

IN TOUCH HOTLINE BUYING GUIDE

So you're interested in obtaining an outsourced hotline?

Although on the surface this may seem to be a relatively straightforward purchase, there are a number of variables that will ultimately affect the success of your program. As the result of Sarbanes-Oxley, the Foreign Corrupt Practices Act, the British Anti-Bribery Act, and other governance initiatives, opportunistic vendors have flooded the hotline market and indeed, many are peddling some very seductive wares. What we believe is different about In Touch is that we are focused on **programs that get results.**

In Touch has been operating employee communication systems for over 24 years, and the services we provide are as comprehensive and state-of-the-art as any you'll find. In our experience, all the fancy web software and glossy educational collateral in the world don't assure that hotline programs get used. And when the day is done, if you don't get that one important message, it doesn't matter what you have in place. Companies such as Boeing, Qwest, Marsh McLennan, BP, Enron and many others that have done time as the poster children of corporate malfeasance, all boasted of having codes of conduct and hotlines in place for many years. The problem is that they apparently didn't help prevent or discover serious problems. The question is, "Why didn't they?"

With that question in mind, this guide is designed to lead you in an objective way through the critical decisions that In Touch believes are integral to the design and operation of a hotline program that will actually get used.

Decision #1: What kinds of issues are you interested in hearing about?

The first critical decision you will make is how to position your hotline. The most common approach is to label this undertaking as a "whistleblower" "ethics" or "compliance" tool. A hotline of this type is only to be used to report a defined set of issues, among the most common being fraud, theft, harassment, discrimination, hostile workplace, accounting and regulatory issues. By limiting the scope of issues in this way, you send a message to employees that they may or may not embrace. That message is, "Our Company does not tolerate wrong-doing. It's your duty and responsibility as an employee to report any suspicions you have about violations of our Code of Conduct and The Way We Work policies."

In fact, in the rush to get something in place, this is the approach that has been used by the vast majority of public companies and it does accomplish the objective of technically putting an organization in compliance. The annual utilization rate of this type of system tends to be in the less than 1% range. Like all our competitors, In Touch is more than capable of providing this kind of "check-the-box" system. Both for us and everyone else, less utilization converts to higher profit margins.

The more successful and visionary companies take a different approach. First, they don't call their system a "hotline," but rather a "helpline" or something equally user-friendly such as "Talk It to The Top," "Speak Out," or the "Open Door Line." The term "hotline" suggests this tool is being put in place for the company's benefit. The term "helpline" suggests it's for the benefit of employees.

Second, the type of positioning is more along the lines of, "Our Company embraces an open-door policy, and we always prefer that you discuss any questions or concerns with a manager or human resources representative. However, when you're not comfortable doing that or you don't receive a satisfactory response, that's when we encourage you to use our helpline." This type of positioning tends to result in far higher annual employee utilization — in the 3% to 5% range. Although the increased volume does typically equate to more work for those administering the helpline program and this type of program can cost a bit more, the odds are significantly increased that you won't miss that important message.

In addition to the scope of feedback issue, it's important to determine to whom the service will be offered. The most committed companies are offering access not just to employees, but also to vendors and customers. Indeed, there have been more than a few times in In Touch's experience when problems have been reported by vendors who have commented about being extorted for kick-backs and other unethical requests.

Decision #2: What kind of feedback mechanism(s) should you use?

As a general rule, when most companies embark upon the helpline research process, they are focused on a system that connects to a call center. In addition, they are considering supplementing that option with some sort of email message delivery or website system. The minimum expectation is that the system be available toll-free, 24/7/365 from any location where the company has employees.

What is often a surprise for many to discover is that there are alternatives mechanisms. Each has its respective pros and cons. The point is that this decision is an important one and it needs to be carefully weighed as follows in the overall scheme of things.

- Live Operator System

In this type of program, employee concerns are described to call center specialists who conduct an interview with the caller. In some cases the interview may be conducted in a free-form manner, but most of the time it follows a script that appears on the call specialist's monitor. Some call centers insist that companies follow their canned script; others such as In Touch work with the company to develop a customized script. In addition, some call centers record the interview and transcribe it verbatim. Others, including In Touch, provide a highlight summary of the conversation.

Ideally, interviewers are well trained, polite and empathetic. However, in some cases, these employees can be multi-tasking on assignments that might include tele-sales and

they are compensated on how quickly they complete a “transaction.” In this regard, it’s important to ask prospective vendors how many employees the call center has, what other types of work the operators do to fill up their time, what the operator turnover rate is, and perhaps most importantly, whether you can make an unannounced test of the operation. In the case of In Touch, every one of the 100+ individuals who answer a phone is educated at a master’s degree level or above; their additional work includes intake for Employee Assistance Program (EAP) programs and providing mental health guidance; our call turnover rate is less than 10% annually and our test number is 1-866-204-9794. If our representatives don’t answer promptly and pleasantly, we don’t deserve your business.

