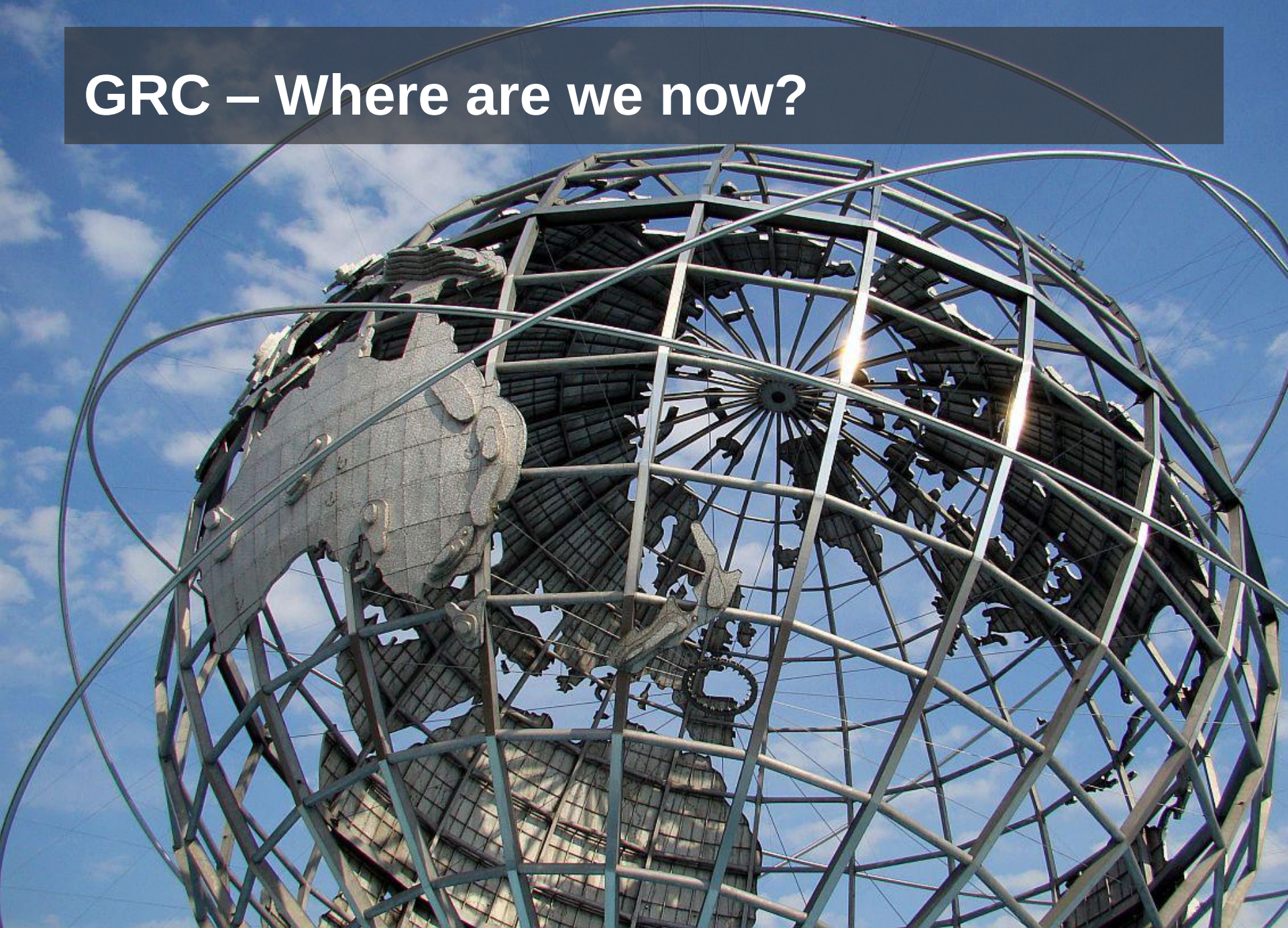
Assessing the Maturity of your Risk and Compliance Program

