

How do we make a business case for Integrated GRC?

The benefits of integrated Governance, Risk and Compliance (GRC) are enterprise-wide. The drive toward compliance also drives business objectives -- and this is key in making the case for transformation. Understanding enterprise values and objectives and taking stock of the current state in the organization is the first step in describing the case for change. Based on these inputs and a clear vision of the future, a business case will address how to transform people, process and technology, and how to align resources around these goals.

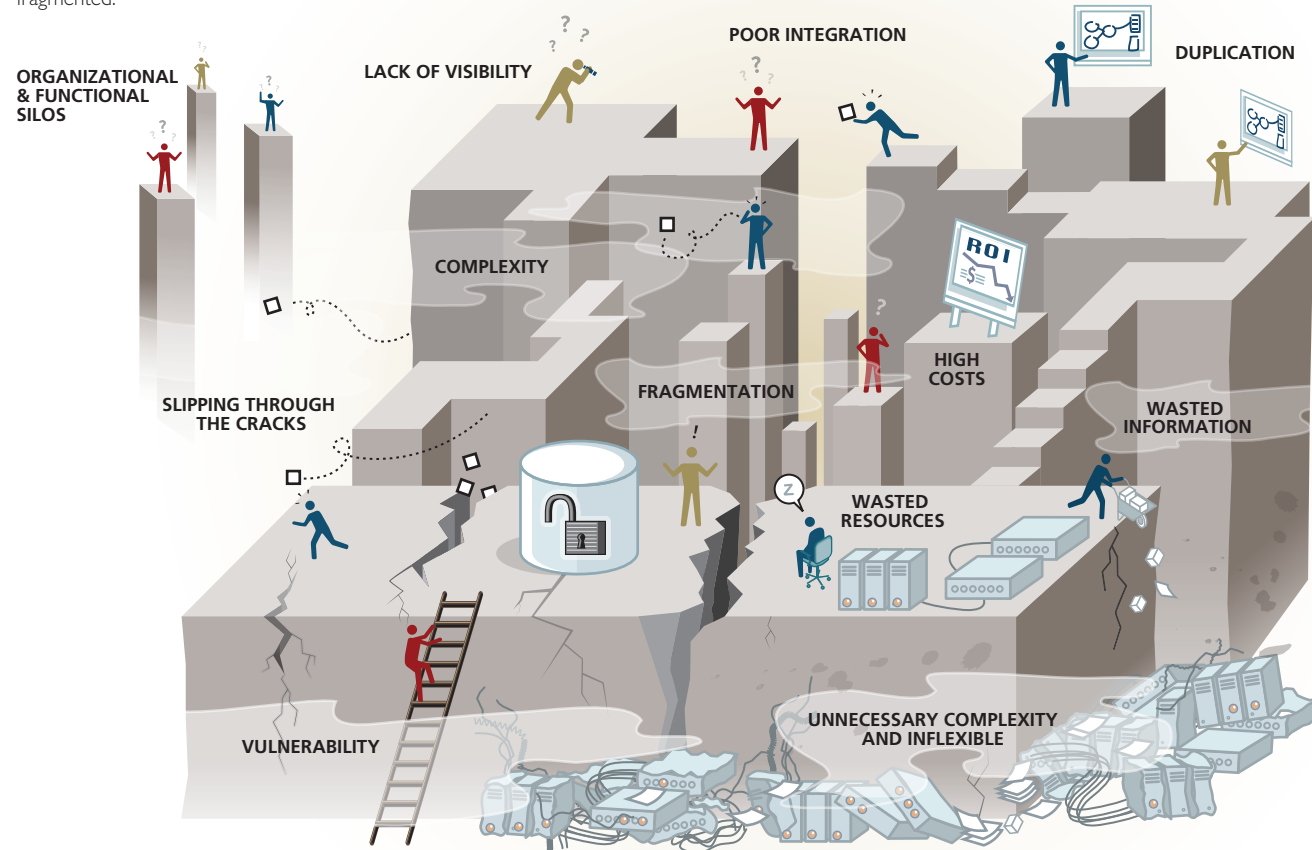


ABOUT THIS OCEG, COMPLIANCE WEEK ILLUSTRATED SERIES

Compliance Week and the Open Compliance and Ethics Group have teamed up to provide readers with this regular illustrated series on governance, risk, and compliance programs. A column related to this illustration, authored by OCEG CEO Scott Mitchell, can be found on Page 43. For information on how to download this illustration and provide feedback on the series, see Page 46.