The main advantage of a live operator program is that some people prefer to talk to a real person rather than to a machine. In addition, a skilled call specialist can probe and try to get to the real heart of the caller’s concern. On the disadvantage side, not everyone enjoys the process of walking through an interview that can take upwards of 30 minutes and it can be intimidating and uncomfortable to talk about concerns that might be very personal in nature and perhaps even job threatening.

- Automated System

Automated systems provide a notably worthwhile alternative or even a complement to live operator systems. Rather than a call being answered by a call specialist, it’s answered by an automated attendant system. The greeting and instructions are customized to meet the company’s objectives, and the system can be constructed in such a way that different types of concerns can have different types of instructions. Typically, the messages that the callers leave are recorded and then transcribed verbatim. They may or may not be quality checked by a second individual before being sent. At In Touch, a second individual working for our CaseCare™ quality assurance team reviews all automated messages.

The major benefit of automated system reporting is that it’s quick and easy for an employee to record what it is they want to say. It works particularly well when the issue is something simple like wanting to turn down the office temperature or a request for help with resolving a simple administrative issue such as a lost paycheck. In addition, the free form, stream of conscious approach often results in far more precision and clarity as to what’s really on the employee’s mind. Because there’s no pushback and structure to the transaction, employees can feel much more comfortable in saying what they really think. And in contrast to the live operator system, there’s no pressure to rush the call to completion. The employee sets the pace, length and tone of the recording. The only significant disadvantage to an automated system is as suggested earlier that some people prefer to speak to a real person rather than to a machine.

To get an idea of the creative ways that an automated system can be structured, you can do so as follows:

1. Dial 1-877-MY INPUT (1-877-694-6788)

2. Enter the pass code DEMO (3366)
3. Select any one of the options. And if you leave a name, email address and message, the information will be transcribed and sent to you within the one business day
4. By way of clarification, it's entirely possible to have a dedicated company number that does not go through this general system that's used for this demonstration.

- Combination Live and Automated System

The most technology forward vendors in the market, and that includes In Touch, can provide a system that gives the employees a choice of speaking to a real person or to a machine (e.g. Press 1 if you prefer to talk with a live call specialist, and press 2 if you prefer to leave your question, concern or idea on an automated system.) Beyond a doubt this is the user-friendliest approach to any kind of helpline program.

- Web Portal

Reporting via the web is an extremely popular and widely utilized option. Companies can provide jump-off links from their Internet and/or Intranet locations and be transferred to the vendor's confidential and anonymous landing page. Once there, the user experience can range from a simple, quickly completed reporting form to an extensive and branch-structured intake form. Some vendors allow the landing pages to be customized with specific brand names and corporate logos. Other vendors insist you use their brand names and drafting options are limited or non-existent.

In Touch offers a wide variety of web reporting options from very simple to completely customizable. In all cases, reporters are provided with a randomly generated case number that allows them to check back for company updates, requests for additional information and resolutions.

The following are a few representative In Touch designed web reporting portals:
www.intouchwebsite.com/demo

<https://bpahotline.intercedeservices.com/Landing.aspx>

<https://speakopenly.intercedeservices.com/>

As reflected in the third example, the reporting template can be translated into any language and reporters can easily select their preference. It can cost between \$200 and \$500 per language to have the translations done by a professional service.

- Email Systems

An email reporting option tends to be the essence of simplicity and In Touch has found it to be a far more popular choice for employees than a web reporting option.

Typically, the email address is a combination of some form of a company identification tag and the vendor's URL. In the case of In Touch, a representative email address would be companyname@getintouch.com

Unless the reporter indicates that he or she wants to be identified, the email address is deleted from the report before it's sent to the sponsoring organization. If and when the company provides a response, the vendor can match it up with the email address and forward it along to the reporter.

Because of the manual effort required to enter email reports into case management systems, many vendors don't offer email as an option.

The most obvious drawback to email systems is that in many companies, not all employees have access to computers. But that's a relatively minor limitation in the overall scheme of things. More importantly, in most companies, it's impossible to assure employees that anything they transmit to the vendor will be truly "confidential and anonymous" – the de minimus requirement of Sarbanes-Oxley and other legislation. In fact, most companies have the ability to trace the source of any outgoing email, and despite the fact that it might not be the intention or commitment of management to ever consider doing so, simply having the ability would seriously weaken any claims of retaliation that resulted from someone using the system to report a problem. Another consideration is that employees might not be aware that any attached documents composed on the company's system may be embedded with tags that identify the source.

