

# Beyond Sarbanes-Oxley

By *Shawn Lewis*

As 14,000 public companies fast approach the November 15th deadline for Sarbanes-Oxley compliance, we may ask ourselves, “Is this just another government regulation? Another Y2K scare?” Remember, the world was going to come to an end as non-compliant computers everywhere crashed causing everything from banking failures to traffic light accidents? It has only been five years and many consider it a fiasco perpetrated by IT experts to make some money. And I suppose a cynical case could be made along those lines.

But another view would be to think about how much productivity and technological advancement occurred as a result of the Y2K scare. Many businesses were forced to streamline their existing IT infrastructure and become more efficient and productive as a result.

Often, government regulations are seen as another impediment to corporate profits. Perhaps that’s true in some cases. But every once in a while new legislation comes along that changes the culture for the better in a profound way. Sarbanes-Oxley is just such legislation.

## Overcoming Apathy

Most loss prevention directors know that overcoming employee apathy is the key to a good program. Having interested employees with high morale and a sense of ownership helps reduce shrink and increase profits—that’s a no-brainer. But how do we get from here to there?

Different types of awareness programs...payroll stuffers, videos, contests, meetings, and training of all sorts...help build awareness. But at the heart of the efforts, the real goal is

overcoming apathy. To do that, a culture change, a paradigm shift, must occur to move from mediocre shrink performance to excellence. But that’s easier said than done.

## Making Whistle-blowing Cool

Whistle-blowing used to be a dirty word, and in many circles it still is. “I’m no rat.” “I’m not a snitch.” “It’s not cool to squeal.” Tell that to the employees at Enron who lost a lifetime of savings and found their golden years anything but golden.

Investors and stakeholders everywhere lose when apathy reigns. But that’s just money, and money can always be replaced. What about when apathy causes the loss of life? Gas tanks that explode on impact, chicken factory fire doors that are chained shut, anthrax laced envelopes, bombs sent in the mail, tampered OTC analgesics...these are all familiar headlines from over the years.

Then there’s September 11th. If whistle-blowing could have stopped any of these events, would that have been cool? I think so. But to get others to think so requires a profound culture change.

## Time to Get on Board

We can either think of Sarbanes-Oxley as just another pain in the you-know-what piece of legislation to make our lives more complicated and put money in the pockets of lawyers. Or we can think of it as the start of a new cultural attitude. We are all stakeholders in the



game. When an Enron fails or a terrorist event occurs, we all lose...even when the direct correlation isn’t readily apparent.

How many times in the last two years have you had to remove your shoes at the airport and get re-dressed in public on the other side of an X-ray machine? From the little inconveniences to the major ones, our lives are affected daily by those who would do us harm.

Corrupt business practices and terrorist acts are different only in degree, and apathy facilitates both. We need to make whistle-blowing cool. And it starts at the top. Business executives have a rare opportunity to show outstanding community leadership. As the November 15th deadline approaches, don’t complain about the costs of compliance. Get out in front and embrace it. We’ll all be better for it in the long run.

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