



Explaining the **Paradigm Shift** in Governance, Risk & Compliance

Welcome to GRC 5.0

Anthony Stevens

Are You Ready for the Revolution?

What is GRC?

Governance, Risk management and Compliance: a capability to reliably achieve objectives while addressing uncertainty and acting with integrity.

GRC has existed since the dawn of business, playing a part in business strategy, process and behaviour long we had an acronym for it. No matter what they call it, and regardless of the degree of success, **GRC** is something all organisations do. Organisations are governed, therefore they need to manage risk, demonstrate relevant compliance with obligations and operate within accepted boundaries. These elements must work together - each pillar is required in order for support and stability to exist.

One cannot just go and purchase some GRC, as one might naively assume. GRC is about an organisation's actions and activities regarding those three key elements, enhanced by an understanding of best practices and keeping up to date with available technologies.

The Evolution of GRC

Paper, and then emails, could be counted as the first technologies for GRC before entering the digital age. Since 2002, platforms have been developed to make GRC more efficient, effective and agile.

The evolution of GRC technology capabilities is outlined in five stages, as defined by the "**Father of GRC**", internationally-recognised GRC pundit Michael Rasmussen.

GRC 1.0

SOX Captivity: 2002– 2007

The first couple of years of strategy and technology were focused strongly on addressing the Sarbanes-Oxley Act 2002.

Commonly referred to as **SOX**, this US federal law was a response to scandals from high-profile corporations such as Enron and WorldCom. Protecting stakeholders and the public from fraudulent practices, SOX holds corporations accountable by:

- ensuring full financial disclosure;
- creating consistent standards for internal policies;
- requiring mandatory transparency of all corporate activities;
- increasing the rights and protection of whistleblowers;
- requiring corporations to report to independent external auditing committees.

At the time, the new GRC platforms became all about SOX compliance and internal controls over financial reporting. Solutions were advanced by this need, but the broader models of objectives and risk being defined by Michael Rasmussen were largely sidelined.

GRC 2.0

The Enterprise and Integrated Phase: 2007- 2012

GRC technology finally adopted an enterprise view of business objectives and the risks, controls, policies and issues related to those objectives.

The concept for the Enterprise Integrated GRC platform was to enable wider access within an organisation. The common information and technology architecture enabled multiple departments to manage risks, controls, policies, compliance, audits, assessment and incidents. The focus now fell on the second and third line: the back-office function of risk management and audit. The solution had severe weaknesses as well as strengths, and by 2012 it had become apparent that no single platform could solve all the complex challenges related to GRC.

GRC 3.0

GRC Architecture: 2012- 2017

An evolution began in which GRC moved from being entirely a back-office process – in other words, the second or third line of defense – and started to become the part of the front line, making risk and compliance decisions that impacted an organisation's objectives on a daily basis.

In many cases, there usually remained a GRC management nerve centre, but now, it no longer pretended to do everything.

As solutions and processes focused on market risks, much like managing the fluctuations of a stock market, technology for GRC expanded as organisations looked to leverage the best of risk, compliance and control solutions. Yet effective integration with an overall platform was needed for an organisation's risk aggregation, normalisation and reporting. Deeply focused GRC solutions needed to talk to other business systems.

With a lot of highly specialised risk applications and technologies arising, **GRC architecture** was all about enabling GRC platforms to be extended to these other systems, in order to aggregate information.

GRC 4.0

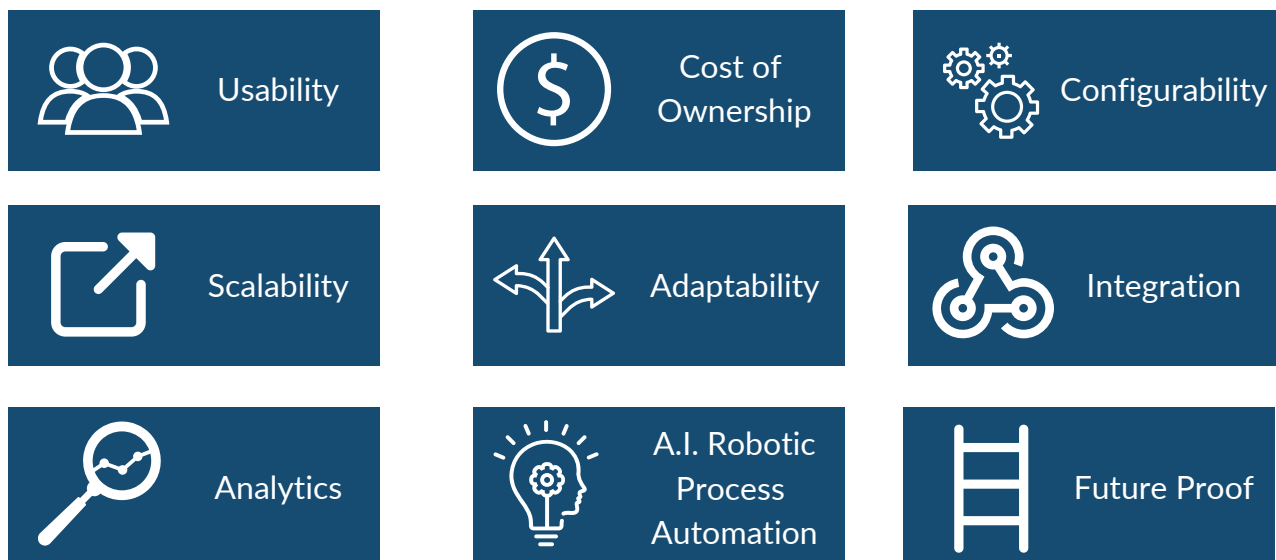
Agile GRC: 2017- 2021

By now, the front lines of organisations are making everyday strategy decisions based on risk and compliance. In this era, GRC has evolved to an agile model that has been long awaited. With highly visual and intuitive user interfaces, GRC 4.0 effectively engages front office functions, as the first line of defense, every bit as much as the back-office functions of previous GRC technology.

