benefits of Information Mapping, Continued

Information Mapping is a standard. The Information Mapping method has become the standard for creating policies, procedures and documentation that help companies achieve compliance. Its principles provide writers with a common set of guidelines for breaking information into manageable chunks, organizing those chunks relevantly, and using labels to make information accessible and usable.

This standard approach to information management lends consistency to company documents and meets the requirements for effective documentation, accessibility, ease of use, and modular design. At all times, readers know

- what is expected of them
- what the next steps are
- who is responsible for which actions
- why it is critical to execute a specific policy or procedure, and
- what outcome is anticipated.

Information Mapping removes extraneous information and words, and presents a consistent set of terms and a visual structure that can be used for a wide range of audiences with varying language comprehension and education levels.

Reduce risk and improve employee productivity with Information Mapping. Information Mapping provides on-site workshops that help employees master the Information Mapping method and put it to immediate use to improve the effectiveness of policies, procedures, and other documentation.

To train key individuals within your organization in the Information Mapping method call **1-781-472-3021** today, or visit Information Mapping's Web site at www.infomap.com/compliance.