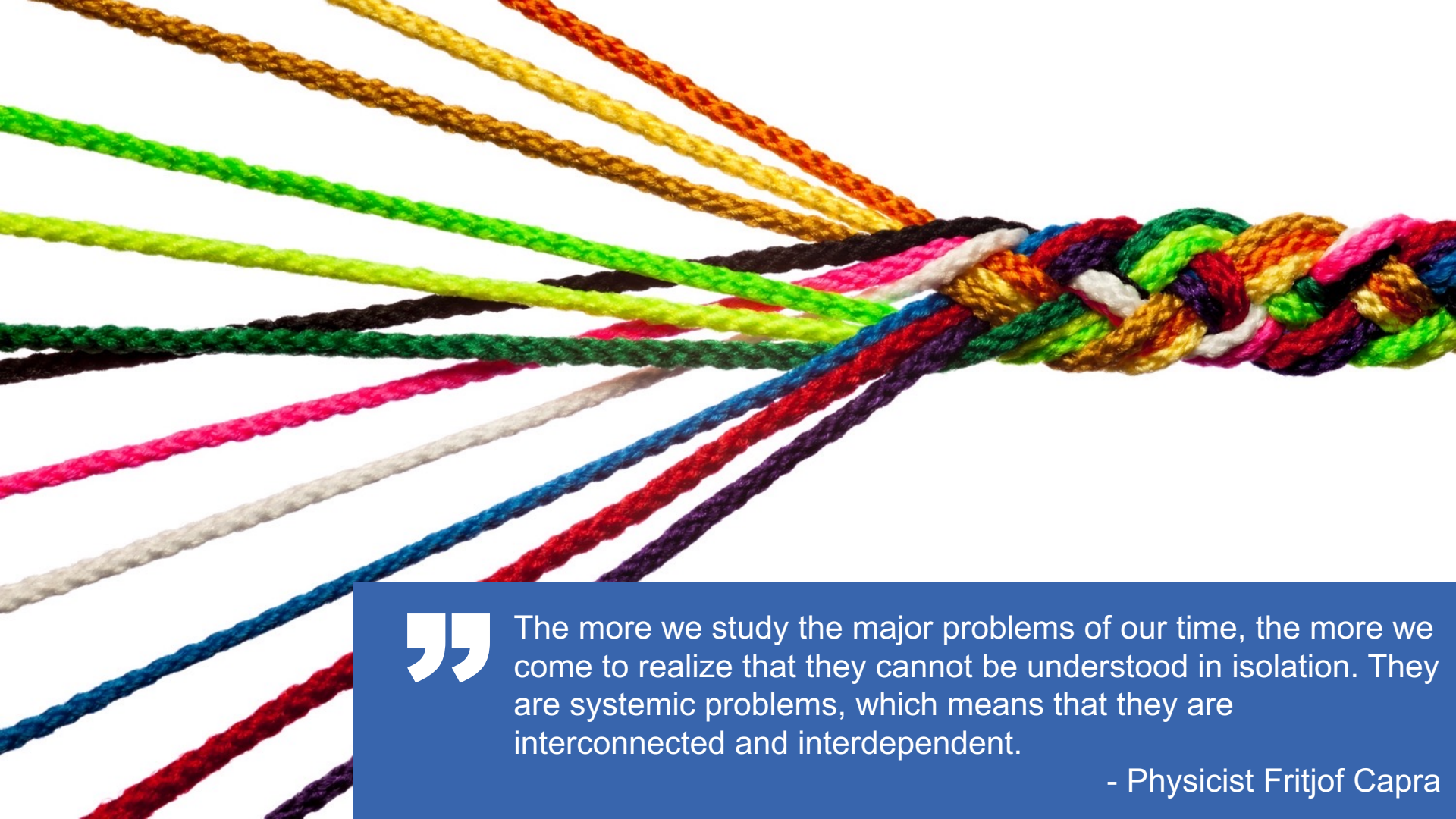# Role of Technology in Maturing Risk & Resiliency Management

Navigating Chaos

> The more we study the major problems of our time, the more we come to realize that they cannot be understood in isolation. They are systemic problems, which means that they are interconnected and interdependent.
>
> - Physicist Fritjof Capra