Alternatively, employees can send a message from a home computer or a public location such as a library without fear of the source of origin being compromised.

Our very strong recommendation relating to email systems is that companies check closely with their IT departments to determine just what theoretical capabilities exist to trace the source of any and all outgoing email messages. Based on that finding, we then suggest a check with corporate counsel to determine if some sort of disclaimer is desirable.

- FAX and Other Alternatives

Many vendors, including In Touch, typically offer at no additional cost to provide toll-free fax, TDY (hearing-impaired) and postal message delivery options. All of these should be viewed as program enhancements that serve to make your helpline program as user friendly as possible and demonstrate an enabling commitment.

- Two-Way Communication

Perhaps one of the most important components of any live, automated or email system is the ability to get a message back to the caller. Whether it's a request for additional

information, reports on the progress of the company's investigation or simply an acknowledgement of appreciation, the credibility of any helpline program depends on users feeling that their messages are being received and that something is being done with the information provided. Perhaps the biggest reason that helpline programs fail is a void in communicating to users and the employee population at large that the system is getting used and that the company is responding in an appropriate and non-retaliatory way.

The way that two-way communication is accomplished tends to be pretty straightforward. The user either selects or is assigned a case number or password. They are then instructed to call back or revisit a web submission page in some pre-determined timeframe – typically four or so business days – and to be prepared to provide their confirming ID. When they successfully do that, a company response is read or played for them. This process can go through unlimited iterations, thereby making this genuine two-way communication.

Decision #3: How will the Company interface with the service provider?

Once the system is up and running, there are a variety of operational details that need to be considered. Some of the more important are as follows:

- Message encryption

Does the company want any communication between itself and the service provider to be transmitted in an encrypted or password protected format?

- Message routing

Who will be the recipient(s) of and respondent(s) to the messages that are received? Some companies prefer to have one or two individuals within the organization handle the message inflow and outflow; others prefer to have the vendor route messages according to matrices that vary in complexity. In this latter type of scenario, instructions might be to route HR type issues to one pair of recipients, safety and security issues to another pair and theft and fraud to a third pair. In developing any routing instructions, we have found that many companies are choosing to ignore a basic precept of the Sarbanes-Oxley Act. The intent of the relevant directive – Section 301(4) - is that there be a “confidential, anonymous” way for employees to send messages regarding accounting, internal controls and internal auditing **directly** to the company's Board of Directors. It's debatable if any system that involves the handling of SOX related messages by an internal recipient would pass that litmus test. As a result, many of In Touch's clients put the burden on our company to determine if any messages are topically and sufficiently material in nature to be sent directly to a designated board member. We are happy to take on that challenge.

- Case Management

Probably the most differentiating component of helpline offerings in the market today is the way in which information is managed and reported on. Indeed, the administration of a program of this kind has several challenging dimensions, among the most important being:

- ▶ Are messages being forwarded in a timely manner?
- ▶ Is the company responding in a timely manner?
- ▶ How can case progress be tracked to closeout?
- ▶ What are the kinds and volumes of messages being received?

Over the past several years, perhaps the most important development in the hotline industry has been the advent of sophisticated, online case management systems. In Touch's proprietary, state-of-the-art software is called CaseTrac™ Essential Suite Solution and it's arguably the current standout in the market.

The important features include:

- ✓ Ability to track and document a case from start to finish
- ✓ Ability to generate notifications of case progress and changes in case status
- ✓ Development of "tables of authorities" that control where messages are routed and who can access and handle different types of information
- ✓ Capacity to conduct data mining and searches for underlying or emerging problems
- ✓ Flexibility to create branched intake scripts that can be used to elicit problem specific information and assure that important information is properly captured
- ✓ Capability to send notifications of new cases and case changes that includes delivery to PDAs and other web-enabled devices.
- ✓ Option to import and export data in a variety of formats (e.g. pdf, tif, doc, xls, etc.)
- ✓ Ability to accommodate different processes that might be utilized by different business entities and/or functional departments.
- ✓ Capacity to enter, manage and report on reports that are made internally to HR, Legal, Safety, etc.

For those that might be interested in a more comprehensive overview of the functionality provided by CaseTrac™, we've incorporated an overview on the Compliance Case Management page of our website.

The best way of all to appreciate the benefits of a case management system is to arrange for an on-line demonstration. In Touch, like most vendors, would be happy to do this. Such a presentation requires in the neighborhood of 90 minutes.