Chris McClean, Principal Analyst, Research Director

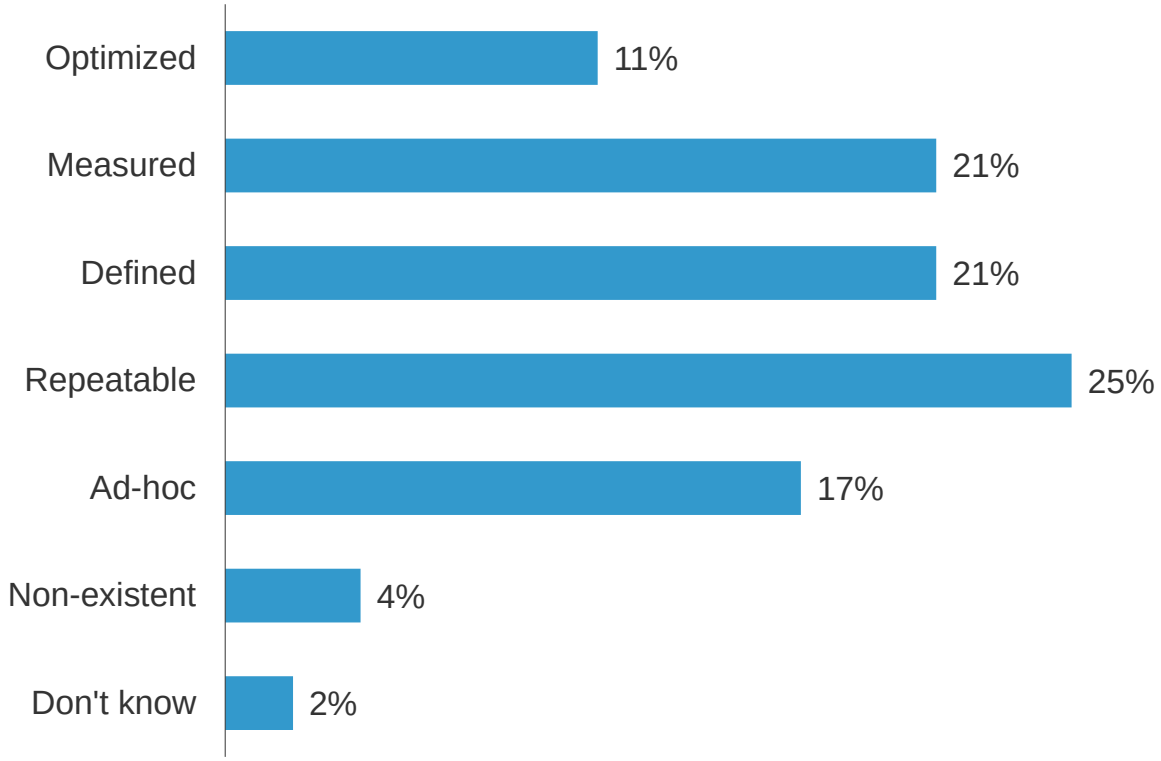
April 30, 2013

GRC – Where are we now?



Are We Fooling Ourselves?

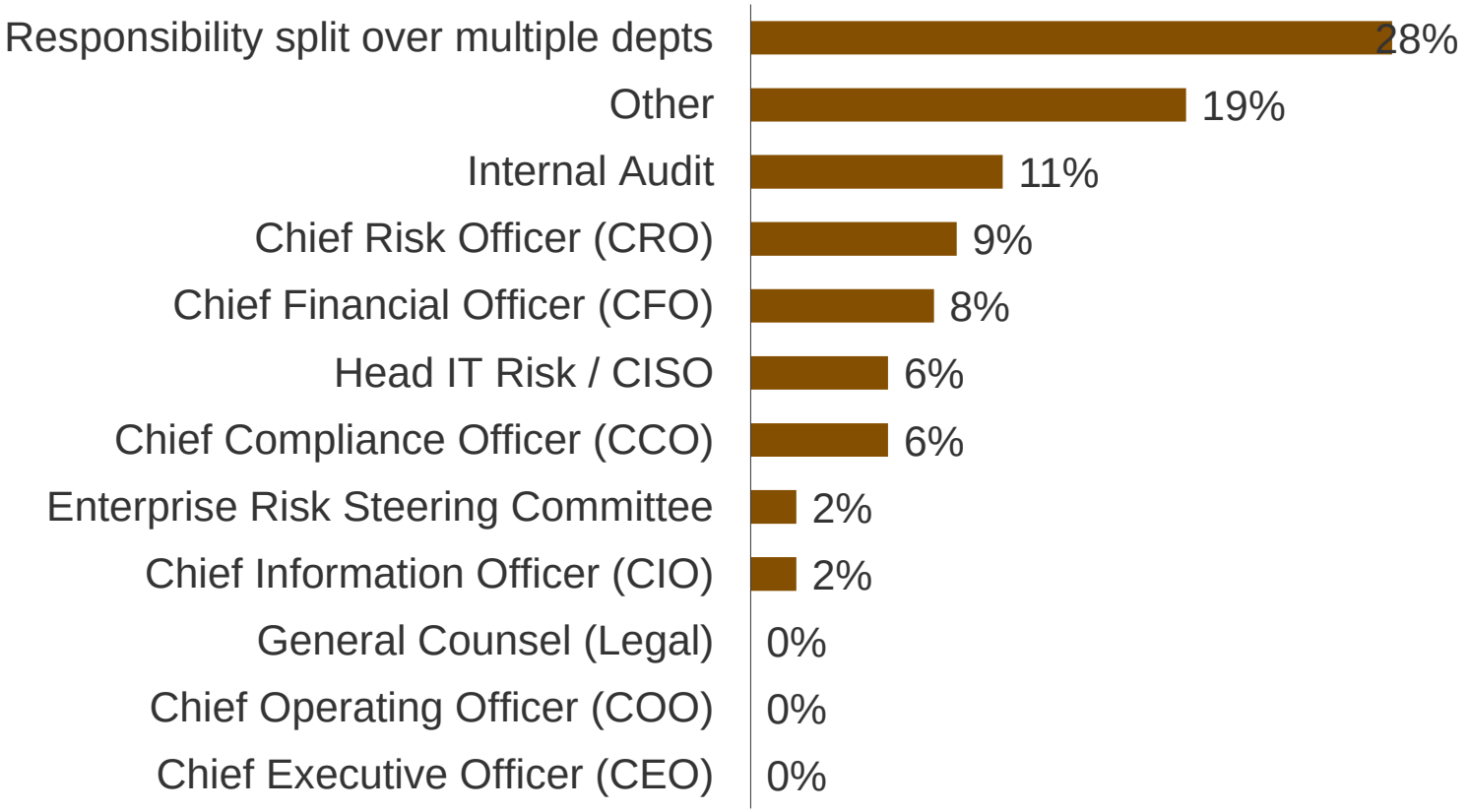
How would you characterize the maturity of your overall GRC program and processes?



Base: 53 global GRC decision-makers

GRC spans across many teams

Who is responsible for the day-to-day coordination of your GRC program?