Inevitability of Failure: Manual & Non-Integrated Processes

The Winchester Mystery House

➢ 160 rooms

➢ 47 fireplaces

➢ 6 kitchens

➢ 10,000 windows

➢ 65 doors to blank walls

➢ 13 staircases abandoned

➢ 25 skylights – in floors

➢ 147 builders/no architects

➢ Built without a blueprint

➢ $5.5 million over 38 years

The ORGANIZATION Has to be Able to See . . .
- ❑ **The Tree.** The individual risk
- ❑ **The Forest.** The interconnectedness of risks and objectives

Resiliency: Ability to Recover from Events and Get Back in the Game

Agility: Navigate and Leverage Your Environment

Left-Brain

Logical and structured thinking about risk management

> *It is a capital mistake to theorize before one has data. Insensibly one begins to twist facts to suit theories, instead of theories to suit facts.*
> Sir Arthur Conan Doyle
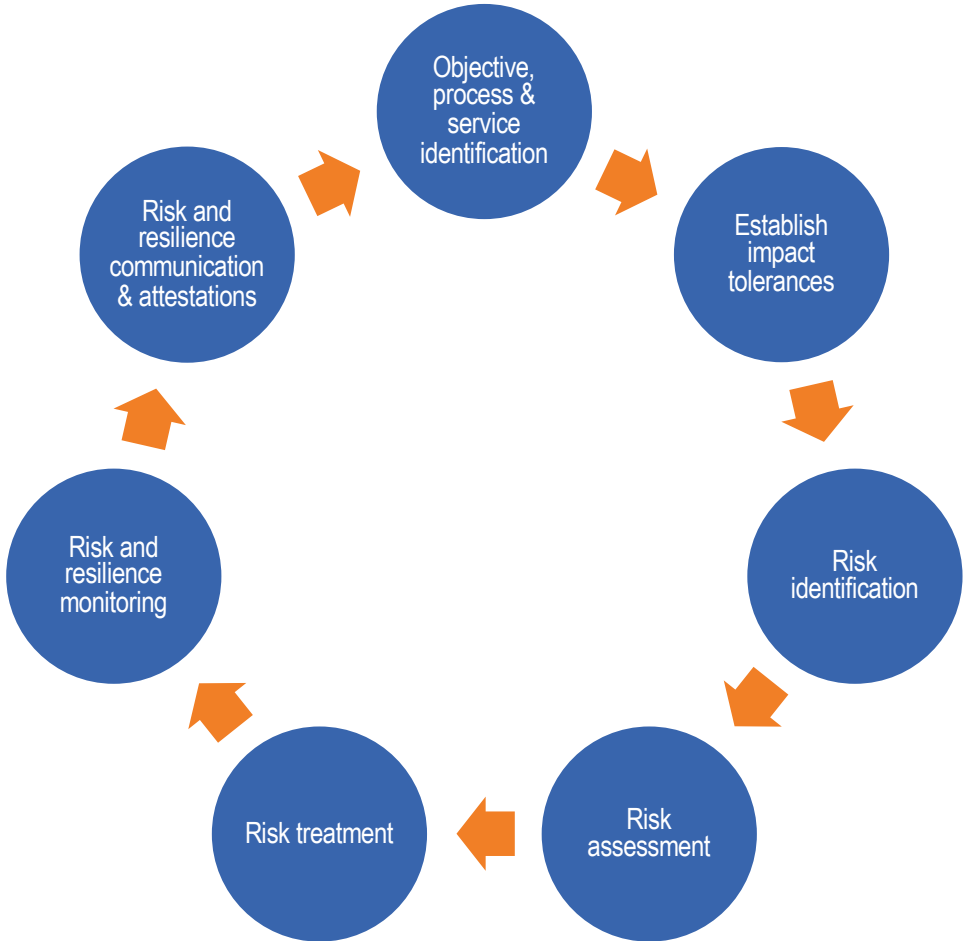> (British Physician and Writer)

Right-Brain

Creative and imaginative thinking about risk management

> *You can use all the quantitative data you can get, but you still have to distrust it and use your own intelligence and judgment.*
> Alvin Toffler
> (American Author and Futurist)

Critical Elements of Risk & Resilience

- ❑ Understand your risk – top-down and bottom-up
- ❑ Approach resilience in proportion to risk
- ❑ Tone at the top and engagement on risk
- ❑ Know your business and who you do business with
- ❑ Keep risk information current
- ❑ Risk and resilience oversight and accountability
- ❑ Established policies and procedures
- ❑ Assessment and continuous risk monitoring
- ❑ Manage business change to be resilient

Managing the Risk & Resilience Lifecycle

GRC 20/20's Risk & Resilience Maturity Model

Strategic Process, Information & Technology Architecture Alignment

1 Ad Hoc

Organizations at the Ad Hoc stage of maturity have reactive approaches to risk and resilience management at the department level. Businesses at this stage do not understand risk and exposure; few if any resources are allocated to risk and resilience. There is no ownership, monitoring, or integration of risk and resilience strategy and processes.

