Confidently Collaborate in the Next Era of Technology and Compliance

Stay compliant in the face of new technologies, new features and new regulations

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Introduction

Financial services firms are hyper-focused on ensuring that employees are using approved communication channels given recent SEC enforcement action. But what if approved tools evolve and get updated to take advantage of new technologies or changing communication trends?

In this brief, we examine how firms can:

- Use the latest in collaborative and conferencing capabilities compliantly
- Look ahead to the incorporation of generative AI
- Capitalize on technology partnerships

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The challenge of helping workers work

Many headline-making fines in the past few years are of firm employees using communication tools that have not been approved for use by the firm. These workers aren't malicious. In fact, these employees are well meaning and trying to be productive and efficient.

The core issue is that while firms may have approved the use of powerful communication applications or invested in a unified communications as a service platform (UCaaS), they aren't approving new features or tools of that platform.

When resourceful employees aren't able to access new features to effectively collaborate or communicate, they'll find other ways to get the job done. Unfortunately, this also creates risk for the organization.

"What I'm hearing from our customers who need tools to capture content in a compliant way, is that it can be complex for their IT teams to deploy and manage collaboration tools in a hybrid or remote environment where you don't know where the [employee] is going to be," says Aakash Alurkar, Sr. Product Manager at Zoom.

Recognize that previously approved channels can evolve

It's getting harder for compliance teams to maintain oversight — even with previously approved tools — because technology providers continue to innovate and provide increasingly powerful features.

"We found that 18% of companies turn off collaboration features," says Irwin Lazar, President and Principal Analyst at Metrigy. "They're struggling to keep up with all the new goodness that [communications technology providers] are bringing into their applications. And they turn it off predominantly because of security and compliance concerns. They can't address the compliance needs as quickly as [providers] are delivering new features."

Books and records requirements don't call out individual communications features. It's more important that firms capture, archive and index any sort of business-related communications for quick search and retrieval. This is true regardless of whether that message resides in the cloud, contains interactive content, or consists of persistent chats, voice, video, whiteboards or other collaborative capabilities.

> "The goal is about how you as a financial services leader can ensure that your employees have the ability to communicate and collaborate effectively in a manner that supports enterprise compliance requirements."
>
> *Irwin Lazar, President and Principal Analyst, Metrigy*

Compliance isn't 'set and forget'

Firms need to understand what they need to stay ahead of the competition and help employees do their best work. This comes from maintaining a communications infrastructure that is both flexible and secure and can handle the technology provider's latest security feature or update.

But that's easier said than done.

"Businesses are using thousands of software products across their ecosystem to get work done," says Niromal Perera, Sr. Manager, Security and Compliance Partnerships at Slack. "While each tool may add value, they need to run on an enterprise-grade environment so that teams can effectively manage their day, and security-minded leaders have peace of mind."

Perera's advice is for organizations to take a proactive approach in their security posture by conducting regular audits and risk assessments to identify potential compliance gaps

Lazar agrees: "We found that companies that are proactive protect themselves against risk and tend to have a higher ROI, because they're able to take advantage of the tools that [companies like Slack and Zoom] bring to the table."

Recognize the opportunity of new updates or features

While new technologies or features warrant a careful review of how they fit into the firm's compliance processes, compliance and IT teams should also consider the opportunities these updates provide. This means taking the time to explore benefits before immediately prohibiting employees from new features.

"It's a shame that [we] have great tools like Slack and Zoom, but there are [firms] that are having to shut features off," Says Perera. "Either they don't have time to do the due diligence or they don't have the right tools in place to [oversee] those extra features, which is where we rely on partners like Smarsh to support our newest features and help our customers stay in compliance as we continue to provide additional value for them."

Balancing opportunities with risk has become a popular discussion as generative AI technologies leapt into the spotlight. But while ChatGPT and text-to-image or text-to-video applications are novel and dominate the conversation, generative AI has long been in everyday use.

For example, many firms already use video calls on collaboration apps, such as Zoom, Slack and Microsoft Teams. Many of these apps are able to transcribe audio to text records, which are created by generative AI technologies.

"Generative AI is truly everywhere today," says Alurkar. "Everyone wants to build for it and everyone wants to have a version of Gen AI to enhance the way they work in their organization. Meeting summaries and action items are AI-generated content which can even be accessed after meetings.

"In terms of compliance for generative AI, if the core compliance needs of collaboration products are addressed, then integrating or keeping compliant with generative AI solutions can be much more manageable."

Make sure your technology and compliance partners work together

As regulators adjust books and records and supervision requirements to keep pace with technology, firms must ensure their compliance and IT teams are in lockstep. This can be done by examining their collaboration solutions and compliance solutions side-by-side.

This can be made easier when UCaaS or communications technology vendors — such as Slack and Zoom — partner with compliance solutions vendors like Smarsh. Slack and Zoom already have customers in regulated industries, and both have development teams focused on compliance needs.

Partnering with Smarsh

"We build our features with compliance in mind. Out-of-the-box, [our customers] can expect encryption at rest and in transit as well as additional security features such as EKM, access to DLP, and e-discovery tools like Smarsh to further secure the environment and ensure they're staying [compliant]."

Niromal Perera on how Slack thinks
about security with their new features

"We work closely with Smarsh [and keep them updated] on what's new or coming up. If it's a new feature or an API, we make sure to get our compliance partners in on an early testing program and keep everyone in the loop on what's coming next to best prepare for how we can serve our mutual customers."

Aakash Alurkar on Zoom roadmap

Learn how Smarsh partners with leading unified communications as a service providers such as Microsoft Teams, Slack and Zoom to help financial organizations collaborate with confidence in evolving regulatory environments.

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Smarsh® enables companies to transform oversight into foresight by surfacing business-critical signals from the most in-demand communications channels. Regulated agencies of all sizes rely upon the Smarsh portfolio of cloud-native digital communications capture, retention and oversight solutions to help them identify regulatory and reputational risks within their communications data before those risks become fines or headlines.

Smarsh serves a global client base spanning the top banks in North America, Europe and Asia, along with leading brokerage firms, insurers, and registered investment advisers and U.S. state and local government agencies. To discover more about the future of communications capture, archiving and oversight, visit www.smarsh.com

Brief - 04/24

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