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Key Considerations

For Technology Enablement of Enterprise Risk Management

Presented by:



Presenters



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Audience Polling

Question #1

Tell us about your own experience with ERM or GRC technology:

- A. I have been part of or led an ERM/GRC technology implementation team at my agency
- B. I am an active user of the ERM/GRC solution but have not been involved in the implementation
- C. We are actively considering implementing or replacing technology solution for ERM/GRC at our agency
- D. I have used ERM/GRC solutions previously but currently we don't use a solution at our agency
- E. I don't have any experience/exposure to ERM/GRC solutions

Today's Agenda



Perspective: Technology. A blessing or a curse for ERM?



ERM v. GRC v IRM



Role of Technology in ERM enablement



Key consideration, expectations, and pitfalls for technology enablement



Q & A



Audience Polling

Question #2

Is ERM/GRC technology a blessing or a curse for your agency's ERM program?

- A. Blessing - I cannot imagine how our program would function without ERM/GRC technology
- B. Mixed Bag - Significant value-add for our ERM program but also adds complexity and overhead to day-to-day risk management activities
- C. Curse - Our ERM and/or other risk management programs are frustrated with the current GRC solution and are actively considering replacement
- D. Looking for a Blessing - Still using Excel and SharePoint to support ERM but no longer sustainable and need a more automated solution
- E. Not applicable - ERM program is small enough to be managed on Excel and SharePoint without the need for a GRC technology solution

Perspective:

Is technology a blessing or a curse?

1. Can your ERM program be effective without a technology solution?

- Sustainability of manual processes without an ERM/GRC solution
- Value that technology brings or can bring to your agency's ERM program

2. Is your ERM/GRC technology optimized for maximum value?

- Capabilities of the GRC solutions vs. what is implemented
- Implemented GRC solutions vs. siloed solutions across divisions and branches
- Performance and usability optimized for maximum effectiveness

3. Can your ERM program be effective without a technology solution?

- Critical processes or capabilities not supported by the ERM/GRC solution
- Impediments to having a completed integrated ERM/GRC system
- Maturity of ERM and other risk management programs for effective technology enablement
- Outdated or outgrown technology solution – time to consider replacement

ERM vs GRC vs IRM

Are they really different?



There is overlap in definitions and terms can be used interchangeably in technology

- ERM focuses on outcomes and achievement of objectives through alignment of strategy and risk management
- GRC focuses on improving governance over risk management activities to achieve compliance
- IRM focuses on enabling risk-aware decision supported by risk-aware culture and technology



Technology capabilities across these three areas are compatible and commonly referred to as GRC tools or solutions

Open Compliance and Ethics Group (OCEG)

Governance Risk and Compliance [GRC]

GRC is the integrated collection of capabilities that enable an organization to reliably achieve objectives, address uncertainty, and act with integrity.

Gartner

Integrated Risk Management [IRM]

IRM is a set of practices and processes supported by a risk-aware culture and enabling technologies that improves decision making and performance through an integrated view of how well an organization manages its unique set of risks

COSO

Enterprise Risk Management [ERM]

Integrating enterprise risk management practices throughout an organization improves decision-making in governance, strategy, objective-setting, and day-to-day operations



Role of Technology in ERM Enablement

GRC solutions have many capabilities that can be leveraged to drive enablement and maturation of ERM across the agency

Key risk management capabilities enabled by technology that drives the broader ERM agenda:

- Centralized repository of enterprise hierarchies, processes, risks and controls
- Risk and control self assessments (RCSA)
- Automated controls monitoring and testing
- Issue and remediation management
- Centralized policy management and governance and policy compliance tracking

Additional capabilities that can be enabled on GRC tools to support ERM specific processes and requirements:

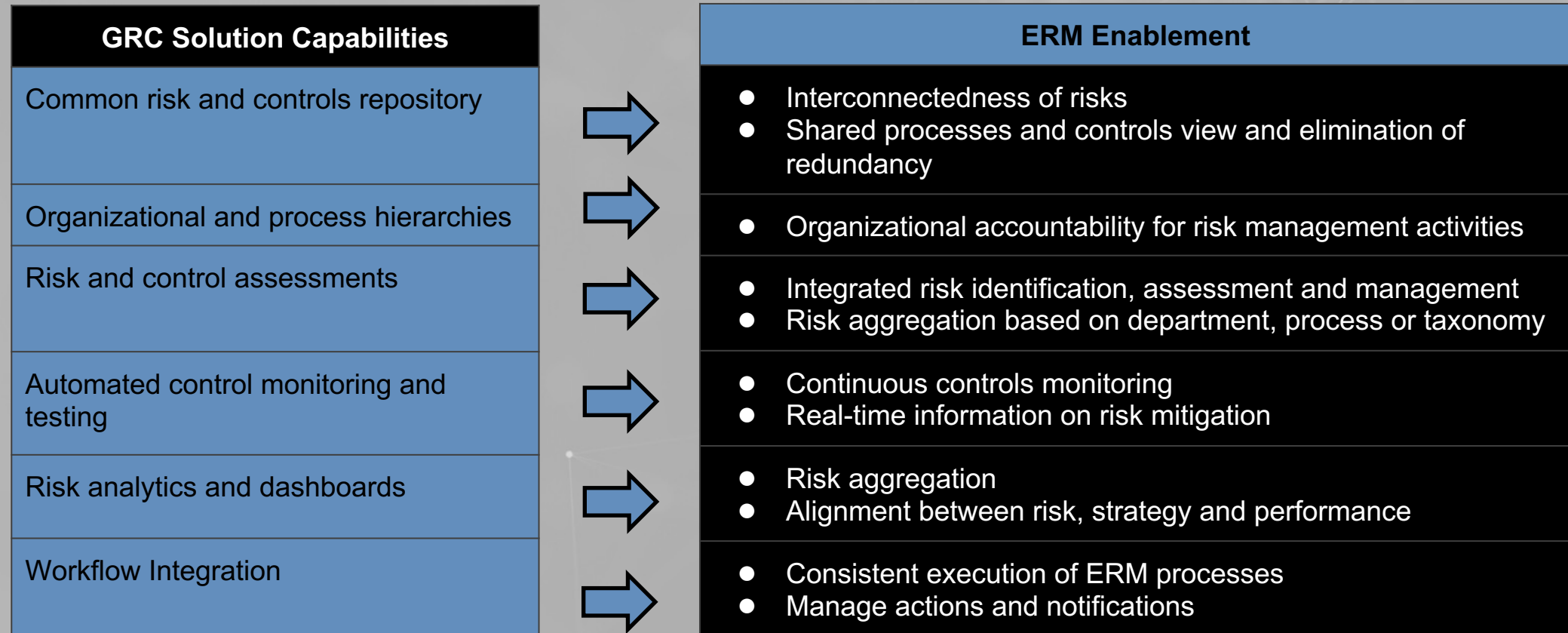
- Risk aggregation based on organizational hierarchy and taxonomy alignment
- Alignment of risk management with agency mission and objectives
- Definition of risk appetites, thresholds and measures
- Risk and performance indicators (KRI, KCI, KPI)
- Top-down risk assessment
- Emerging risk identification and assessment
- Integrated risk analytics and dashboarding

Key Takeaway:
Technology is not a panacea nor stand-alone solution for ERM, it must be supported by people and processes.