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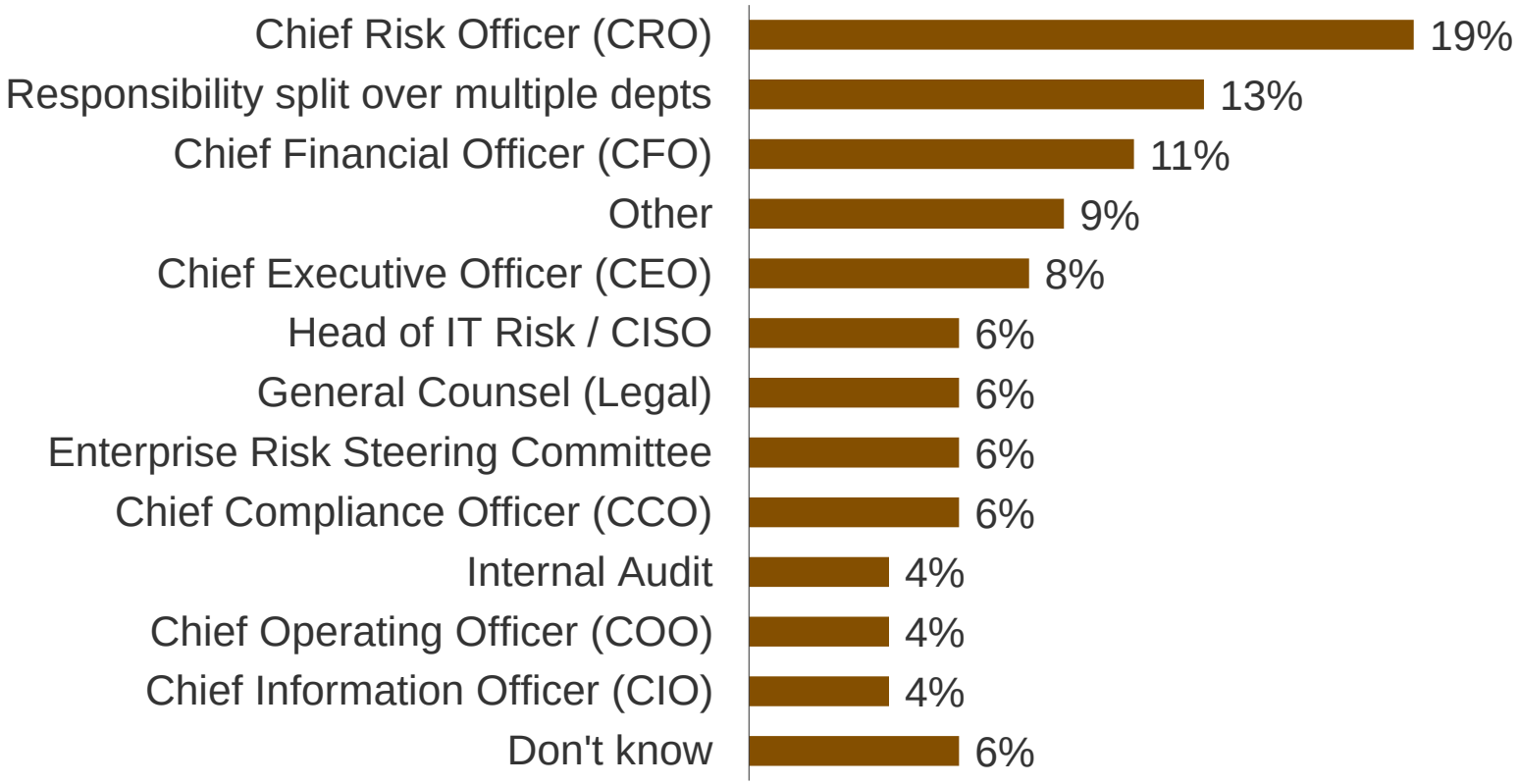
Source: Forrester's Online GRC TechRadar Customer Reference Survey, Q3 2012

GRC involves many stakeholders

Who is responsible for the overall success of your GRC program?



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Customer use cases are diverse…

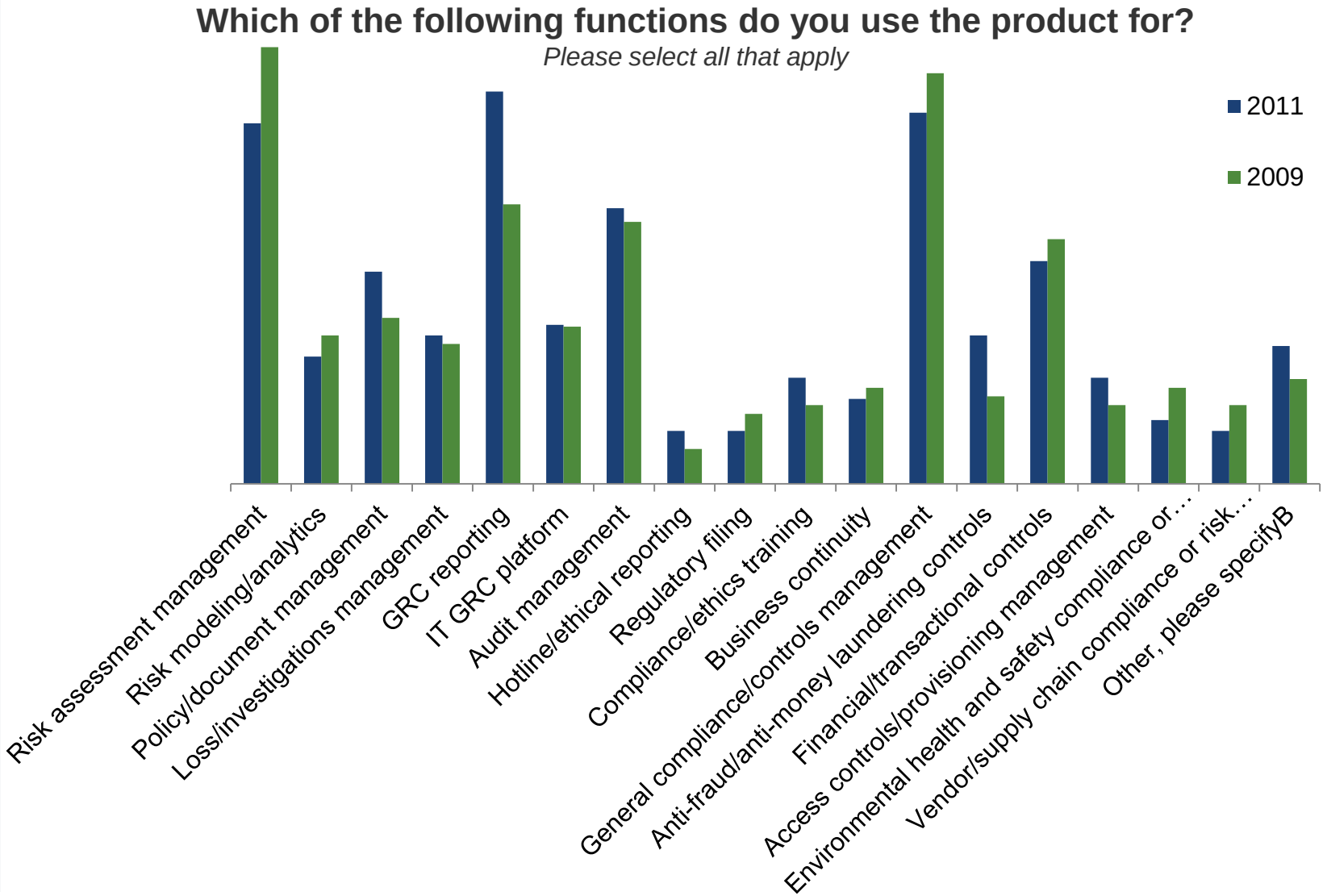
Which of the following functions do you use the product for?

