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PERSPECTIVES

BUSINESS RESILIENCE REQUIRES AN AGILE APPROACH TO INTEGRATED GRC

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As the full force of the pandemic begins to wane, it is time for companies to pause and take stock of their risk management playbook. After more than a year of operating in survival mode, now is the time to take the steps that will accelerate recovery, build resilience and shape future success. The key to these goals is adopting an agile approach to a governance, risk management and compliance (GRC) programme. Effective decision making around risks and compliance has long been a core differentiator between companies that simply survive and those that thrive. The sudden shifts in work and social patterns caused by the pandemic means that these decisions must be made more quickly than ever to make a difference. Focus,

discipline and urgency are more critical than ever before.

An agile approach to risk management is the new paradigm for good reason. It allows businesses to assess risk more efficiently and in ways that put companies a step ahead of the competition and allows them to respond quickly to new threats as they arise. Traditional risk management methods just cannot keep up with these mounting needs, and GRC solutions that incorporate agility are the only way to keep up with the constant barrage of regulation and risk changes.

Finding the right GRC solutions is much like finding the perfect running shoe. The system must have the right fit and mould to the individual needs of

the business without overwhelming its end users or having a shortage of features suitable to specific industries. The platform must be robust enough to carry the company's long-term goals while having the flexibility to withstand unexpected impacts in the short term.

Agile GRC and business resilience

Agile risk management is a central building block in achieving business resilience in this changed world. Business leaders have historically kept business continuity and risk management in separate silos, but 2020 taught us that integrated risk management is more durable. Many companies suffered massive disruptions, revealing a need for GRC processes that allowed for usability that could be configured to update risk and dynamically change risk controls to respond to newly arising issues like a distributed workforce, enhanced safety procedures and shifting rules at the federal, state and even county level.

The disruption caused by COVID-19 differed by industry, but every company had to deal with something. Take, for example, the financial industry. The traditional methods used to supervise trading activity and prevent insider trading rely heavily on surveillance technology, which is focused on traders coming to the controlled environment of the officer. During the pandemic, most of the trading workforce shifted to working from home. That was a shock to

the system requiring the immediate reassessment of risks and the implementation of new controls.

The remote working explosion also increases cyber risk, not just with endpoint protection but with increased risk of phishing and challenges maintaining confidentiality. As brand new threats seem to spring out of the woodwork every other day, organisations must change the model of planning, monitoring, waiting and eventually testing. The risk landscape is evolving at a feverish pace, and leaders who cleave to the formerly tried-and-true formula will find their companies left behind before the dust settles from a newly revealed threat or incident.

An agile GRC programme is designed to streamline the process of assessing, advising, developing and implementing new solutions into a continuous, iterative cycle where each stage overlaps for maximum efficiency and strategic value. It is about proactively managing threats, regulatory changes and other problems through constant detection and prevention.

Agile GRC allows risk managers to view the entire risk ecosystem in a manner that provides insights into the current risk landscape, as well as foresight into new and developing risks. An agile approach also eliminates silos within the business that are inefficient and ineffective at identifying and responding to risks or incidents. Agility puts emphasis on providing a single source of data and a unified view of the company. Risk management can become an organisation-wide effort that promotes

resilience and keeps the business able to sail smoothly through any storm.

How agile solutions affect programme maturity

The goal of any GRC programme is to be as efficient and effective as possible. The map to programme maturity may contain minor differences in benchmarks and different paths based on the size of the business, but all organisations fall somewhere on a spectrum of risk management programme maturity.

On one end, the programme has few or no organised processes, and risk management is a guessing game that can quickly collapse into chaos. At the mature end of the spectrum, risk management and all the activities associated with it are optimised and sustainable across the organisation. A fully mature programme turns the corner from fighting against failure to proactively



taking the right risks to promote success across the company.

Maturity in the context of agile GRC reflects sophistication and is not a reflection of company size or age. An agile solution must meet customers at a place where they are ready to execute.

Defining what makes a platform agile

There is an abundance of GRC platforms, many of which claim to be flexible and agile. Unfortunately, many of these platforms over-promise and under-deliver, or just do not fit the needs of the industry. The industry is generally in one of two directions. There are the enterprise players, with highly customised solutions that are difficult to change quickly, and there are point solution providers, that can deploy quickly but have more limited configuration options and can quickly be outgrown as your programme matures in sophistication. Very few providers are looking to span a company's maturity journey; most are playing to only one segment.

This leads to platform providers failing to deliver what risk managers need, including a solution that is easy enough for everyone to use. A solution that confuses or irritates its users is not a solution at all and makes scaling a huge obstacle.

Agile GRC platforms should scale and be able to ease into highly customised solutions. They should be able to go from offering basic GRC software and processes for companies without highly evolved risk

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methodology all the way to companies with years-long programme maturity.

Increasingly we are seeing customers, in both midmarket and enterprise segments, seeking something that is fully formed and more aligned with best practices. They are not looking for frameworks that need to be designed from the ground up, they just need something that works and provides demonstrable value for the cost.

Even enterprise clients do not want a deep level of customisation just to get going. Instead, they are willing to stand up processes with off-the-shelf solutions then configure them along the way. They want to start sooner and have a programme in place. This is a trend that started before the pandemic.

The market has a huge appetite for solutions that are quicker to configure and implement, that are effective and do the job they need in the moment.

What has changed with the pandemic is the need for the solution to be flexible. Customers want a risk platform that they can reconfigure themselves, changing risks and controls. They want flexibility in the product itself to address risks that are changing quickly and seize opportunities in new technologies like automation and artificial intelligence.

Reflecting on the future of GRC

If we have learned anything over the past year, it is that companies need to perpetually be ready to be ready. The next crisis will not necessarily be a

pandemic – it could be a drought, it could be a terror attack, an economic disruption or a competitive sea change in one or more verticals. COVID-19 was a wakeup call. Resilience is more top of mind now because many businesses were simply not prepared. But now that the need is clear, agile GRC is the vehicle necessary to keep companies ready for whatever comes next. **RC**



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