2 Fragmented

The Fragmented stage sees departments with some focus on risk and continuity within respective areas, but they are disconnected and not working together. Information and processes are redundant and lack integration. With siloed approaches to risk management and resilience, the organization is still very document-centric. Processes are manual and they lack standardization, making it hard to measure effectiveness.

3 Defined

The Defined stage suggests that the organization has some areas of risk and resilience that are managed well at a department level, but it lacks integration to address risk and resilience across departments. Risk and resilience processes have the beginning of an integrated architecture and ongoing reporting. Accountability and oversight for certain domains such as business continuity, disaster recovery, and/or enterprise and operational risk management are beginning to emerge.

4 Integrated

In the Integrated stage, the organization has a cross department strategy for managing risk and resilience across departments and functions. Risk and resilience are aligned across several departments to provide consistent strategy, frameworks, and processes supported by a common risk and resilience information and technology architecture. However, not all processes and information are completely integrated, and risk and resilience if focused on avoiding issues and not on agility.

5 Agile

At the Agile Maturity stage, the organization has completely moved to an integrated approach to risk and resilience management across the business that includes an understanding of risk and compliance in the context of performance and objectives. Consistent core risk and resilience processes span the entire organization and its geographies. The organization benefits from consistent, relevant, and harmonized processes for risk and resilience management with minimal overhead.

Issue to Departments to Enterprise Coordination and Integration

You don't just throw everything in a bag, you carefully select your equipment for the task

Key Components to Mature Risk & Resiliency Management

Information & Technology

- ■ Leveraging best in class risk and resilience management software

- ■ Risk portal for assessments, document collection, issue management and collaboration to engage front-line and operational management and risk owners

- ■ Leveraging risk intelligence content to support automated business processes, and to support enhanced decision making

From GRC 1.0 to GRC 5.0: A History of Technology for GRC

GRC 1.0
SOX Captivity
2002 - 2007

GRC 2.0
Enterprise GRC
2007 - 2012

GRC 3.0
GRC Architecture
2012 - 2017

GRC 4.0
Agile GRC
2017 - 2022

GRC 5.0
Cognitive GRC
2022+
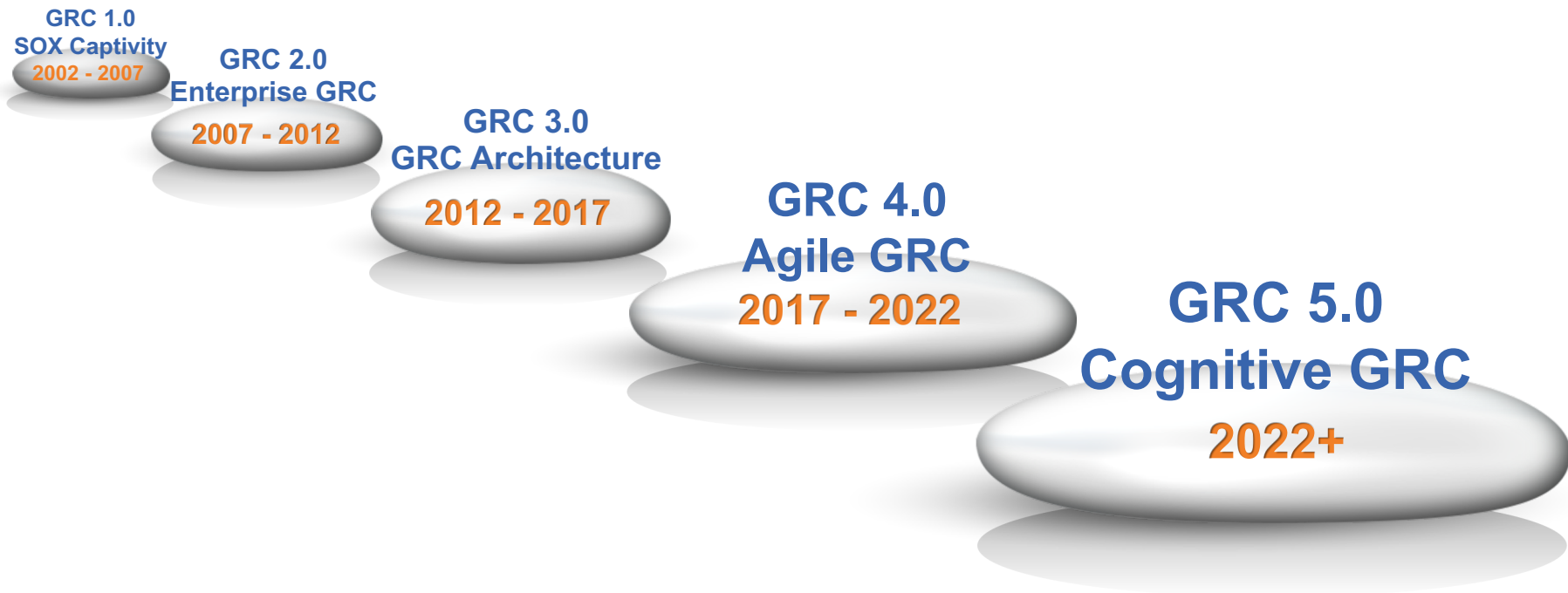
1) Documents, spreadsheets, and email