Please select all that apply

Base: 121 Customer references for the Enterprise and IT GRC Platforms Waves, Q4 2011

Source: Forrester's Q2 2011 Global Governance, Risk, And Compliance Platforms Wave Customer Reference Online Survey

…but they haven't changed much.



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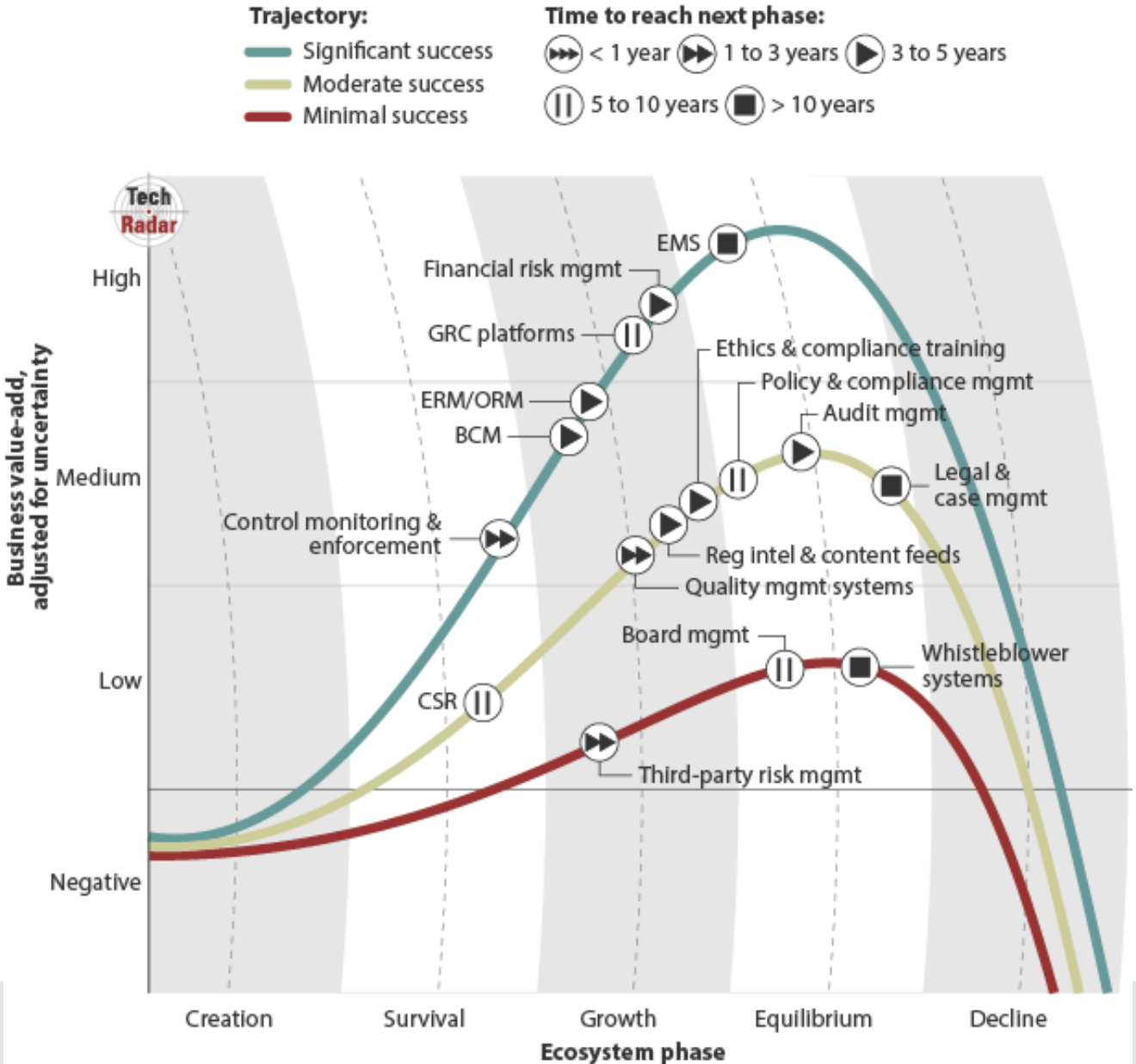
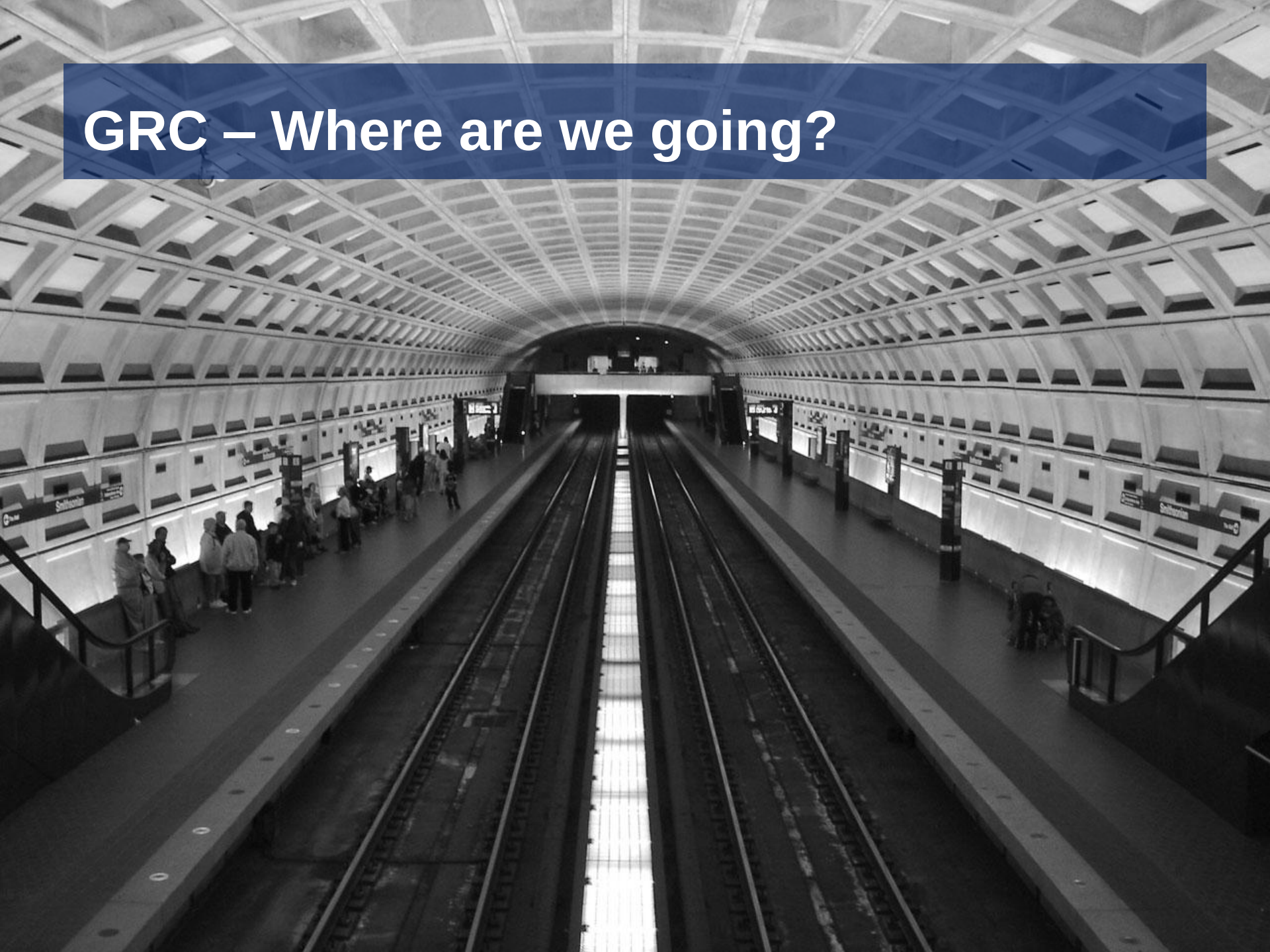
The GRC TechRadar

