



The “*One Factor*” or the parable of compliance.

Once upon a time there lived a wise old Compliance Officer. Being close to retirement he had taken on a understudy, a young and impressionable chap, but very eager to learn. One day while reviewing the Bank’s Risk Assessment together, the young man asked, how can you explain that our Bank has never received an enforcement action, when the banks that some of my friends work for have, what’s the difference? The wise old compliance officer thought about it for a moment, and then said, do you know what a parable is? The young man said yes, yes I do. Good, said the wise old compliance officer, here is one that can explain what you want to know.

Imagine two conference rooms; each of the conference rooms look exactly the same. A feast is laid out on the table, a wonderful stew, with aroma filling the room. One strange thing though, each member of the team had very long spoons tied to each of their hands, very long spoons, the spoons were so long that when each of the team members filled their spoons with stew, they could not reach their mouths. Each of the leadership teams were briefed by high-falutin consultants on what they need to do to stay out of regulatory trouble. “Tone from the Top” the consultant explains to each team, it’s the one factor that will keep you out of trouble.

Here is where the teams differ, in the first conference room, the team members were angry and hungry, they only cared about themselves, and each had their own plan on how to implement the consultant’s advice. This is the team that will get the enforcement action. In the second room, the team was calm, joking with each other, each adding their expertise to the problems they were trying to solve. This is the team that will never get an enforcement action, do you understand, asked the wise old compliance officer?

I don’t get it, what does stew and spoons and consultants have to do with an enforcement action, said the young chap. The wise old compliance officer said, remember that this is a parable. The consultant, the stew and the long spoons represent tone from the top. The board of directors of each bank gave the teams everything they needed, but, only the second team worked together. They took the long spoons and fed each other, working together to solve the problem. They were the “we” team versus the first team, the “I” team, was too focused on how each one had the better idea, and that the team must listen to them.

The “*One factor*” that has kept us out of trouble, is everyone works as a team; we help each other and have the Banks best interests in mind, not ours individually.
I get it now said the young chap, all the money and tools in the world won’t keep us complaint and out of trouble, working together will.