2) Point solutions

3) Centralized risk management, traditional GRC platforms

4) Integrated risk and resilience management in a GRC 4.0/5.0 platform

Business Objectives in a Risk & Resilience Platform

- ✓ **_Identify_** the organization's processes and services to assess resilience and risk needs
- ✓ **_Achieve_** business objectives and strategy through operational execution and monitoring
- ✓ **_Monitor_** internal and external events that can impact operations for rapid identification and response
- ✓ **_Connect_** resilience activities to enable a 360° contextual awareness of interdependencies
- ✓ **_Provide_** a single source of truth for all business processes, objectives, services, and risks
- ✓ **_Enable_** business owners and managers with risk intelligence that can impact their operations
- ✓ **_Adapt_** to business changes and needs with an agile platform that does not require coding and customization
- ✓ **_Engage_** the entire organization in risk and resilience management from the back-office functions of risk, continuity, security, and compliance to the front-office functions of the business.
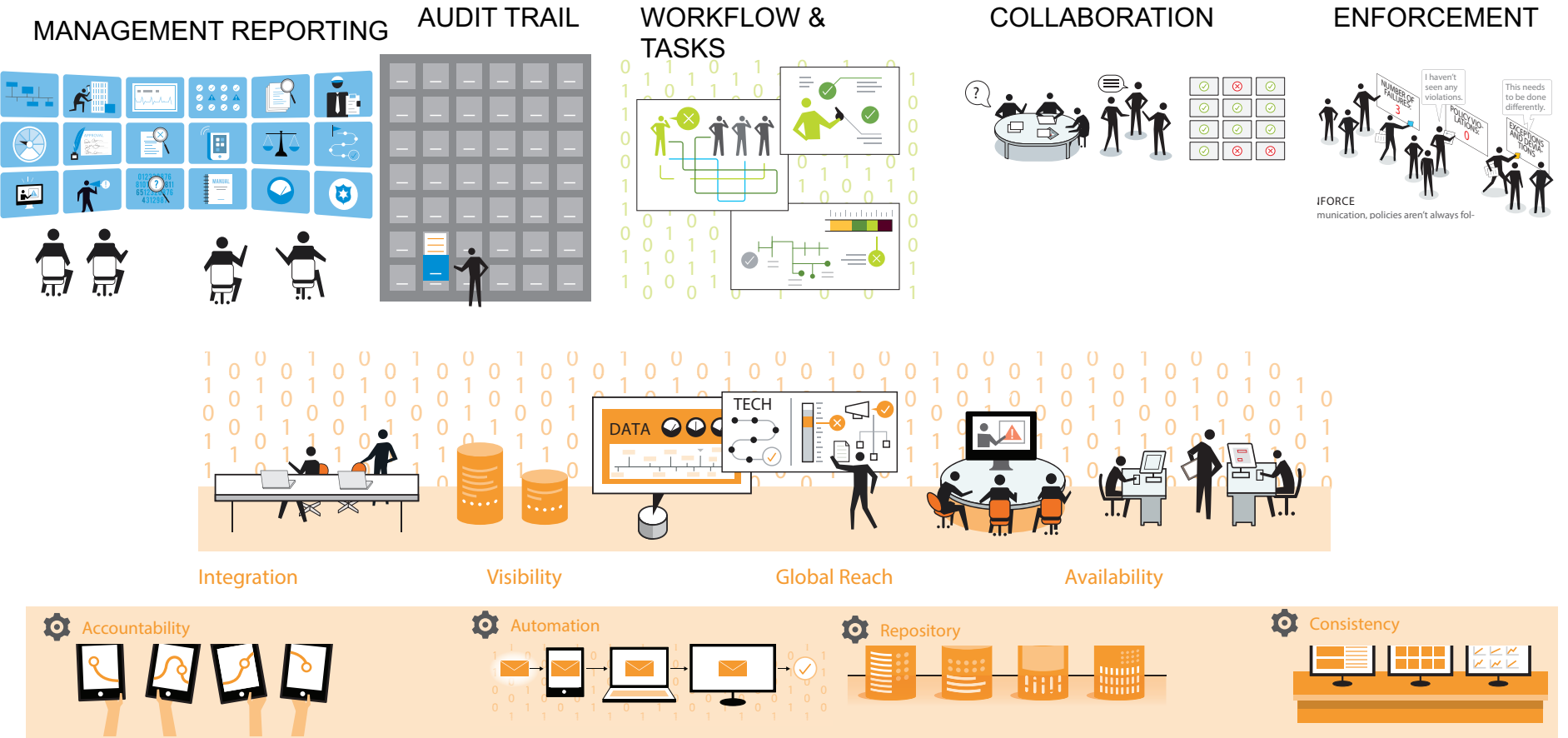- ✓ **_Deliver_** resilience and agility as a competitive advantage to the organization

