

Solve Hybrid Work Compliance Challenges with

THETA LAKE AND RINGCENTRAL

WHITE PAPER

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ABOUT THE AUTHOR

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INTRODUCTION: HYBRID WORK CREATES NEW COMPLIANCE CHALLENGES

For most companies, the COVID-19 pandemic is in the rearview mirror. Business leaders are now focused on digital initiatives, the pace of which has accelerated over the past two years.

Employees who had been tied to one location can now work from anywhere (WFA), and that trend is here to stay. Results from the ZK Research 2022 Work-from-Anywhere Study show that 51% of employees will work from home two to four days per week, and another 14% will do so one day per week ([Exhibit 1](#)). This means almost all meetings will contain at least one virtual participant.

Collaboration tools such as RingCentral’s Message, Video, Phone (MVP) platform play a key role in energizing the workforce. Its rich unified communications capabilities enable employees to maintain digital proximity regardless of their location. However, the reliance on digital collaboration tools creates some new challenges for organizations that operate in highly regulated industries—particularly in the areas of compliance and security—as employees are using these collaboration tools to share and discuss sensitive information.

Typically, businesses would select separate applications for compliance and for collaboration, leaving many “blind spots”: information would need to be correlated manually, or employees may opt for noncompliant applications, such as social media tools, to communicate. Fortunately,

Exhibit 1: Hybrid Is Here to Stay



ZK Research 2022 Work-from-Anywhere Study

*For healthcare,
financial services
and other
regulated verticals,
the cost of
noncompliance can
be huge.*

RingCentral and Theta Lake have teamed up to address these issues, and Theta Lake's approach to hybrid work compliance enables firms to be successful and enable digital transformation.

SECTION II: COMPLIANCE AND DATA LOSS PREVENTION CHALLENGES WITH REMOTE WORK

The old model of working, where all employees worked in the office behind corporate-grade security, offered a significant advantage in adhering to compliance requirements. When employees are working in a company location, their information must pass through company security tools, enabling compliance departments to monitor activities. Legacy compliance tools were built for an email-centric world, not a unified communications one. In a hybrid work model, the security capabilities are greatly diminished. All of the mainstream collaboration vendors have rich embedded security to protect information, but these tools were not designed with granular compliance controls in mind.

Compliance-minded organizations, such as financial services and healthcare firms, want their employees to only use communication and collaboration platforms when comprehensive capture, retention and supervision controls can be enabled to meet global regulatory requirements from the Securities and Exchange Commission (SEC), the Commodity Futures Trading Commission (CFTC), the Financial Industry Regulatory Authority (FINRA), the Financial Conduct Authority (FCA), the Australian Securities and Investments Commission (ASIC), and others such as Medicare. Add in numerous collaboration tools (some sanctioned, some not) with multiple modalities (voice, video, text), and the compliance challenges are magnified.

Another significant change for collaboration tools in the era of hybrid work is the wide range of information created and output. Meetings produce an array of information across multiple channels, including chat, video, voice, whiteboard, polling, Q&A, webinars, events and electronic communications. In addition, meeting participants often store documents for later review. Consequently, these virtual meetings make it more difficult for compliance officers to ensure adherence to policies and regulations.

For healthcare, financial services and other regulated verticals, the cost of noncompliance can be huge. This [blog post from AIM+](#) presents several data points that underscore the magnitude of the cost of noncompliance, including the following:

- The average cost of compliance is \$5.47 million, while noncompliance is \$14.82 million, almost three times higher.
- In 10 years, the average cost of noncompliance has increased more than 45%.
- The remediation cost of noncompliance for an organization due to a single noncompliance event is an average of \$4 million in revenue. This includes fines, penalties, reputation damage and other factors.
- Organizations lose an average of \$5.87 million in revenue due to a single noncompliance event. This amount is composed of revenue and productivity loss as well as other issues related to business disruption.

- General Data Protection Regulation (GDPR) fines for corporate abuses and disclosures of user information start at \$11 million or 2% of a company’s revenue.

Companies that do not handle compliance correctly are now being hit with massive fines. In September 2022, the [U.S. SEC announced settlements against 11 major financial institutions](#) totaling nearly \$2 billion for employees conducting “off-channel” communications on personal devices. The agency also revealed that it filed 760 total enforcement actions in FY 2022, up 9% over 2021.

Hybrid work has certainly made adhering to compliance more difficult, but businesses are also encountering other challenges. A [recent study from Deloitte \(Exhibit 2\)](#) found the biggest challenge facing compliance teams is resource capacity and capabilities. In this era of hybrid work, working with manual tools and processes grows exponentially more difficult and will eventually lead to fines or worse repercussions.

Exhibit 2: Compliance Teams Face a Tough Road Ahead



Deloitte and ZK Research, 2023

RingCentral and Theta Lake have formed a strategic partnership to bring compliance capabilities to collaboration and communications.