Decision #4: How will employees be educated about the system and how to use it?

Most of the companies in the helpline business, In Touch included here too, offer a variety of educational materials to introduce their programs to the workforce. Included in various assortments are posters, wallet cards, refrigerator magnets, brochures, DVDs and letters of introduction from the CEO. A few vendors even offer to conduct the training. Sometimes the cost of these materials and services is included in the cost of the program; other times the cost is supplemental.

In our experience, most companies tend to invest unwisely on this aspect of their programs. In the contemporary workplace, employees are bombarded on a daily basis with announcements, new policies and procedures and information overload. To them, the company's important new whistleblowing program is just one more addition to the clutter. Why should they embrace it? Why should they trust it? How will it improve their work life? These are the questions on their minds, and more often than not, they regard the printing and distribution of fancy materials as a waste of scarce funds.

Our approach at In Touch is to provide whatever materials our customers desire to have at our cost. In contrast, some vendors low-ball the price of their actual service and make their profit on the selling of internal marketing collateral. It's somewhat a matter of "buyer beware."

In our results-oriented approach to helpline programs, the one factor that we have determined to be the biggest key to success is to find ways to communicate to employees that the company's whistleblowing/helpline program is making a difference. They want to hear about success stories. Sometimes, they will hear about them from the callers themselves. Sometimes, they will read about them in employee publications or learn about them at employee meetings or from company broadcasts. When the day is done, all the slickest and well-intentioned materials make little or no difference in results. Most are forgotten in the blink of an eye.

Decision #5: What is available to provide access for non-English speaking international employees?

There is nothing in the Sarbanes-Oxley Act or any related legislation that excludes international employees from having the ability to provide information directly to the Board of Directors about suspicious accounting-related issues. And in the overall scheme of things, an inclusive, truly committed company should consider foreign nationals and expats as equal in stature to US-based employees. However, enabling user-friendly access for international employees has been a relatively low-priority. And the solution that most vendors have been providing, including until recently In Touch, is arguably a marginal option at best. Indeed, the drop-off rate of calls from non-English speaking employees might be described as the industry's uncomfortable little secret.

Imagine that you are an employee in a second- or third-world country. Not only is the concept of "whistleblowing" a totally alien one, but also you live in a culture where you are trained to accept authority without question. Nonetheless, a representative of the company has conducted

training at your site and somehow given you the confidence that you need to report what you believe is an important case of wrongdoing.

You pick up a phone and enter the toll-free number that the company has provided. Once again, calling a toll-free number is something you well may have never done in your life. Someone who speaks English answers you, and you have absolutely no idea what they are saying. Because you have carefully read the materials that the company has provided in your language, you know that at some point, a person who speaks your language will come on the line. That's because it's impossible for any call center to have foreign language specialists available 24/7, so they all rely on the same handful of third-party translation services that provide "on-demand" service. In Touch's call center utilizes a resource called Language Line Services.

You wait, and wait – sometimes between two and four minutes – and as you do so, you become increasingly nervous and insecure. Is someone tracing your call? Why is it taking so long? They will certainly know who I am! During this lengthy period of time, many callers drop off the line.

Nonetheless, you continue to believe that what have to say is important and you persevere. Finally, a translator comes on the line and you hopefully can understand him or her. After all, it's the English-speaking operator who had made the decision as to what the correct language and/or dialect need to be. Unfortunately, they don't always get it right.

At this point, the conversation becomes a three-way one. The English-speaking operator reads the questions on the script (the translator does not have a copy), the translator converts it to your language and you respond. The translator then provides your response in English and the process goes back and forth until the interview script has been completed. It's not unusual for one of these calls to take an hour or more. And it's also not unusual for details to "get lost in translation."

Very likely, you've never gone through a formal interview process you've also very likely never had a translation-based conversation. In short, this is a very formidable, unfamiliar and uncomfortable process, and the very low utilization level of helpline services by international employees reflects that reality. This occurs despite the fact that most companies would acknowledge that on a day-to-day basis more ethical lapses occur at overseas locations than they do domestically.

It should also be mentioned that the same complex process occurs if and when a caller checks back for a company response.

To combat the lack of user-friendliness of international systems, In Touch offers three alternative approaches that we've found can make the process significantly more user-friendly.

- Call Waiting Option

Rather than having the call answered straight off by an English-speaking operator, it's answered by an automated greeting in the caller's language. In most cases, identifying

the language needed is accomplished by having a dedicated incoming phone line that's recognized by the call center software. That is, if the line being used originates in Italy, the system knows to play the Italian greeting. The greeting, which can be customized, explains to the caller that an interpreter is being contacted, reminds them of how the process works, and serves as a time-filler while they are on hold. Offline, the call specialist is signaled that a caller is on the line and he or she sets about to contact the translator. When the call is actually picked up, the person who answers does so in what is hopefully the caller's language and the interview continues from there.