Risk Management Information Architecture Provides 360° Contextual Intelligence
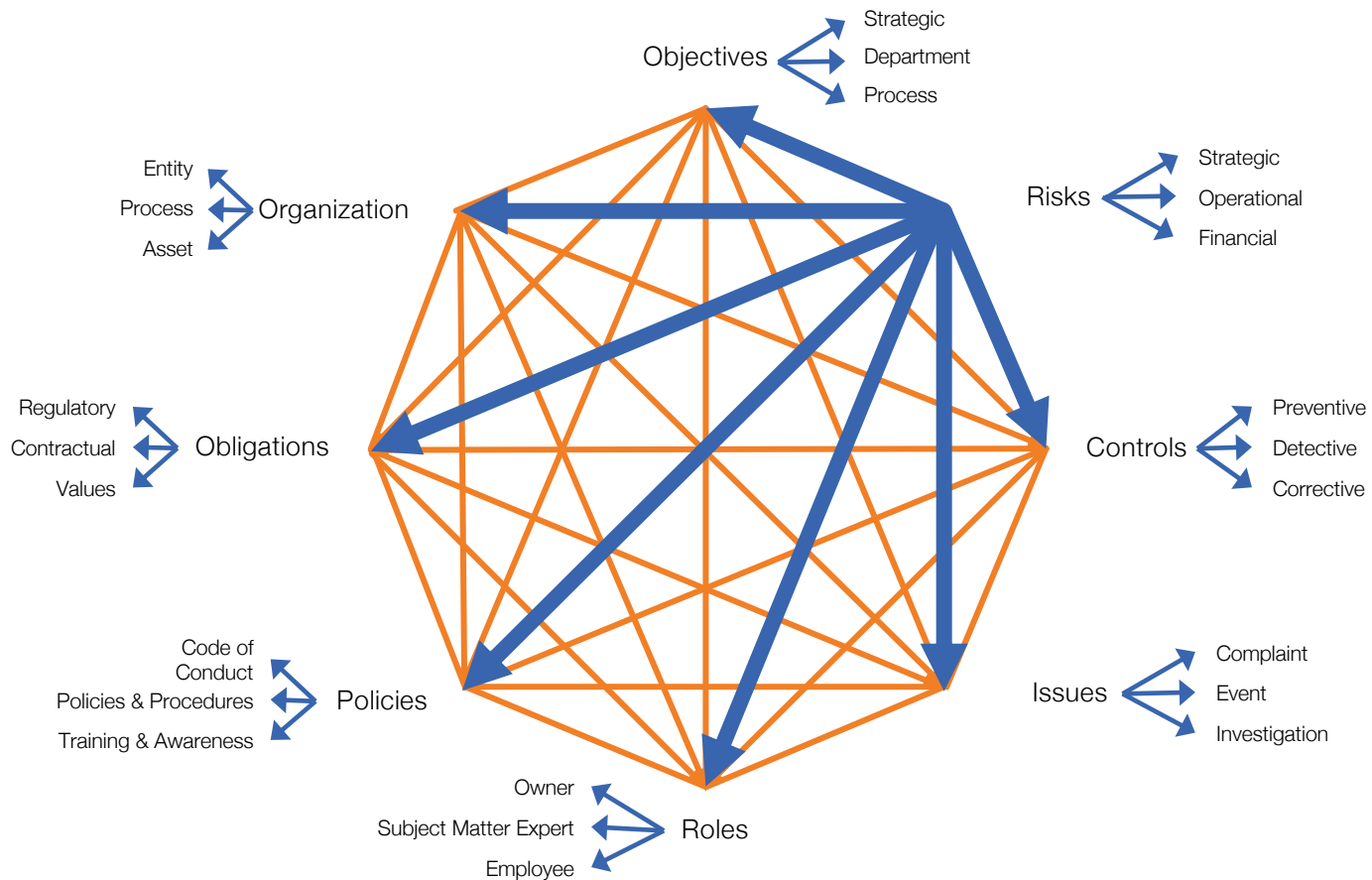
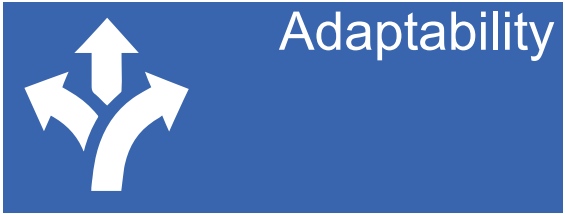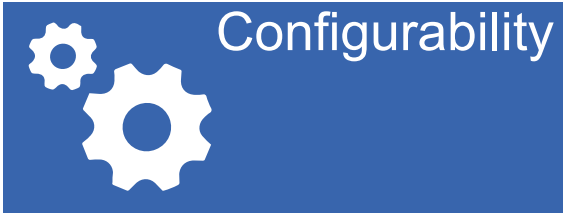# 360° Identifying Risk Scenarios on the Organization