When dealing with the work-from-home component of hybrid work, some organizations may choose to lock down specific features of their collaboration tools such as chat or screen sharing. Although this might seem like a prudent move, it creates inconsistencies that will have negative ramifications on the customer and employee experience and often leads employees to utilize non-sanctioned tools. Businesses that do not enable the full scope of collaboration tools will miss out on the opportunity to empower their employees and provide better customer opportunities in the long run. Holding out on deployment might seem like a viable option, but doing so will cause workers to use consumer tools, which can increase compliance risk. Also, businesses can miss out on the productivity gain associated with leveraging the full scope of collaboration tools.

Expanding hybrid work into working from anywhere may seem like an overwhelming mountain for compliance officers to climb. However, there is a solution that can deliver effective collaboration and communication capabilities while ensuring that companies remain compliant. RingCentral and Theta Lake have formed a strategic partnership to bring compliance capabilities to collaboration and communications. This partnership allows businesses to unlock the full value of RingCentral's solution, enabling employees to utilize modern communications and focus on their core role while ensuring that compliance and security are optimized.

SECTION III: RINGCENTRAL AND THETA LAKE SIMPLIFY HYBRID WORK COMPLIANCE

The partnership between RingCentral and Theta Lake brings together two best-in-class companies.

RingCentral

RingCentral, a cloud-native unified communications as a service (UCaaS) provider, has been named a Gartner Magic Quadrant Leader in Unified Communications for eight years in a row. As RingCentral is a best-in-class cloud communications provider, there is no question why Mitel selected RingCentral as its exclusive UCaaS partner. RingCentral is a complete cloud communications provider and offers a full suite of internally and externally facing communications tools ([Exhibit 3](#)).

Messaging

The RingCentral app is designed with a full-featured messaging client. Workers can use the messaging feature to move projects forward, share files and tasks, and send persistent messages to teams or individuals.

Video

RingCentral's video solution includes a service-level agreement (SLA) of 99.999% uptime. The provider also put a priority on security by including multiple layers of protection. This video solution, which supports up to 200 meeting participants, delivers high-definition video and audio as well as

Exhibit 3: RingCentral Is a Complete Cloud Communications Provider



RingCentral and ZK Research, 2023

extensive administration controls that allow for screen sharing, real-time file sharing and chat to ensure meetings are productive.

Phone

RingCentral was built around cloud PBX and remains the industry leader. Available across multiple devices and more than 100 countries, RingCentral offers a safe and reliable way to keep a company connected at all times. RingCentral invites companies to customize its phone offering for their own needs with open application programming interfaces (APIs) and software development kits (SDKs) as well as more than 275 out-of-the-box integrations.

Although the product’s name is “MVP,” in reality, it is so much more. MVP’s other features include the following:

- High-definition voice and video
- Browser-based meetings that can support any device
- One-tap switch between voice and video
- Real-time insights and analytics
- In-meeting screen sharing
- Recording capabilities
- “Call me” functionality for mobile workers
- Enhanced artificial intelligence (AI) features, including virtual backgrounds
- Webinar solution (MVP add-on)

Theta Lake has made monitoring compliance significantly simpler for RingCentral customers by seamlessly integrating into the RingCentral MVP application.

Theta Lake

Theta Lake provides security and compliance for most of the mainstream collaboration platforms. The vendor's suite of collaboration compliance technology relies on sophisticated machine learning and AI, including natural language processing, to detect risks in audio and video interactions, chat and document content in collaboration applications. It monitors everything that is shared, shown, typed, or spoken in a virtual meeting—or any other online venue. Through an AI-assisted workspace, security and compliance teams have access to a consistent, efficient, and scalable interface.

Monitoring compliance can be a monumental task for staffers because of the volume of media being created daily. Hybrid work drives businesses toward digital interactions, which increases the variety of information being generated. Regardless of how daunting monitoring compliance may seem, it's essential to get it right. Theta Lake has made this significantly simpler for RingCentral customers by seamlessly integrating into the RingCentral MVP application to automate everything from capture to long-term compliant archiving, eDiscovery, supervision, and detection of potential data loss.

ZK Research sees four differentiators for Theta Lake regarding collaboration compliance for RingCentral customers:

Fully integrated into RingCentral: All the integration work is done by Theta Lake, making the deployment fast and easy with virtually no barriers to adoption.

Quick time to value: Customers can start small, realize value quickly and expand the deployment as needed. Businesses can start recognizing value the day the software is rolled out.

Multichannel solution: Theta Lake works across all channels in RingCentral, so it can be the single compliance platform for hybrid work. Theta Lake makes it easy to manage risks in all forms of communication, including screen shares and even content shown on a video camera. Its technology can identify images, voice and text, and it can isolate risks across every channel.

Rich review space: Theta Lake's review space provides the ability to navigate content and then design custom workflows for reviewers. The state of the content is escalated across different communications in different demographics and organizations in a way that's secure and simple and meets both internal and external compliance requirements.

