Preparing
the
Front Lines

A Guide to Creating a High Impact
Financial Compliance Training Program

OnCourse Learning
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Preparing the Front Lines

## A Guide to Creating a High Impact Financial Compliance Training Program

As a financial institution, it's likely that you've put compliance processes in place, talked to employees about its importance and perhaps even established a compliance team. But is it enough to protect the organization from vulnerabilities your front line faces during daily operations?

The front line of your financial institution is your first line of defense. And, with regulatory changes continuing to flow in and the importance of compliance growing, a one-time conversation is not enough. In fact, auditors check how often you conduct training and what the training includes.

Then there's the business impact on the bottom line. Compliance mistakes cost time and money—rework to correct any errors and staff productivity suffers if confusion exists. When errors run deep, you can also damage your reputation, face expensive litigation and add to costs through remediation and supervisory enforcement actions.

Ongoing compliance training, even though you may hear moans and groans, offers the best protection against these risks and a smart way to maintain a stellar reputation. The best news? Using today's learning techniques, it doesn't have to be boring and you can engage everyone participating, from generation z to millennials to baby boomers.

This e-book offers a path to a new way to approach training. You'll discover why consistent compliance training is important today and how to truly engage your front lines in protecting your organization with a dynamic learning approach.
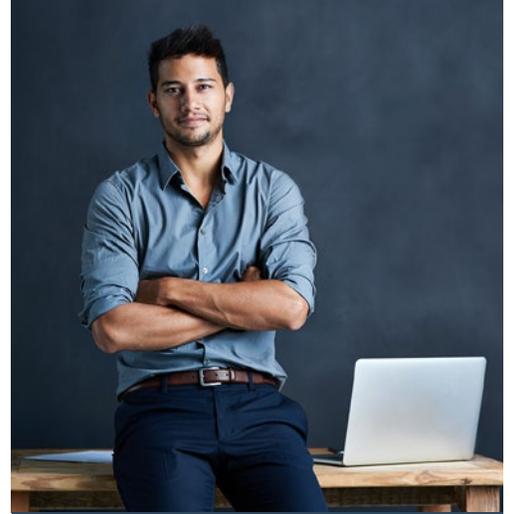
Compliance Training a Distant Memory?

Without consistent and impactful training, it's easy to open your organization up to compliance risk.

Teller risk • misses signs of fraud which results in financial loss and reputation damage

Call center risk • inappropriate questions and responses to a credit inquiry creates a fair lending liability

Retail branch risk • Bypasses procedures to respond to a small business request for an urgent wire transfer that turns out to be fraudulent, resulting in significant financial loss

Topics include:

Training as Part of Formal Compliance Program

Preparing for a Deep Look by Auditors

Creating a Learning Culture

8 Steps to Raising the Bar on Compliance Training

Best Practice Examples

Training as Part of a Formal Compliance Program

To understand why compliance training needs to be a consistent learning program versus a one-time conversation, it's important to take a step back and review what a formal compliance management program should look like in a financial institution. Auditors review these five areas to understand the strength and scope of an organization's compliance program.

1 Board oversight

2 Documented policies and procedures

3 Training that's job specific

4 Monitoring processes

5 Corrective action

Since training is a requirement of a formal compliance management system, auditors will be doing more than asking if you've conducted training. They will want to see the basics including what training was provided, when it was provided, and who was in attendance. It's also common to receive a request for the training materials to ensure what was covered is up-to-date with current regulations.

Preparing for a Deep Look by Auditors

While most financial organizations track and provide the information mentioned in the previous section above, they may not be prepared for the additional requirements needed today. According to an ACAMS report, Auditing for Effective Training, here are some highlights of what audit best practices should cover:

- Ensure Board of Directors and Senior Management provide enough resources on ongoing education that mitigates the risk.

- Ensure Bank staff receives training on risks associated with new products, services or clients.

- Ensure the training is ongoing and incorporates current developments and changes …. Changes to internal policies, procedures, processes, and monitoring systems should also be covered during training.

- Ensure the frequency of training is sufficient for risk level and turnover at the institution.

- Review the documentation of attendance records and training materials.

- Ensure that it covers bank policies, procedures and new rules and regulations.

- And includes the penalties for noncompliance with internal policies and regulatory requirements.

As these best practices indicate, you need to provide consistent training to meet requirements, including ongoing training for what's new (new regulations, best practices, new products or even new clients), to cover staff turnover and to ensure familiarity with policies and procedures. The message is strong—once is not enough.

Which leads us to the next big question. How do you design a program that meets these requirements, engages your team and truly has an impact you can measure? It starts with creating a learning culture.

Did You Know?