Action Items

Analyzed to
understand relationships

Integrated and
mapped together
to provide context

Uncertainty & Change Data
Points
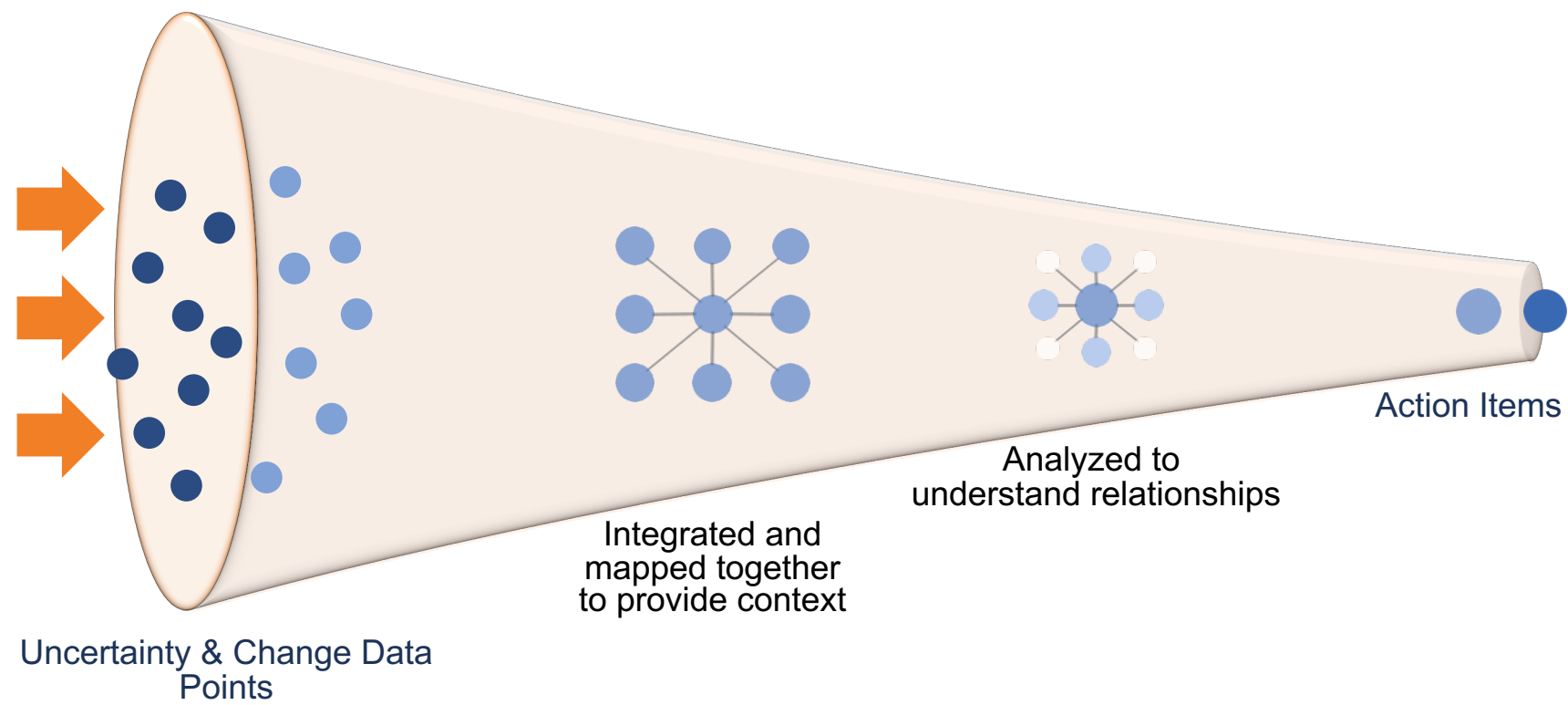
Risk & Resilience Technology Provides Risk Automation and Tracking