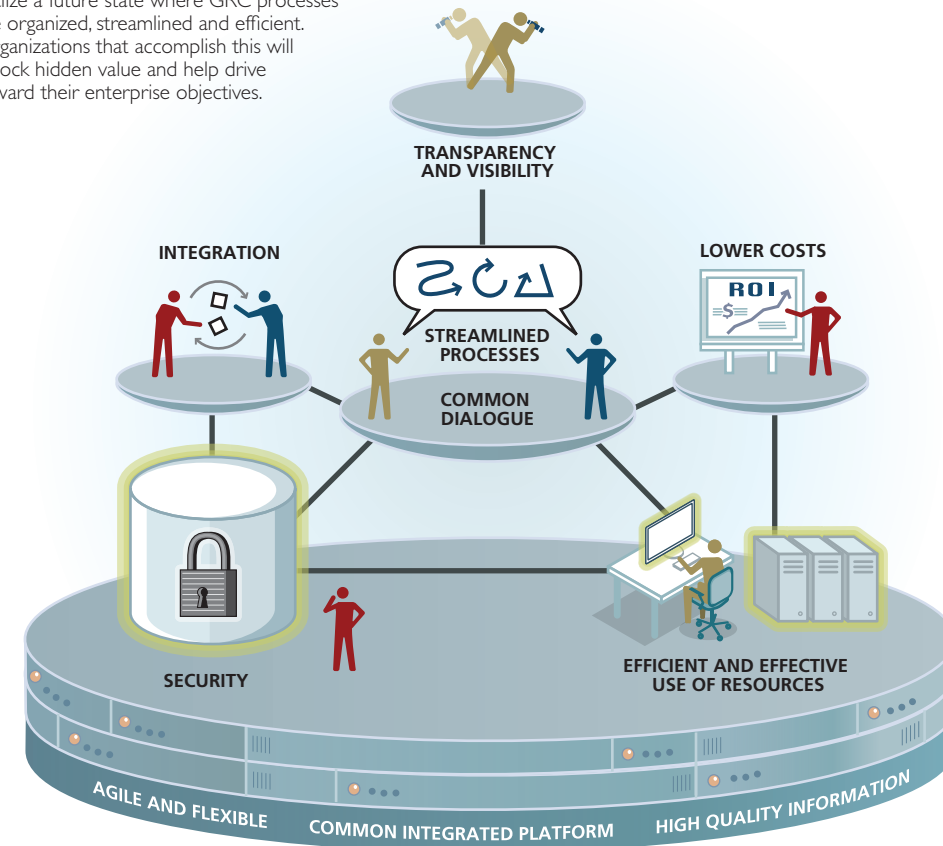
CURRENT STATE

In some organizations, the current state of governance, risk and compliance processes is disorganized, unnecessarily complex and fragmented.



FUTURE STATE

As with any enterprise process, it is possible to realize a future state where GRC processes are organized, streamlined and efficient. Organizations that accomplish this will unlock hidden value and help drive toward their enterprise objectives.



Critical Success Factors



Team
Leadership alignment and the right mix of skills to see and analyze the entire situation

Openness
Willingness to listen; face the facts; don't shoot messengers

Enterprise Perspective
Get out of siloed thinking to see the big picture

Fact-Driven Analysis
Accurate, relevant information that reflects reality; use both quantitative and qualitative evidence

Clear & Compelling Story
Numbers will not speak for themselves – the numeric case must be supported by a narrative case

MAKING THE CASE FOR CHANGE

When making the business case for change, you must clearly understand your stakeholders and the things that matter most to them.

- Revenue (Customer Attraction & Retention)
- Profitability (Lower Costs)
- Asset Utilization
- Asset Protection / Security
- Workforce Performance
- Reputation / Brand Protection



1. Revisit & Redefine Values and Objectives

Focus on the most important enterprise objectives to make the case for integrated GRC.

- What do we value?
- What are our objectives?
- What will drive these values and objectives?
- What are the major risks to value?
- What are the "strategic hooks" for the business case?



2. Understand Current "As-Is" Situation

Ensure that you have an honest and accurate understanding of the current situation.

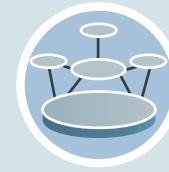
- Real costs
- Risks & Vulnerabilities
- Duplication & complexity in silos
- Losses due to noncompliance (investigations, fines, etc.)
- Confidence in GRC people, processes and technology



3. Define Desired "To-Be" State

What would success really look like? Define the attributes you seek to realize. Be realistic, but don't be afraid to stretch.

- Focus on the desired outcomes
- Consider how these outcomes impact objectives
- Ensure that success can be measured



4. Analyze Costs & Benefits

Determine what it would take to achieve the to-be state. Consider multiple options to avoid myopia.

- What are the people, process and technology elements?
- What are the costs to get there? How will costs change?
- What benefits are expected?
- What will be different?



5. Decide & Commit

Make a formal commitment to move forward and accomplish your goals. Leadership must be committed to both the goals and the process to get there.

- Determine the path forward
- Measure and assess the net value of change
- Commit to achieve the benefits, not to simply do a project