

URL: <https://stvp.stanford.edu/blog/videos/company-ethics>

Richardson talks about how prior to the Sarbanes-Oxley Act, unethical behavior in companies was considered standard practice. She explains ways in which to stop those practices and maintain a level of ethics within a company.



## Transcript

First and foremost, the way you do it, which I think is something people always should have been doing but many companies did not and that has set the tone for the talk.. Any CFO, audit committee or legal general counsel will tell you that the tone from the executive team and the CEO has everything to do with how everybody behaves.. So if they believe you will not tolerate violations of ethics or the rules of the company, then you are going to eliminate probably 80% to 90% of the problem, right there.. But they have to see that you care about it.. You know, we ruled out compliance training at E.piphany online and I was one of the first people who did it.. And there was also a prize, and you know, it was a really good prize, so I wanted to win the prize by being one of the first hundred people done.. But you know they've got to see that you care about this.. They got to see that you attend the meetings to go through the results, that you are serious about it, etc.. That if you ever catch what even might be the sniff of a violation even if it is inadvertent that you take it seriously, you deal with it.. That is the first thing you do, and the second one is compliance training..

And the third one is probably have a compensation plan and employment policy that would obviously, you know, carats and sticks, be a big problem if somebody violated it, you know, cause for immediate termination as an example.. And we certainly have that at E.piphany.. I will tell you one other thing and this was viewed as heresy 20 years ago, but at E.piphany, we don't pay people on the deals they close until we have collected the money, because generally when you have collected the money and the deal is firm, I mean, so, you know, by the time we have gotten the money, it is pretty clear there probably wasn't a side letter.. They really intended to buy the software.. They wanted it etc.. and so forth.. That's another way.. So there's lots of vehicles...