Training today can be offered in all shapes and sizes. In-person, online with live instructors, convenient on-demand videos, interactive social chats and more. What will click most with your team?

Creating a Learning Culture

Have **conversations** about learning—what's working, what isn't and what to do about it

Ask your learning partners who provide training about best practices

Encourage exceptional employees to participate as experts and mentors

Discuss expectations in job interviews, job descriptions and quarterly reviews

Hold monthly **meetings** with trainers, supervisors and branch managers to assess the program

Measure results— test, observe and monitor error rates

Honey Shelton, president of InterAction Training, offers this advice:

Honey Shelton

InterAction
TRAINING

1. Know your audience
2. Engage your listeners
3. Have some fun
4. Organize your content
5. Use bite-sized bits
6. Try knowledge check-ins (pop quizzes)
7. Don't assume the worst (lazy learners)
8. Use feedback

Try New Ideas

To help training stick, take the opportunity to try new approaches or consider new ideas. Before implementing organization-wide, try these tips to present your new training ideas first:

Suggest a pilot with a small group—agree on how to measure results	Collect data from peers in other companies who are also using a new approach	Gather testimonials showing results and provide them to your senior management team

Use Adult Learning Techniques

A recent webinar, Train Smarter and More Effectively, by InterAction Training offered insight into how Malcolm Knowles, the originator of adult learning techniques, described ways to teach adults.

1 "Facilitate," don't teach

2 Offer help to cope with daily life, perform a task or solve a problem

3 Recognize that adults come to learning with a wealth of experience and a great deal to contribute

4 Respond to internal motivators, such as increased self-esteem, versus external motivators, such as salaries

Raise the Bar on Compliance Training

The truth is, if you require training, your team must participate however it's offered. But there's another truth to consider, if it's not effective, you've wasted time and money.

Which leads us to a critical question: How do you create a high energy, high impact program? There's all sorts of good news here—training today can be tailored so that it connects with your audience and truly makes a difference. Try these steps to identify what you need:

Step 1
Plan for the finish from the start.

What is it you expect people to know how to do from training? Before the program is designed, questions should be asked to supervisors, branch managers and employees about challenges, information gaps, recurrent problems and confusing processes. By understanding needs and defining expected results, you'll create more effective training.

Step 2
Don't assume one size fits all.

The best training is tailored to the audience. Tellers, lenders, the mortgage team—they all have different roles and different needs to understand compliance. Training on specific topics directly related to a role have a much higher success rate.

Step 3
Consider what format will connect with your team.

Learning techniques need to adapt to the multiple generations in the workforce. What will work best for the profile of the team? Live training (in-person or online) for interaction? An online course for schedule flexibility? Use of apps for millennials?

Step 4
Avoid the information overload trap.

"The one-day training covered all the details." It's a common story of too much information that didn't transfer to learning. Adults learn best with bite-sized information focused on what they need to know to do their job.

Step 5

Don't forget you are training adults.

For adults, training should focus on facilitation, taking advantage of the natural motivation to invest time in things that will simplify tasks and improve life.

Step 6

Debrief employees after training.

To see if the training was truly effective, it's important to regroup with employees to see what connected and what didn't. Whether it's a conversation or testing progress with skills, a debriefing will offer important information for follow-up training.

"Given the complexity and breadth of compliance training, however, it doesn't make sense to create a classroom experience around each piece. Instead, a blend of the classroom and e-learning tailored to the needs of the organization, as well as simulations, presentations, and videos makes for the most well-rounded approach."

– The Importance of Improving the Quality of Compliance Training, Training magazine

Step 7

Consider use of partners.

You don't have to do it all. Training partners, who specialize in financial compliance training, offer an effective, high quality way to strengthen your existing program. These partners monitor regulation changes and provide the most up-to-date training information, saving you time and increasing impact. It can also be a fast way to add multiple training formats.

Step 8

Define measurement.

