

How to implement a modern Global Risk and Compliance system in 2024

Five key considerations when implementing an agile, cloud-based GRC

Introduction

Start with a blank sheet of paper

Bring the first line with you

Adopt rather than adapt

Make sure your data is ready

Take a phased approach

How KPMG can help

Moving from legacy to scalable GRC

There's ever more regulation coming your way. And the regulators are getting more stringent. You could face a hefty fine if you're not compliant, as well as significant damage to your reputation.

The bar is rising for your compliance team – whether it's meeting the requirements of pending UK internal controls reforms, reporting on ESG, managing vendor ecosystems, or sector-specific requirements like operational resilience in financial services.

That makes having an effective Governance, Risk and Compliance (GRC) system essential.

But today, many risk and compliance teams are having to get by with legacy tools. Often these aren't joined up across key domains, such as risk, compliance, legal and cyber. In some cases, GRC systems are no longer supported, leaving organisations with tech debt that they struggle to move on from.

Many of these tools also require a large degree of manual processing, with information held in Excel spreadsheets. They're hard to use and that means adoption may be patchy. Systems can become expensive to run, inefficient and labour intensive. And they don't provide access to timely reporting.

Today's modern platform-based technologies offer a solution. Many CROs and CIOs are looking to replatform their GRC systems and reap the benefits of a more centralised, integrated and automated capability suite.

But this isn't a simple 'lift and shift' exercise from one toolset to another. It requires functional and technical preparation, and wider project planning.

We have vast experience helping businesses replatform their GRC capabilities. We've drawn on that to identify five practical considerations that will help you drive a successful GRC transformation.

Read on to discover more:



Benefits of a cloud-based, integrated GRC platform

- ☑ Increased productivity: integrated across the enterprise, with improved automation and agility.
- ☑ Improved scalability: ability to adapt to changing business needs and regulatory requirements, and take advantage of the latest tech.
- ☑ Reduced cost: consolidates systems mean lower support costs.
- ☑ Better user adoption: more intuitive ad accessible systems are seen as a help, not a hindrance.

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When you're planning the implementation of a new GRC system, don't just think about the tech.

This is the perfect opportunity to review processes and implement more efficient ways of working. Don't simply lift and shift your existing approach to a new technology platform. Look beyond the limitations of your current legacy tools to think about the user experience you want to create.

What you can do

- **Review how your processes work today**. Where's collaboration working and not working? Be honest about what's good and what's not.
- **Take time thinking about how you could do things better**. What new ways of working do you want to introduce?
- **Determine which systems integrations you need to keep**. If you were designing again from scratch what systems approach would you take?
- **Investigate the functionality cloud-based systems offer**. Will this improve your approach? Does it make sense to keep some legacy systems – for cost or operational reasons – and what will this mean for functionality?
- **Think beyond workflows**. By taking the opportunity to redesign from the ground up, you can go beyond a single GRC platform and include a slate of fit-for-purpose technologies that will be more than workflows and allow for data-based analytics, insights and reporting. Consider a future that allows for improvements across new technology capabilities, like virtual agents, machine learning and quantifiable insights.

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Bring the first line with you

Why do change programmes fail to deliver the desired outcomes?

80% of the time it's because end users weren't engaged with the project and haven't bought into the vision. Organisations end up with tech that's either not aligned with what their people actually do; or they get great tech but their people don't use it.

The benefit story for your front-line

Are you spending a lot of your time filling out risk and compliance forms? Do you get frustrated when you get emails asking you for more information and clarification? Is it getting in the way of you doing what you enjoy?

Our new Governance, Risk and Compliance system automates the process. That means less form filling for you, and no more chaser emails.

It's got a user-friendly interface that guides you through what's needed from you and only asks you for data relevant to your part of the business.

What you can do

- **Involve your first-line users**. Select representatives from your sales force, customer-facing staff and finance teams. Their view is essential – after all, it's their use of your GRC tools that informs your second line of defence.
- **Don't just involve people you think will say 'yes'**. Get some people who are likely to be resistant to change so you can handle objections early on. They could turn out to be your strongest champions.
- **Have personalisation and usability as one of your selection criteria**. A successful GRC system is one that first-line users can access and use easily. That means implementing a tool that provides a personalised experience and offers functionality relevant to what they do.
- **Tell a clear story on the benefits for your first line**. Make sure key managers in your first-line functions understand what you are doing and why – and, critically, how it will benefit them by reducing time and effort.
- **Keep your people up to speed**. Keep everyone aligned and informed on project progress and aims. As part of that, set out how you can move from GRC as purely a control and compliance mechanism to an enabler and value creator when it's integrated into a smart, joined up platform.

