

## CEP Magazine – July 2021

### Redefining the return on investment of compliance

---

By Kudzai Chaka, LLB Honours

Kudzai Chaka ([kudzaic@kccompliance.co.za](mailto:kudzaic@kccompliance.co.za)) is the founder and CEO of KC Compliance in Johannesburg, South Africa.

- [linkedin.com/in/kudzaichaka/](https://www.linkedin.com/in/kudzaichaka/)
- [youtube.com/channel/KCComplianceLearning](https://www.youtube.com/channel/KCComplianceLearning)

Compliance is typically described as a cost center, meaning that it is not a revenue-generating part of the business and that investing in it means the business is spending money, not making it. Some might argue that if businesses were not mandated by regulators to have a compliance function, a lot of practitioners would lose their jobs due to a common misconception by some companies that the costs of a compliance function outweigh the benefits. Although compliance does not generate revenue in the traditional sense, its immense value should be highlighted and defined in monetary terms to ensure that our stakeholders, who primarily think in terms of dollars and cents, appreciate our contribution.

To date we have not been particularly successful in articulating our value proposition in a language that resonates with businesses, but it is our responsibility to make the case for continued investment in compliance. In any performance appraisal process, it is the role of the party being appraised to highlight where they have excelled and how they have added value in the role. By redefining how we measure our performance and reporting on it to our stakeholders, we can better demonstrate that a strong and well-supported compliance function can have a positive impact on efficiency and profitability and make a tangible contribution to the bottom line.

### Why should we better articulate our performance?

By our nature, human beings are competitive, and we like to know how we are performing in comparison to our counterparts. Whether it is our grades in school, the ranking of professional athletes, or businesses measuring against their competitors, performance matters. In the world of sports, performance analysis is critical to the success of any team because “a coach can obtain the right level of information and performance insights...to help them manage team and player development a lot more effectively.”<sup>[1]</sup> Therefore, the first reason why we should redefine how we measure our performance is to facilitate evidence-based decision-making and development-planning based on a clear understanding of our successes, failures, and overall impact. The second reason is that better articulating our performance provides evidence to our stakeholders of the true value of compliance and showcases that they have a higher return on their investment than they previously believed.

This document is only available to members. Please log in or become a member.

[Become a Member Login](#)