The benefit of this approach is that the wait void is filled with information in the caller's language. This lessens the uncertainty during the wait; the recorded information can provide a calming and useful interlude. The downside is that it doesn't shorten the wait and there's a roughly \$200 per language activation cost.

- Automated Reporting System

In exactly the same way as the design works for English-speaking employees; automated systems can be programmed to do exactly the same thing in any language. There is no waiting, no uncomfortable interview process and no chance of language selection error. That's because a caller can be given the choice in the greeting to select a dialect or specific language. And when the caller checks back for a response, a translated version can be ready and waiting.

In Touch believes that this is the ultimate in user-friendliness and it's proven over many years to be a highly effective approach to generating international feedback. The only drawback to this approach is that the one-time cost for programming the system and then recording all the greetings and prompts in a specific language or dialect is USD \$800 per language.

- Combination Live and Automated System

Arguably, the user-friendliest and most elegant option of all is to offer the international caller — in their own language — the choice of using a machine or a live operator. Clearly, this is a more expensive solution, but it does produce the best results.

Decision #6: How will overseas employees access the reporting system?

As many companies are painfully discovering, the specifics of the overseas access options being provided receive short-shrift in the design of global reporting programs.

In order to reduce costs to their multinational customers, most vendors use shared blocks of toll-free numbers. One of the major shortcomings of this approach is it doesn't allow customers to brand their programs. That's because all the numbers terminate at a single point and the vendor typically can't identify the specific company for which the call is coming. That information has to be determined at the start of the report. Instead, callers receive a universal

greeting. A second major shortcoming is that if the customer becomes disenchanted with the vendor, it won't be able to transfer these shared toll-free numbers to anyone else. As a result, the unhappy customer will need to re-do everything from posters to employee handbooks. For a large company, this need to re-market can represent a substantial expense. In effect, the vendor has managed to lock in customers for the run.

Beyond these important issues, what In Touch has discovered is that there are frequent and serious shortcomings with the international toll-free calling plans provided by conventional resources such as AT&T, Sprint and Vodafone. There are times when service is discontinued for no reason and without notification. Some toll-free services require that the caller dial a lengthy string of numbers – we've seen as many as 25! And some services don't work with mobile phones.

In Touch has determined that the most reliable and user-friendly toll-free service provider is a company called Toll Free Forwarding. We currently recommend this service to all prospective customers. Please feel free to reference www.tollfreeforwarding.com for information about what makes this service unique and reliable. Although the Toll Free Forwarding solution tends to be more expensive than the conventional shared number approach, In Touch believes that the enhanced flexibility, reliability and user-friendliness more than offsets the added cost.

Decision #7: How much should I pay for a helpline program?

There is no straightforward pricing model for hotline services. Charges can be monthly or annually, be exclusive or inclusive of one-time set-up fees, and be based on employee count, actual utilization or some combination thereof. More often than not, there is a minimum annual charge for both service and set-up. Additionally, the pricing model typically includes considerations for such variables as the scope of the reporting being encouraged (e.g. SOX only, Code of Conduct, any topic), the types of reporting mechanisms to be used (e.g. live operator, automated attendant, email), whether the program is domestic and/or international in scope, the degree of any ESL requirements, whether or not a case management system is desired and the frequency and type of reporting.

Last but not least, the design and production of such internal marketing collateral as brochures, wallet cards, refrigerator magnets and wallet cards — and even possibly employee training — might or might not be included in the base price. And one or two companies are even offering to provide case investigation and management services.

In Touch is more than happy to provide pricing upon request. The information we need to know in order to do that includes the following:

1. How many employees does your company have?
2. In what languages other than English do you want your employees to be able to report?
3. From what countries other than the U.S. and Canada do you require reporting capability?

Conclusion

We hope that the information we have provided is helpful to anyone tasked with the responsibility of researching what's available in the marketplace. We would be pleased to respond to any questions that might have arisen as the result of this overview.

While In Touch is neither the largest nor most sales-oriented vendor in the hotline business, we believe that by a wide margin we are the most thoughtful and deliberate resource available. That contention is supported by the wealth of insightful articles that can be found on our website and the best practice awards that have been garnered by several of our clients. As indicated at the outset, In Touch is focused on **programs that get results.** If that's a priority of your organization, then we encourage you to "get In Touch."