MANAGEMENT REPORTING

AUDIT TRAIL

WORKFLOW & TASKS

COLLABORATION

ENFORCEMENT

iFORCE
munication, policies aren't always fol-

Integration

Visibility

Global Reach

Availability

Accountability

Automation

Repository

Consistency

Risk & Resiliency Information Architecture Capabilities

- ✓ Facilitate collaboration in risk and resilience
- ✓ Enable contextually relevant decision-making
- ✓ Align the strategic business environment
- ✓ Provide analytics and dashboards
- ✓ Provide 360° contextual awareness
- ✓ Understand and connect risk
- ✓ Define levels of impact tolerances
- ✓ Document the organization
- ✓ Communicate with stakeholders
- ✓ Leverage templates and best practices
- ✓ Conduct scenario analysis
- ✓ Capture lessons learned from events
- ✓ Monitor the internal and external environments
- ✓ Workflow and task management
- ✓ Notifications

GRC 4.0/5.0: Agile Risk & Resilience Platforms

Usability

Cost of Ownership

Configurability

Scalability

Adaptability

Integration

Analytics

A.I.
Robotic Process
Automation

Future Proof

- ➢ Holistic awareness of risk

- ➢ Establishment of risk culture and policy

- ➢ Risk-intelligent decision-making

- ➢ Accountability of risk and resilience

- ➢ Multidimensional risk and resilience analysis and planning

- ➢ Visibility of risk as it relates to performance and strategy

Benefits of Automation of Risk Agility & Resiliency

Efficiency

- ✓ Time saved from manual processes

- ✓ Simplified and streamlined processes

- ✓ Reduction in reporting time

- ✓ Reduced staff to manage risk and resiliency

Effectiveness

- ✓ Less things slipping through cracks

- ✓ Audit trail of everything that happens for a complete and defensible system of record

- ✓ Allows for easier risk conversations with executives, stakeholders, and employees

Agility

- ✓ Ease of configuration to adapt to a changing risk and business environment

- ✓ Risk managed as business, processes, and roles change and evolve

- ✓ Streamlined agility in business change

- ✓ Quickly identify needs with new obligations, roles, responsibilities, tasks

Benefits for a Business Case for Risk & Resilience Technology

➢ **Significant efficiencies in time** through automation of workflow and tasks, as well as reporting.

➢ **Reduction in errors** by automating risk and resilience management and removing errors from manual processes and reconciliation of documents that were incomplete or incorrect.

➢ **Fewer things slipping through the cracks** as the solution can fully monitor risks and assign and track accountability and tasks.

➢ **Data integrity** with a core system being the system of record for all risk and resilience management information.

➢ **Collaboration and synergies** by providing a single platform with a consistent interface to manage risk and resilience across business processes and services.

➢ **Consistency and accuracy of information** as all organizations, processes, and services are defined and conform to consistent risk and resilience monitoring within a single solution that can integrate with internal and external systems and data feeds.

➢ **Accountability with full audit trails** of who did what and when; this delivers value in fewer things slipping through the cracks - particularly for business managers who have become more accountable for risk and resilience in their functions.

