



# How to Stay Productive and Compliant in a Hybrid World

Harness today's communications and collaborative technologies while managing risk



Our connected modern world offers more options for communication than ever before, across devices and applications. And, as hybrid work continues to blend our work lives with our personal lives, digital interconnectivity is essential.

Additionally, digital native workers simply prefer to work with organizations that utilize modern communications platforms. This is true whether they are choosing companies with which to do business or organizations for whom they work. These tech-savvy workers expect to be able to conduct business communications more rapidly and with greater convenience than ever before.

For regulated organizations, allowing the use of modern communication tools such as mobile texting, collaboration and conferencing platforms (Microsoft Teams, Slack, Zoom, etc.) and mobile-native messaging applications is a daunting prospect. Those tools drastically increase the scope and complexity of communications data they must retain and monitor to meet regulatory compliance obligations.

Fortunately, new solutions have emerged to simplify and automate this process without disrupting business. This guide will help you understand how your firm can achieve and maintain regulatory compliance while also enabling overall productivity.

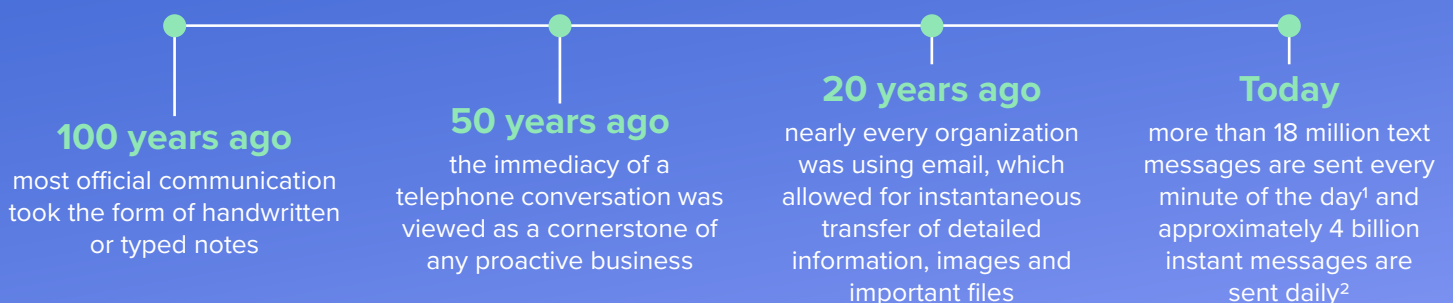
“Millennials” refers to a demographic cohort that includes anyone born between the years 1981-1996. Members of Generation-Z, the newest group to hit the job market, were born starting in 1997 through the early 2010s.

## Compliant Productivity: The Great White Whale

**Compliant Productivity:** operational harmony that is achieved when regulatory communications compliance and organizational productivity are optimized in equal measure and are complementary to one another.

Unfortunately, “compliant productivity” has historically been elusive — a great idea on paper that falls apart when it meets the practical concerns of the real world. If not carefully managed, strict regulatory compliance can inhibit productivity by limiting the tools employees can use to do business. And full-throttle productivity without oversight can create compliance vulnerabilities. There’s simply too much data to capture, parse and archive for the process to impact one or the other.

The problem with traditional wisdom, however, is that it doesn’t often change to reflect the times. In an era of unparalleled technological advancement and connectivity, both compliance and productivity can be achieved.



## When the Levee Breaks

For years we've seen a shift from email as the primary business communication tool, in favor of a diverse range of newer tools that encourage rapid response, such as mobile messaging applications and collaboration/conferencing platforms. In 2020, that shift catapulted into overdrive when the pandemic moved many workers into home offices.

Fast forward to 2022, we see workers prioritizing workplace flexibility. A report by the Office of National Statistics found that 84% of workers who had to work from home because of the pandemic don't want to fully return to the office. Moreover, those who planned to return to their place of work fell from 11% in April 2021 to 8% in February 2022.<sup>3</sup>

As a result, the use of mobile messaging in business and collaboration/conferencing platforms such as Slack, Microsoft Teams and Zoom has exploded.