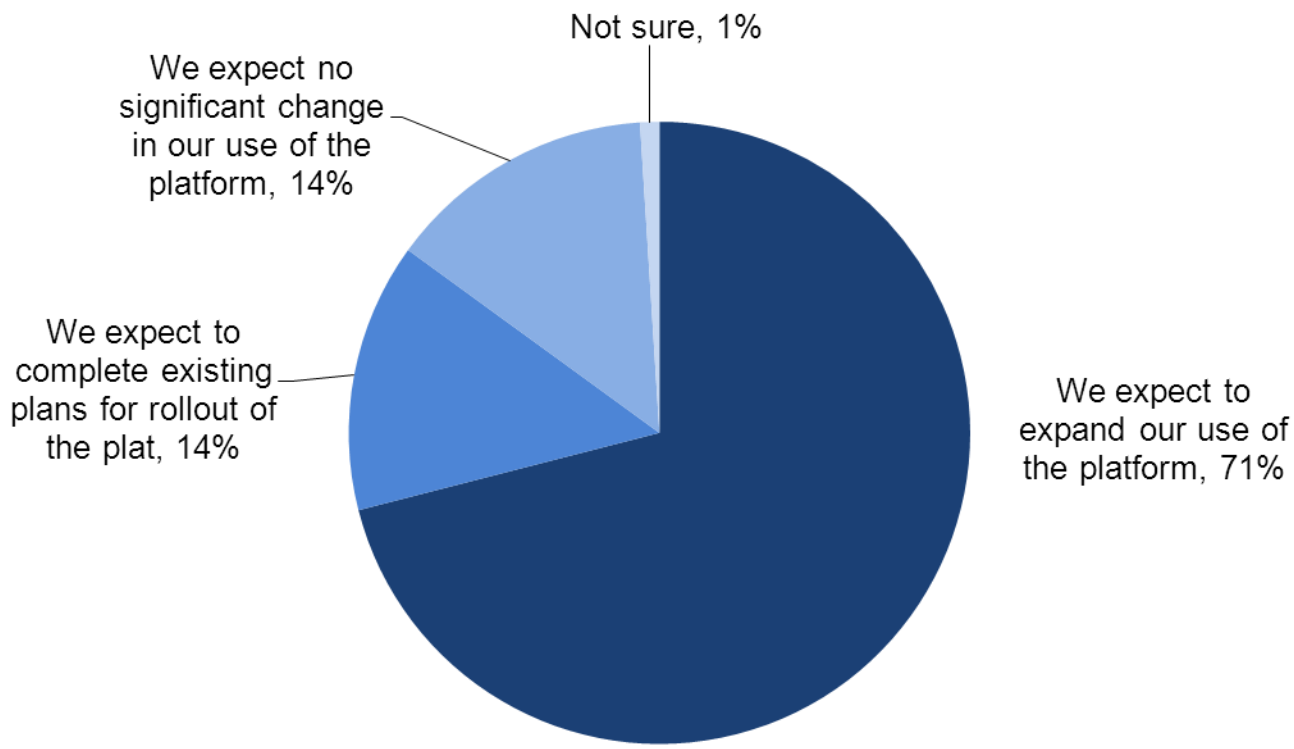


GRC – Where are we going?



Future Plans for GRC Platforms (2009)

How do you expect your work with this product and vendor to change over the next year?



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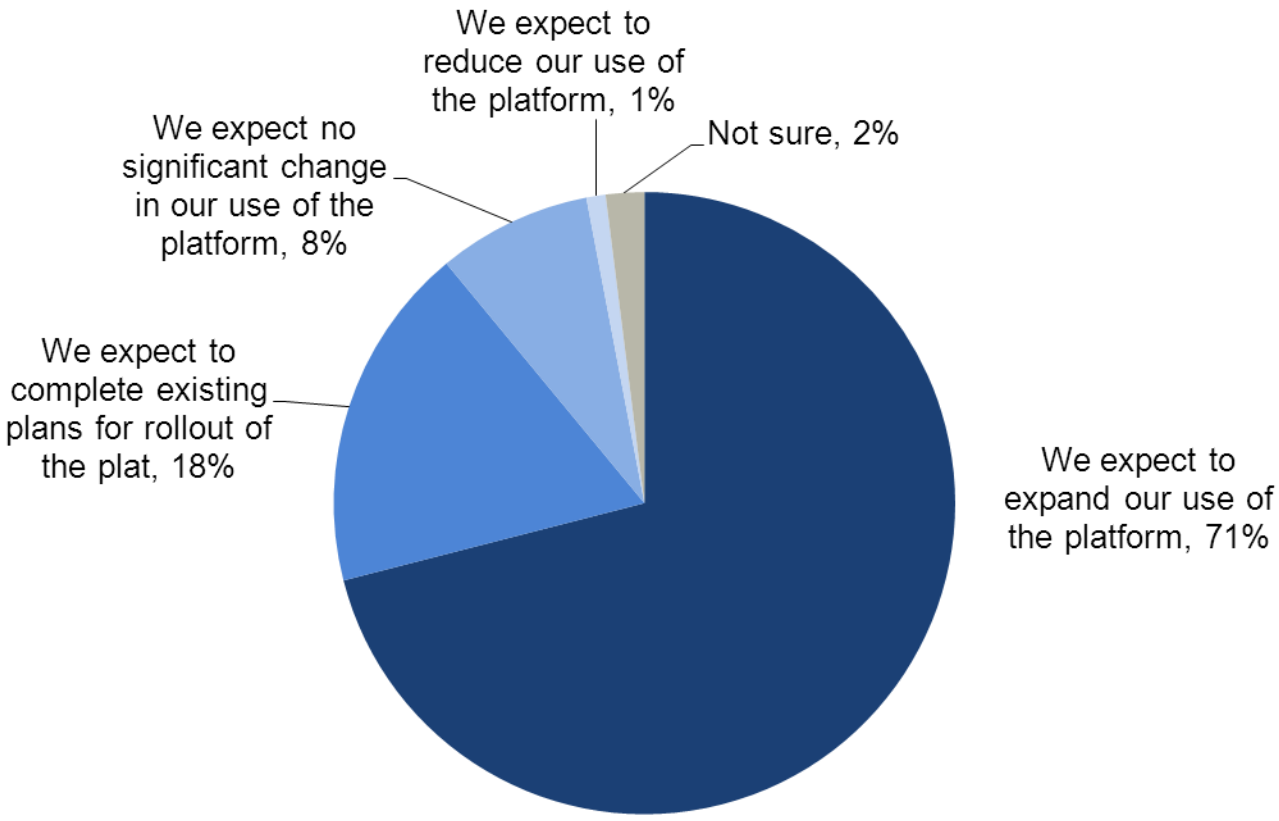

Base: 120 Customer references for the Enterprise and IT GRC Platforms Waves, Q4 2011

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Drivers to expand are plentiful

*“More compliance and risk programs and processes will be incorporated into the tool; **other department have seen the benefits** of using this tool.”*

*“Since **all the assets are mapped and the policy is structured**, we will add more modules to support our operational risk management and our business continuity management. Internal audit department is interested in the system as well.”*

*“**Users are very satisfied**. More and more subsidiaries ask for this product, module by module (internal control, internal audit, etc...).”*

*“We plan to expand the use of the platform to **further automate our audit management capabilities**, roll out the control self assessment process to additional functions and for formalizing our ERM program.”*