➢ **Efficiency in reporting** in the organization as all information is integrated in a common architecture.

➢ **Increased visibility** as the organization and its processes and services that can monitor the performance to objectives and impact tolerances to see how they are performing around the world and in segments.

➢ **Comply** with the range of global regulatory requirements and mandates for operational resilience, risk management, and continuity.

➢ **Proactively respond** to unexpected events within the business environment to achieve and maintain a high level of resilience and stay competitive.

➢ **Align business strategy** with operational execution to achieve an optimal balance between achieving business objectives and maintaining a high level of resilience.

Benefits of 360° Contextual Awareness of Risk

Agile Risk Management

1. Aware
2. Aligned
3. Responsive
4. Agile
5. Resilient
6. Efficient
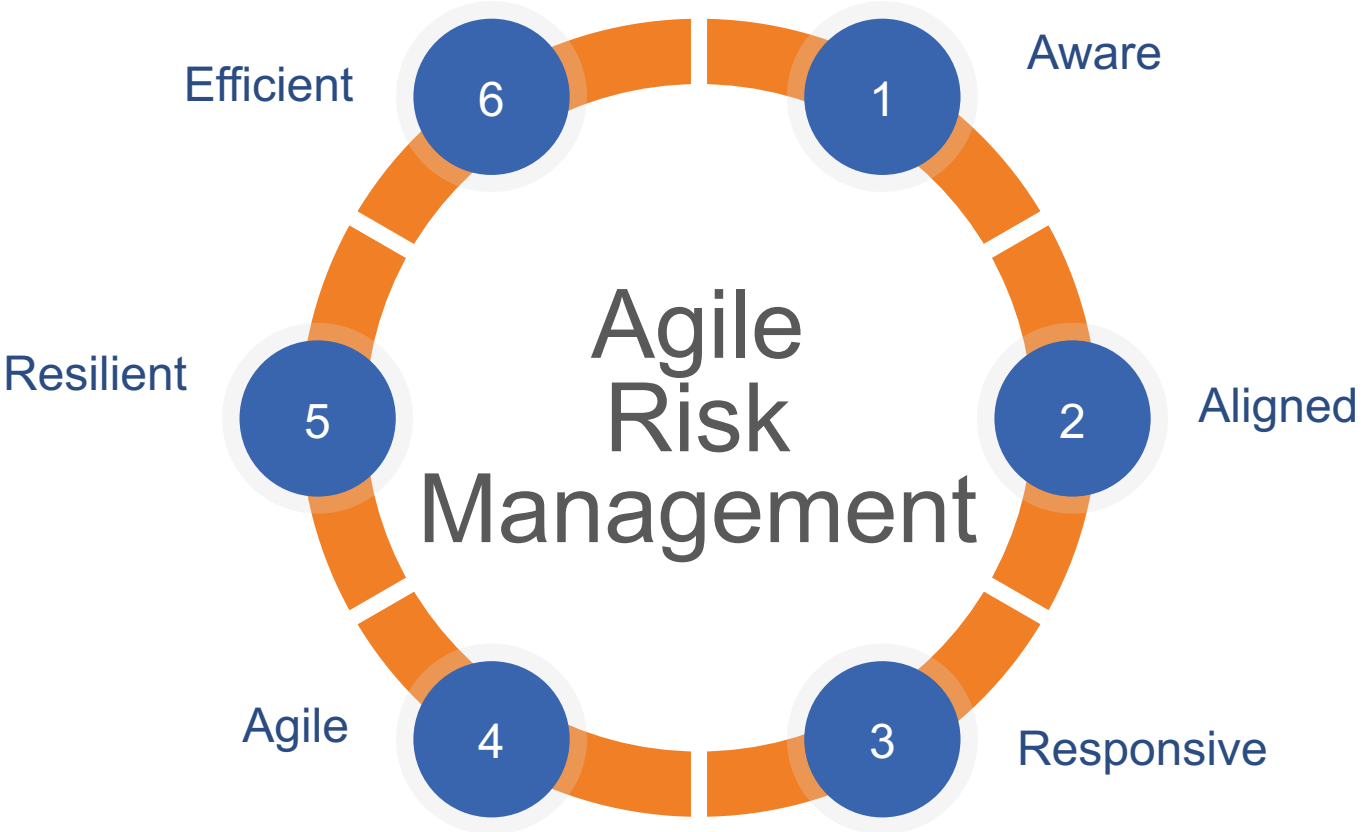
Questions?

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