The application-to-person SMS messaging market is anticipated to grow from 62.2B in 2021 to **89.2B** by 2030<sup>4</sup>

**48%** of consumers prefer direct communication from brands via SMS text message, and **90%** of customers prefer text messages over direct phone calls and emails<sup>5</sup>

**98%** of all text messages are opened, and **95%** of SMS messages are opened and responded to within 3 minutes of being delivered<sup>6</sup>

**55%** of millennial bosses prefer to communicate with employees via a team communication application<sup>7</sup>

The number of paid users of Slack shot up to **142,000** in the third quarter of 2021 as compared to 37,000 Slack users in 2017<sup>8</sup>

Microsoft Teams reported **270 million** daily users in September 2022, up from 145 million in 2021<sup>9</sup>

The Zoom mobile app was downloaded **20.93 million** times in North/Latin America and **12.31 million** times in Europe/Middle, and **50.12 million** times in Asia-Pacific during 2021<sup>10</sup>

With the dramatic shifts in how organizations are communicating comes a requisite shift in compliance practices. Just as compliance teams have learned the ins and outs of retaining and overseeing email communications, they suddenly face an exponential flood of new and varying types of communication data from mobile applications, text messaging and collaboration platforms. In some cases, this learning curve only began in 2020.

Despite the health crisis, FINRA has notified member firms that they must continue to maintain appropriate supervisory and compliance practices. It stands to reckon, firms that have relied on web-based tools, electronic document management systems and cloud-based services have faced fewer difficulties transitioning to a remote work environment.

Fortunately, most modern communications methods have evolved alongside complementary tools designed for capturing, archiving and searching business-related communications data. The combination of new and evolving channels with scalable solutions for data retention allow forward-thinking organizations to maintain regulatory compliance without impacting overall productivity.

## Communication Breakdown

The first step to unlocking compliant productivity is to understand the tools your organization is using to communicate. Email, phone conversations and face-to-face interactions still have their place. But as more workplaces in professional industries have become geographically distributed and made up of digital natives, modern communication technology has become a requirement.

### Mobility

#### Text messaging

An ongoing demographic shift in the workplace sees younger, more tech-savvy generations coming in at an increasing rate. As a result, text messages have been adopted as a default business tool due to factors such as familiarity and convenience. Because text messaging is preferred, immediate and convenient, advisors are seeing an increased demand from clients who use it to communicate about business.

Historically, risk-averse firms tried to prohibit text messaging as a business communication channel to avoid compliance challenges. However, prohibitive and reactionary policies against the use of text messaging do not adequately reduce risk within a firm. Mobility is now essential for success, so organizations must figure out how to enable their brokers or advisors while preserving communications data.

A 2021 Attentive survey found that **69%** of consumers indicated that they would be extremely likely or likely to connect with a brand to receive SMS customer service, and a further **24%** said they would consider it — urging firms to implement support solutions to their marketing efforts.<sup>11</sup>

## WhatsApp and WeChat

Mobile-native messaging applications must be a consideration too, particularly for global organizations. For many regulated companies, encrypted messaging apps like WhatsApp and WeChat are so complicated to supervise that they've been prohibited entirely. But, as we've seen with text messaging, prohibition policies don't necessarily stop people from using those applications. Rather, they inadvertently prevent those communications from being adequately supervised. A costly mistake. Recently, the SEC fined corporations \$1.1B for failing to properly report how they managed communications data from WhatsApp and text messages.<sup>12</sup>

WhatsApp and WeChat make it possible to easily communicate with global contacts. To enable these tools and open those lines of communication, firms must make it a priority to proactively invest in a solution that makes it possible to capture, archive and supervise their encrypted content.

## Devices

When it comes to mobile device policy, there are two main practices in play:

- Bring your own device (BYOD)
- Corporate-owned devices (COD)

In the case of BYOD, employees use their own phones, and containerization or Electronic Device Management (EDM) solutions are installed over the top to capture business communications. Outlining mobile policies will have a significant impact on how your firm implements its mobile and text messaging archiving and compliance plan.

Issuing corporate mobile devices is still widely practiced, and we don't anticipate that will change. For a time, using corporate-owned devices (COD) fell out of favor because people didn't want to carry multiple devices. However, corporate-owned devices (COD) are expected to return to favor due to recent regulatory enforcement around mobile. We believe firms will see COD as a more controllable practice than BYOD. It's also fair to anticipate more firms instituting policies that require all business communications to be done on corporate-owned devices.

Things to consider when determining your mobile device policy:

- What is your firm's device ownership scenario?
- How will you update your communications policy to account for business text messaging?
- Which mobile carriers and plans will your firm use?
- Does your firm need to use an Electronic Device Management (EDM) or Mobile Device Management (MDM) solution?
- How will you retain, supervise and produce text message data?

## Collaboration & Conferencing Platforms

Collaboration and conferencing platforms take the best aspects of email, instant messaging, video conferencing and social media, and bundle them into a cohesive, intuitive package. Firms that have adopted platforms such as Microsoft Teams, Slack and Zoom can't do business without them now.