"Faster, Better, More" has become the baseline of expectations in the digital world. Now is the time for governance, risk management and compliance (GRC) functions to participate in shaping the future in the digital world.



The Components of Agile GRC Technology:



The new school, “Agile GRC” now thankfully has a technology agenda at its heart. And boy do we need the cost savings it provides. There are some real innovators in this space, providing valuable solutions that offer state-of-art architecture, constantly updated data and content, as well as really handy ways to apply all of this information.

The new breed of Agile GRC software is taking the technology to the next level of value for organisations.

GRC 5.0

Cognitive GRC: 2021 and beyond

Even more efficient, even more effective, even more agile. We are now watching the transition to the next generation GRC: cloud-based, designed to add value to all participants in the value chain, and integrating data and logic with artificial intelligence.

Artificial intelligence elements such as machine learning, natural language processing and predictive analytics are already having an impact, taking Agile GRC to the next level.

Cognitive GRC learns from its experience and uses what it has learnt to draw conclusions. It identifies images and patterns, solves difficult problems, understands different languages and creates new perspectives.

GRC 5.0 platforms are now also designed and integrated with the industry value chain, meaning they provide value to both businesses and their advisors by streamlining the flow of information to ensure a more timely and effective response.

Finally, GRC 5.0 platform tackle head-on, the challenges associated with the ever-changing rules that impact compliance - i.e., the standards, laws and regulations that drive compliance. GRC 5.0 platforms will include innovative ways in which that content is ingested, stored and managed, and will produce valuable insights.

Proving themselves with early adopters, cognitive GRC technologies are set to gain a greater hold in the market in 2021 and become mainstream in the next two years.

Out With the Old

Although cloud-based technologies are widely accepted and expected in this era, many businesses are still rusted onto old processes and methods, which is unnecessarily shackling the organisation to a system that is just no longer there for them. Those who insist on continuing with a legacy GRC implementation will inevitably be left holding an empty sack.

Businesses should also be cautious about legacy GRC solution providers who say they have come to the party. Be sure to dig a little deeper, lest you discover all too late that it's a façade - such as an updated user interface on decades-old underlying data and unwieldy application architecture. In addition, it's very difficult - if not impossible - to adapt a legacy GRC platforms so that it integrates effectively with the industry value chain.

To embrace change and staying at the forefront of business, organisations should be ensuring their GRC 4.0 solutions have strategies to embrace artificial intelligence and automation.



Your Solution Starts With a CLICK

By now, it should be apparent that your organisation needs a mature GRC capability supported by strong information and technology architecture, able to provide an integrated view of objectives, risk, compliance, control, events and more. And this is what we offer.

6clicks provides you a complete Risk and Compliance Operating System that revolutionises the way organisations mature their cyber security, data privacy, risk management and compliance capabilities.

The 6clicks platform is agile, integrated with the industry value chain, and powered by our artificial intelligence engine Hailey. Everything you have just been reading about.

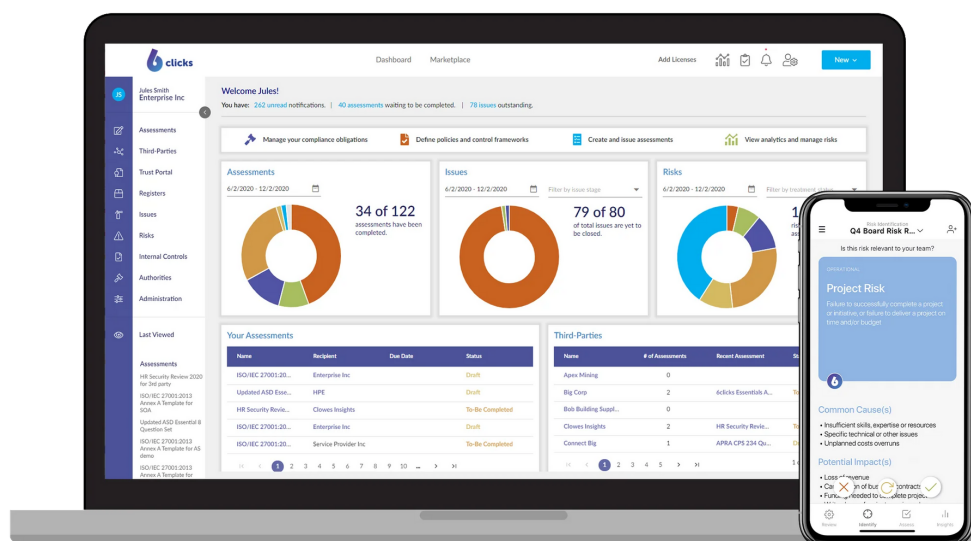
Our suite of products includes:

a curated and customisable content library

an award-winning mobile app

a world-first AI engine

a ground-breaking risk intelligence social network



Transform your business not just with smart people,
but with **technology** also!

Our service and products allow our direct customers, consultants, lawyers, assessors, auditors and service providers in general to leverage the 6clicks Risk and Compliance Operating System easily and quickly.

With offices across APAC, UK, U.S. & India - there is a 6clicks maestro near you.

Visit **6clicks.io**