Role of Technology in ERM Enablement

Aligning Technology Capabilities to ERM Outcomes



Myth Busters about ERM/GRC Technology

Myth		Reality
Implementation of technology will drive process maturity	↔	<ul style="list-style-type: none">Tools offer flexibility in configuration based on existing processes, and will not influence process changes
The solution will work “out of the box”	↔	<ul style="list-style-type: none">Configurability of a GRC solution may not be adequate to meet the process needs, requiring extensions and customizations
A single technology solution will suffice	↔	<ul style="list-style-type: none">Although you might be able to select one primary ERM/GRC platform, there are many ancillary and enabling technologies that must be considered for effective implementation and outcomes
Benefits of using technology will be realized as soon as we deploy	↔	<ul style="list-style-type: none">Until delivery is complete, more problems may be created than solvedEven after deployment, benefit realization may take up to a year due to change adoption

Considerations, Expectations, & Pitfalls For Technology Enablement – Pre-Implementation

Focus on establishing common ground with stakeholders and eliminating unknowns. Find your champion. Begin with the end in mind and set yourself up for success.

Considerations and Expectations:

- Organizational and process maturity to handle GRC technology
- Clear roadmap with end state clearly defined
- Stakeholder expectations identified and established
- Resources and funding established
- Key business requirements clearly defined and prioritized upfront
- Technology selection based on rationalized business requirements and priorities

Common Pitfalls

- End goals not clear
- Narrow vision and scope with point solutions addressing current pain points only
- Technology defining business requirements rather than the other way around
- Lack of committed resources due to competing priorities
- Technology selection without careful evaluation of key business requirements
- Hidden costs of implementation
- Project governance not established

Key Takeaway:
Have a thorough plan that accounts for all stakeholders... and expect it to change!



Audience Polling

Question #3

How broad was/is the scope of ERM/GRC technology implementation at your agency?

- A. Department-wide scope integrating different risk management programs (e.g., FRM, Operational, IT and Cyber)
- B. Division/Branch specific implementation but integrated across different risk domains mentioned in option A
- C. Department-wide implementation covering core ERM processes only
- D. Division/Branch specific solution for ERM or another risk management area (e.g., Cyber)
- E. N/A - have not implemented an ERM/GRC solution at our agency

Considerations, Expectations, & Pitfalls For Technology Enablement –During Implementation

Focus on keeping everyone's eyes on the road. Problems will arise and change will happen. Mitigate risk to the project and move forward to delivery.

Considerations and Expectations:

- Ongoing Stakeholder engagement and communications, expectation management
- Dealing with cultural resistance, leadership change
- Program management
- Dealing with (technical) Change during implementation
- Data management: Mapping and transformation, data quality and governance
- Managing specific technology challenges (high level)
- Infrastructure required to support technology integration
- Technology change governance during design and build

Common Pitfalls

- Key stakeholders not engaged in requirements identification and design vetting
- Too much complexity and scope (trying to solve everything)
- Infrequent or inadequate project communications
- Lack of attention to Change Management and how it affects your people

Key Takeaway:
Be Agile but stay focused on the finish line. Don't let perfect be the enemy of good.



Considerations, Expectations, & Pitfalls For Technology Enablement –Post Implementation

Focus on customer satisfaction and engagement. If it's broken, fix it! Use the tool to tell the success story. Stay future proof or know when to move on.

Considerations and Expectations:

- User training and support
- Reporting and usability enhancements
- Feedback and continuous improvement
- Integration with other non GRC risk systems
- Planning for the next phase
- Application version upgrades and additional enhancements
- Technical Support
- Metrics to assess ROI

Common Pitfalls

- Assuming that delivery = success
- Poor adoption: lack of buy-in, waning leadership support, training, personnel turnover
- Lack of future budget for training, maintenance, and support
- Failure to stay aware of evolving technology, new solutions and integrations
- Not keeping up with version upgrades, facing end-of-life issues

Key Takeaway:
Even when implemented, technology solutions (and users!), require continued attention.





Q&A

Have questions?



We've got answers!



Audience Polling

Question #4

Please rate the overall relevancy and value of today's event

- A. Excellent
- B. Very Good
- C. Good
- D. Fair
- E. Poor

Thank You!
Feel free to contact us
at any time.



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