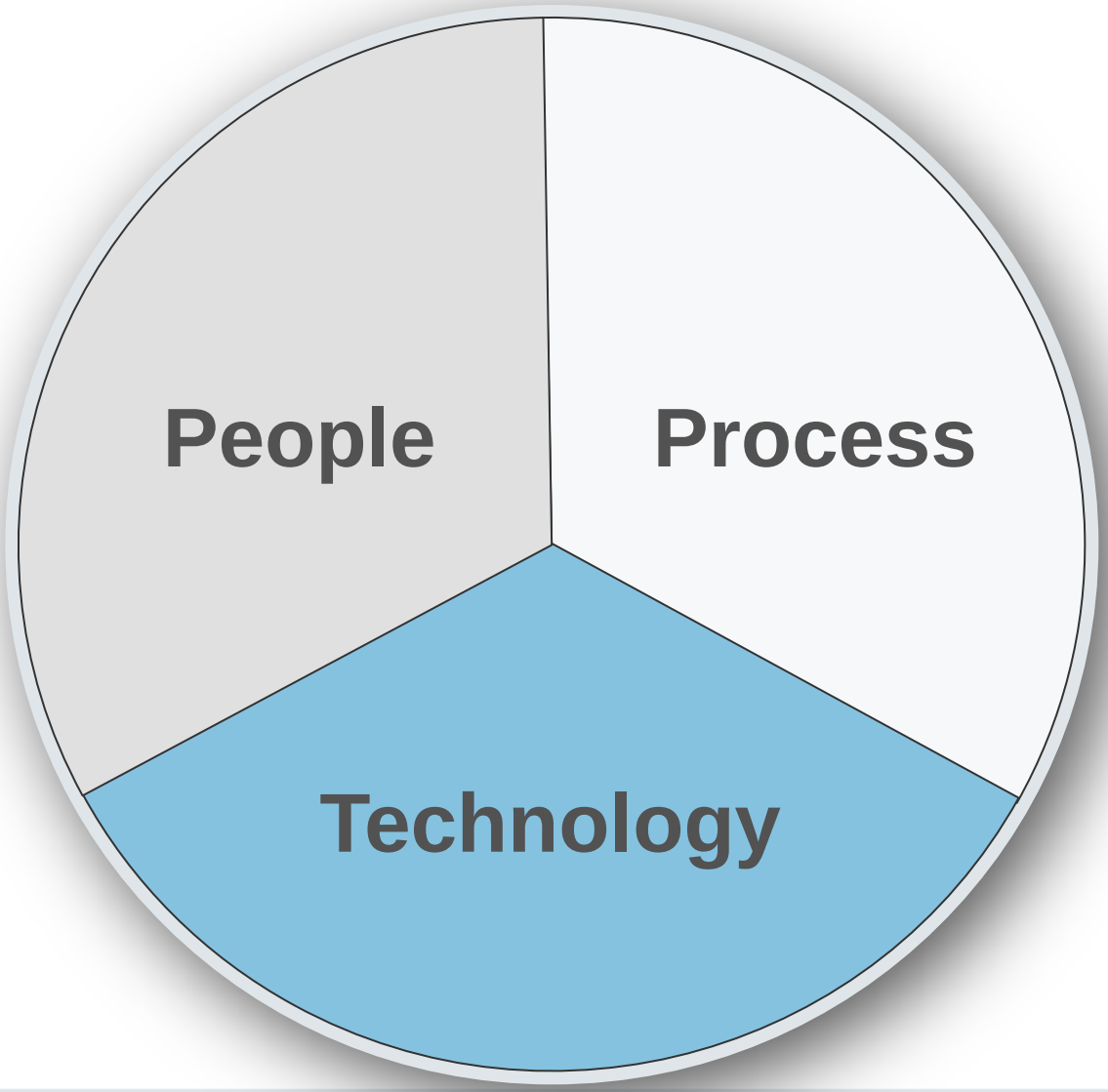
*“A **large merger underway** meaning numerous more requirements to monitor.”*

Roadmap questions

- *Is GRC consolidation worth the trade-offs?*
- *What do we expect will be the organizational challenges over the next 3-5 years?*
- *Who are the primary users, occasional users, and audience/stakeholders?*
- *What functions could/should be automated, facilitated, or left manual?*
- *What are the expected outcomes in 6 months, 1 year, 3 years?*

Are We Mature Yet?

GRC Framework



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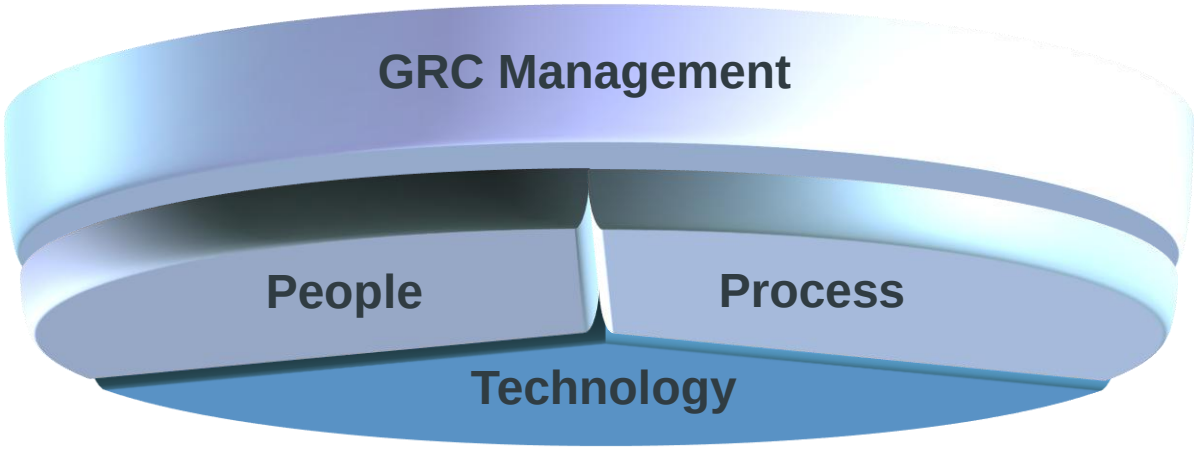