SECTION IV: USE CASES AND BENEFITS

The value of the partnership between Theta Lake and RingCentral is best demonstrated in the following use cases:

Theta Lake
enables businesses
to use RingCentral
while ensuring
the risk to the
business is
minimized.

Compliance for institutional sales and trading: Employees need to communicate frequently with clients, regardless of their location. RingCentral provides omnichannel communications, but these activities must be recorded, archived and monitored.

Communications with high-net-worth customers: High-net-worth individuals want the freedom to communicate using voice but also other channels such as text and email. Because of the difficulty of monitoring omnichannel communications, some firms will limit the channels advisors can use when talking to clients, but this can frustrate customers.

Insurance processing: The insurance industry requires constant communications between a claims professional and the services teams, with the claims team often being on the road. Information from this team then needs to be quickly provided to the customer and internal stakeholders.

Medicare compliance: A new rule for Medicare insurance brokers is the need to record and archive customer communications when coverages are discussed and chosen by a customer. Historically, most of these communications were done using the voice channel, but this has expanded to other digital channels.

Exhibit 4 summarizes the industry use cases.





RingCentral customers that leverage Theta Lake for compliance will realize the following benefits:

Mitigation of risk: Hybrid work enables workers to do their job in more places but creates significantly more compliance risk. Theta Lake enables businesses to use RingCentral while ensuring the risk to the business is minimized.

Cost and time savings for the compliance team: Theta Lake can also save a compliance team significant time. Typically, a reviewer's day-to-day job entails manually watching content by looking through transcripts and other data sources. This limits what a reviewer can see and identify as a risk or compliance violation. Theta Lake's technology continually looks for bad behavior in video calls, chat, audio recordings, etc., and sends notifications only about content that exceeds a specific risk score. At that point, a reviewer can act quickly.

Compliant and secure collaboration: In a hybrid work environment, collaboration must be seamless across locations. Tools such as RingCentral can enable workers to achieve the same

Exhibit 4: RingCentral and Theta Lake Deliver Simplified Compliance Across a Wide Range of Use Cases

 Industry Use Case	 Level of Mobile Support Needed	 Multichannel Aspects	 Regulatory Requirements
Compliance for institutional sales and trading	High, to support buyer and seller requirements	High, with multiple modalities used concurrently	SEC, FINRA, FCA, CFTC, IIROC
Communications with high-net-worth customers	High, to support customer requirements	High, with multiple modalities used concurrently	Situational
Insurance processing	High, with active work at claims sites	High, with the need to record, store and preserve	Can include HIPAA, GLBA, as well as various state requirements, with additional need for e-discovery/legal protection
Medicare compliance	Emerging	Medium, with the potential for more needed	Centers for Medicare & Medicaid Services

RingCentral, Theta Lake and ZK Research, 2023

level of productivity as when in the office, but new risks arise because there are not the same corporate controls. Theta Lake ensures a great experience but one that is compliant and secure.

Maximized ROI of RingCentral investment: Theta Lake’s integration enables customers to use RingCentral for all meeting types, even those that involve sensitive information. Businesses will then have the freedom to enable workers to use RingCentral when they need to instead of only when they are allowed to.

SECTION V: CONCLUSION AND RECOMMENDATIONS

Hybrid work is now the norm, and businesses have employees scattered across multiple locations including the home and office. This makes collaboration tools such as RingCentral a “must have” technology while putting an emphasis on corporate compliance, which has historically been expensive, time consuming and error prone. Failing to comply can be costly and even more painful. Company bottom lines and reputations can suffer irreparable damage. This is where a company such as Theta Lake can add significant value, as it ensures all conversations using RingCentral are secure and compliant.

Theta Lake enables companies to improve their compliance and to secure collaboration tools, such as RingCentral, by automatically archiving data, detecting security issues, identifying the potential for data loss, and surfacing possible compliance risks. Ensuring secure and compliant collaboration is mandatory today in many industries, but doing so poses a massive challenge.

ZK Research offers the following recommendations regarding what businesses should look for to alleviate compliance challenges in the hybrid work era:

Choose a fully integrated solution. It's important to have a collaboration tool with integrated advanced compliance and security capabilities. Although RingCentral offers rich security capabilities, Theta Lake delivers advanced capabilities and more granular control. Having these solutions integrated simplifies the deployment process and results in more accurate information.

Select a compliance provider that works across multiple dimensions. It's necessary to have a compliance tool that can detect risks in all communication channels. In a video meeting, for example, the tool should capture video from shared screens and cameras but also be trained to identify images, objects and specific text.

Make ease of use a key selection criterion. A solution's review space should show advanced insights and enable the navigation of content and workflows to ensure compliance issues are not missed. However, it's important that the product be easy to use and have a fast learning curve to ensure reviewers can work with the product without requiring months of training.

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