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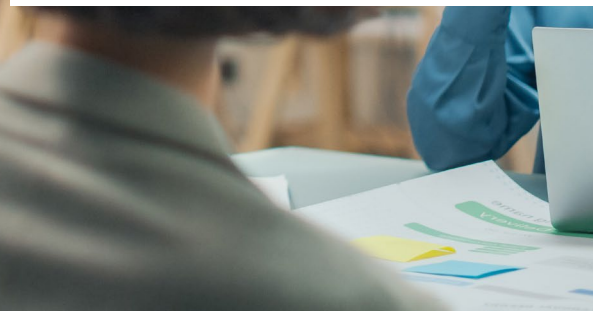
How KPMG can help



Adopt rather than adapt

"Our processes are unique, so we need a customised solution."

Many businesses that have implemented a new GRC have subsequently asked us to help them 'untangle the wires'. Customisation brings with it complexity. You might find that your new system is exactly what you wanted on day one. But as new functionality and patches are released, you may not be able to easily implement them. You'll have designed in legacy.



What you can do

- **Remap processes to get the most from your smart system**. Today's smart systems come with powerful functionality built-in – re-designed workflows, reporting, artificial intelligence and machine learning features. As a rule of thumb, embrace what's available out of the box: adopt not adapt.
- **Think tomorrow, not today**. Don't plan your system around what you need today. Think through how your business will change and grow. New platform services are designed to be scalable and grow in line with your business. And as they are typically built with low-code software, they're easy to update without having to call in external IT consultancy resource.
- **Identify where you can fine tune without compromising functionality**. Of course, there is the ability to fine tune the platform to fit your specific business need – but keep customisation to a minimum. A good implementation partner may have accelerators that can provide even smarter functionality in rapid time.

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Organisations often underestimate the importance of data migration when implementing a new GRC system.

But having the right data is critical – without good data you can't make good decisions. It's vital that you develop a data strategy alongside tour GRC replatforming strategy.

What you can do

- **Identify the data you'll need**. What data do you really need to enable you to run an effective GRC programme? Work out what connections you'll need between different data repositories. You need to identify the right data flow and how risks, controls, assets and policies should be mapped to your organisational hierarchy.
- **Work out what data you have now, and where it is**. Are you clear on what data you have today and how you can access it?
- **Identify gaps in data**. Once you've completed the first two steps, you'll have a view on where any gaps are. By isolating the points where data flows break down or are disconnected, you can implement solutions to join them up such as through APIs and connective data layers.
- **Be clear on data retention policies**. What data do you need to keep hold of?

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Transformation is a process over time, not a one-off event.

You don't need to have all the functionality of your new system turned on from day one. Taking a phased approach makes the project more manageable. It also means that you can gain the confidence and trust of the Board as you build credibility for the new system by demonstrating the benefits at each stage. In today's financially constrained environment that could prove key to securing budget.

What you can do

- **Have a clear vision**. Have a vision of where you want to get and plot a step-by-step transformation to get there.
- **Identify your minimally viable product**. Identify your must haves for go live and focus on delivering against them.
- **Be ready to change direction**. Review progress and reset you goals throughout your journey as your business objectives change, new regulations are released, and new tech becomes available.
- **Plan with scale in mind**. At each step ensure you aren't building in unnecessary complexity. You want a scalable solution that can flex and grow as required.



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How we can help

Our Powered Risk solution delivers agile, cloud-based capabilities and enhanced risk management processes. We've built Powered Risk around leading practices, processes and delivery models for GRC that we've tried and tested with a large number of organisations.

You don't have to start from scratch – you get a proven template with pre-built tools and methods that deliver value faster.

We've formed alliances with leading technology providers, including ServiceNow, so that you can benefit from our expertise and their tech.



KPMG and ServiceNow

ServiceNow's Integrated Risk Management (IRM) product is recognised as a leading solution for GRC. It helps organisations embed risk-informed decisions in day-to-day work, gaining real-time visibility that drives strategic results.

ServiceNow recognised KPMG as its Worldwide Transformation Partner of the Year in 2023 – for the second year running. That's–a sign of how powerful and effective our alliance is.

By delivering ServiceNow's platform through our proven Powered Risk approach, we bring you a truly optimised solution that will help transform your management of GRC. This includes ServiceNow's IRM, Configuration Management Database (CMDB), Security Operations (SecOps), IT Service Management (ITSM) and Human Resources (HR) modules.

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