GRC Framework

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TECHNOLOGY
Technology/data integration
Content/data management
Facilitated workflow
Analytics and reporting

Measuring maturity

LEVEL	CHARACTERISTICS
0 – Nonexistent	
1 – Ad hoc	
2 – Repeatable	
3 – Defined	
4 – Measured	
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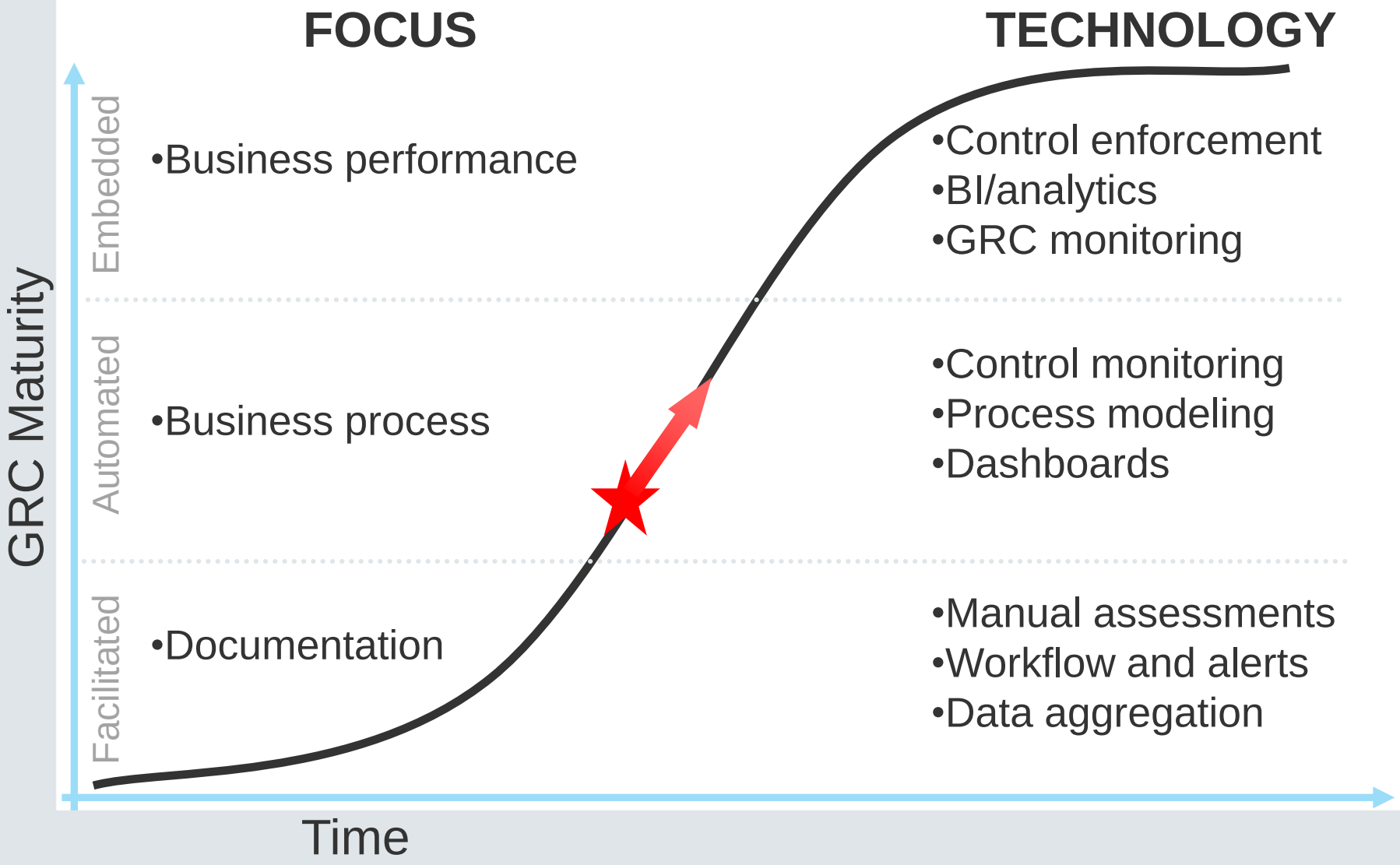
The momentum of GRC programs



GRC benefits

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Efficiency	• Reduced costs of risk assessments and aggregation • Speed of policy development, approval, distribution • Improved speed/cost of risk reporting • Improved speed/cost/coverage of audits	• Staff-hours saved per process • Payroll savings from delay or avoidance of staff increase • Reduction in costs for internal and external audits

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Risk reduction	• Reduction in incidents, near misses, loss events • Reduction in regulatory fines, actions, law suits, etc. • Reduction in time to discover control gaps, violations • Reduction in audit/assessment findings	• Reduced number and cost of incidents • Reduced number/size of fines • Reduced cost of capital • Reduced insurance premiums

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Strategic support/ Enhanced performance	• Use of risk info in management/exec decisions • Improved decision making when risk is considered • Risk intelligence coverage • Risk management process coverage • Improved reputation among stakeholders (partners, regulators, customers, etc.)	• Reduction in reactionary costs • Frequency of risk data used in business decisions • Improvement in financial or operational metrics

Tips for Success

- Remember that a large part of maturity will come with connections made between functions, roles, and frameworks.
- Consider the benefits of efficiency and cost reduction first, then look for risk reduction and strategic support for long-term value.
- GRC maturity doesn’t truly happen until you’ve achieved vertical and horizontal reach.

Thank you

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