Unless you measure, you can't tell if training worked. Metrics should be set up by role, not one size fits all. Tools can include audit findings, exam results, compliance monitoring, error tracking and retention testing.
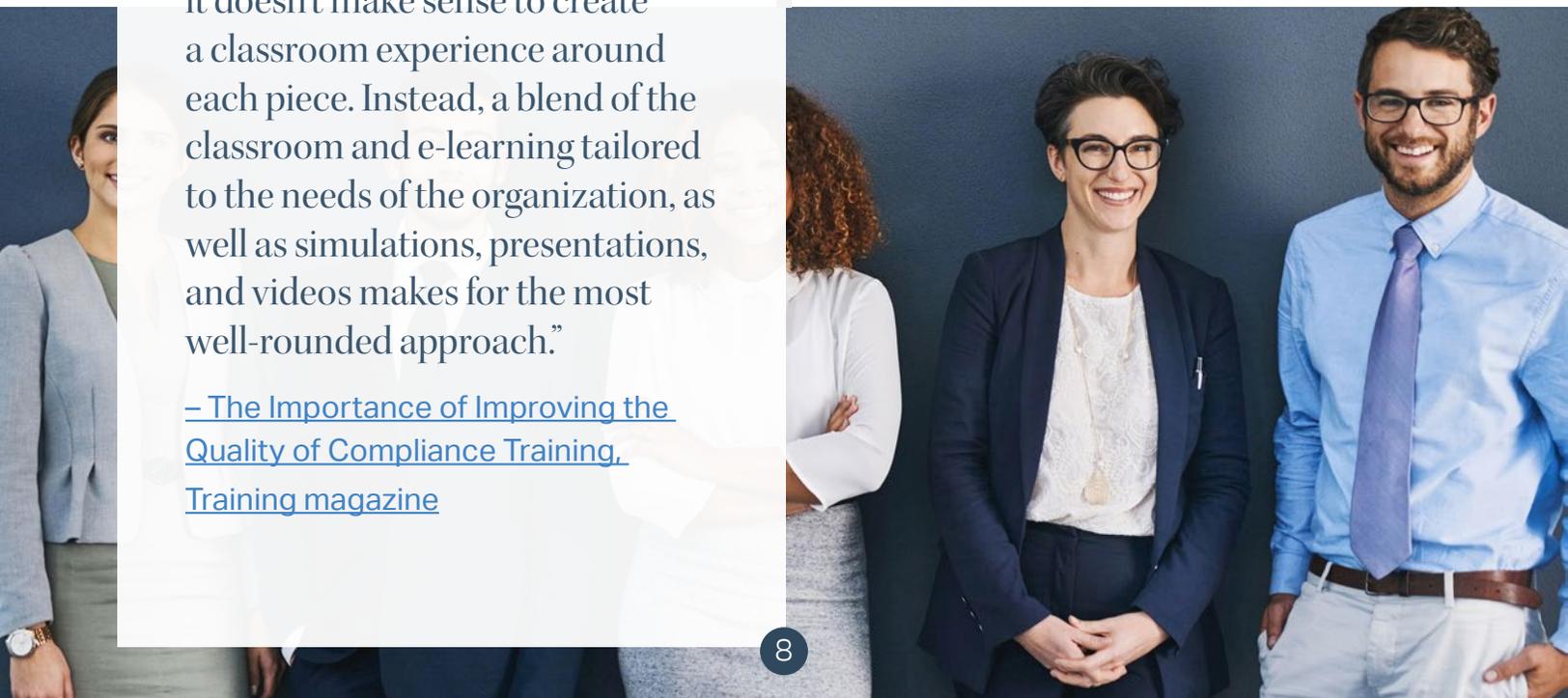
Use Today's Learning Techniques to Create a High Impact Program

It's an exciting time for learning and development. Using technology and the latest techniques, it's easier to create a program that adapts to how people learn. And that's what helps learning stick. Here are some important considerations as you develop your program.

Learning Styles

Not every student learns in the same way. When designing and developing online courses, it's important to incorporate all learning styles by considering the four spheres of learning: visual, auditory, kinesthetic (learning with hands or computer) and text-based. There is not one primary learning style, it's usually a mixture.

Microlearning

Microlearning is huge in the industry and involves small, learnable objects – usually 5-10 minutes – and one teachable moment. It's a great way to structure learning so employees receive the information when they need it. Employees gain the ability to go to that content right way and just learn for that moment.

Personalized and adaptive learning

To adapt to different learning styles, personalized learning sequences a curriculum so that an employee can self-choose the best path for their style. Adaptive learning focuses on computer learning, using the right technology to personalize and adapting the content based on the learner's responses. In both cases, it's a great way to adapt learning to different styles.

Many companies today use learning partners to quickly and effectively implement new styles of training. To meet this need, OnCourse Learning provides microlearning, self-paced training, webinars, video and audio courses, interactive quizzes and more.

To increase success, every training program should:

Present why the learner needs to know this information (within the first 20 seconds)

Prepare the learner about what to expect before the session, during the session and after the session

Show the benefits of the training and how it will make life easier

Provide a glossary, frequently asked questions and flowchart for reference

Emphasize why it matters, on a personal level

Ready to Create
a High Impact Program?

Remember the basics to make training stick.

| The best offense is a good defense. | Prepare the front lines: business lines, operations and administration. | Create an engaging program that adapts to different learning styles. |

To discover how the leading provider of regulatory compliance and professional development e-learning solutions can help your financial institution, visit www.OnCourseLearning.com/ComplianceTraining.

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