The appeal of collaboration and conferencing platforms lies in a combination of ease of use and versatility. They include valuable features such as real-time group and private chat, file sharing, video and voice capabilities. Collaboration and conferencing platforms are typically easy to use and have simplified methods for adding outside contacts to a conversation. They can also be readily integrated with a variety of popular utilities including Dropbox, Salesforce and Webex, and social media platforms such as LinkedIn, Twitter and Facebook.




What's challenging about collaboration and conferencing platforms is the volume and variety of data they produce. Emojis, chat threads, event information (i.e., edits and deletes) and multimedia files are too complicated for traditional archiving solutions designed for a single content type or a database of limited size.

Despite the challenges, all communication records generated on collaboration and conferencing tools are subject to regulatory scrutiny. This requires purpose-built technology to securely capture, archive and supervise an organization's complete corpus of communications data.






# Modern Communication: Pros and Cons

## Benefits

-  Mobile messaging and collaboration platforms offer unparalleled communication options. A group chat between multiple employees in diverse locations is easier and more cost-effective when people can't be in the same room, and the immediacy of a text message is invaluable when waiting on crucial details.
-  Younger generations prefer modern communication methods. Stifling their inherent tech savviness by barring the use of text and collaboration platforms may drive younger employees to favor your forward-thinking competitors. Alternatively, embracing these new technologies is a great way to ensure your workforce remains engaged and excited about the tools they use each day.
-  Modern internet etiquette dictates that email is a delayed, "I'll get to it when I get to it" method of communication. Text messages and instant messages, however, are more immediate. Letting texts pile up like email is unthinkable for most people. As a result, the average response time once a text message is received is a mere 90 seconds, vs. 90 minutes for an email.<sup>13</sup>

## Risks

-  Regardless of platform, all electronic communications need to be captured for regulatory compliance. This includes messages and metadata generated on collaboration platforms and texts sent between individuals. Unfortunately, if you don't realize your employees are using these tools to communicate, you can't capture the information they're sending. Bottom line: even if you've prohibited their use, it's probably still occurring.
-  The growing volume and variety of communications data generated across modern channels requires a solution that can capture content directly from the source, index the information in its native format, monitor in real time for potential infractions, and scale to accommodate increasing data volume. Most traditional archiving and supervision solutions cannot deliver this complete combination, which makes the process inefficient and costly, and increases the chance of compliance violations.
-  Some collaboration platforms can be installed and utilized without the involvement of IT, which means employees are able to create free accounts, onboard teams, and communicate in real time, all without the awareness of your IT and compliance departments. This creates a blind spot to potential risk.

## How to Get With the Program

Given how rapidly business communications have evolved, regulatory compliance can seem daunting, and reaching compliance without impacting productivity can appear impossible. Fortunately, with the right technology solutions, it's easier than it seems. Here's how you get started:



### Embrace reality

Text messaging will happen, whether it's officially allowed or not, and modern collaboration platforms are tools that are simply too effective to ignore. The sooner you embrace these truths, the faster you can manage these channels and establish compliance.



### Recognize that the workforce is changing

By 2025, it's estimated that millennials will make up 75% of the workforce.<sup>14</sup> The sooner you embrace the needs and wants of the majority workforce, with communication tools that play to their savvy strengths, the better prepared you'll be to attract and retain skilled employees now and into the future.



### Utilize a comprehensive archiving solution

Capture everything without losing meaning. Capturing communications in their native format preserves crucial metadata that makes searching and parsing archived information faster and more meaningful, regardless of how many different content types are included within the search. Supervision tools allow personnel in compliance roles the ability to set policy filters for key phrases that could signal misconduct. Questionable content can be automatically flagged and sent to an escalation queue for further review by human eyes. That efficiency translates directly into time and money savings.



### Give your employees what they want

The right capture and archiving solution can assuage fears of your employees using forbidden communication channels for business. Whether they prefer text messages, email or WhatsApp chats, you can rest assured that all business communications are being archived, and your employees will appreciate the freedom to use the communication tools most familiar to them.

## Compliant Productivity: Not So Elusive After All

While compliant productivity may once have been an impossibility, modern communication technology matched with comprehensive, scalable archiving solutions have made this ideal a realistic goal for any organization willing to take the necessary steps to achieve it. The result of these efforts can't be overstated: Not only will they allow an organization to capture and meaningfully archive all relevant business communications without negatively impacting productivity, they'll also improve employee morale for incoming generations.



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