FCPA COMPLIANCE:
THE ROLE OF DATA COLLECTION AND ANALYSIS

The collection and analysis of company data are increasingly viewed as the foundation of an effective anti-corruption compliance program. The authors discuss the basics of such programs — tracking metrics and key performance indicators — and then turn to the use of such programs in employee training, third-party due diligence, and confidential reporting. They close with a discussion of data analytics that pull together diverse data points for cumulative, comparative, and risk-based analyses.

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For today's anti-corruption compliance programs, data collection and analysis are foundational. Even the best compliance programs will not prevent every instance of bribery. They will, however, evaluate copious data collected in order to understand strengths and weaknesses, and to enhance practices to address corruption risks more effectively. To build this information feedback loop, a company might consider three tools: tracking metrics — the raw, objective data pertaining to the implementation of its anti-corruption program; key performance indicators ("KPIs") — the benchmarks used to measure performance in key areas; and data analytics — the process of bringing together diverse data points in order to identify "signals" of potential non-compliance and pinpoint areas for systemic improvements. We discuss these tools below.

TRACKING METRICS, KPIS, AND DATA ANALYTICS: THE BASICS

KPIs and tracking metrics are tools used by businesses to measure and evaluate the success of a wide variety of actors and activities. Companies use them to measure sales, marketing, finance, safety, or third-party or employee performance. Increasingly, companies also are using KPIs and tracking metrics to assess whether their anti-corruption compliance program is effective and being implemented in a robust and good faith manner.

Despite being often mistakenly used interchangeably, KPIs and metrics are distinct concepts. Metrics are the starting point for any further advanced, data-driven analysis. We first ask "how many" and "how much" for a variety of different activities and behaviors, and the

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