Modernizing your GRC platforms

The journey towards digitalization

As evidenced by the 2022 KPMG CEO survey, most organizations are either in the process of, or have been on their path to, digitalization[1]. Included in this path is the digitalization of governance, risk, and compliance (GRC) programs. Also, referred to as integrated risk management (IRM), organizations began automating standard workflows using web-based technologies that reigned supreme as point solutions. However, with digitalization in high gear, as well as advances in technologies, organizations are considering replatforming their GRC capabilities from legacy tools to more modern technologies that are powerful, intuitive, and forward leaning and, importantly, reduce operating costs (including technology debt), performance issues, and the need for specific skilled support resources.

Replatforming GRC capabilities is not a trivial effort. It is not as simple as pushing a button to lift and shift capabilities from one toolset to another. Such a lift and shift often results in overinvestment and undervalued outcomes. Successful organizations treat replatforming as an opportunity to review, reimagine, and reframe their GRC program, and then adopt a set of tools that will lend insights for advancing risk culture; improving adherence to regulatory requirements; and cutting down costs of maintaining legacy tools, integrations, and code bases that contribute to inefficiencies.

In this paper, we highlight a set of considerations that will allow you to reimagine your GRC program while you replatform it with a modern tool set:

Back to the drawing board: There is no better time to go revisit your program's vision than when you are swapping out the underpinning technologies. This program that prepares the organizations to meet modern day challenges. When swapping the underlying toolsets, it is important to think about the processes and underlying and foundational data. In addition, it is equally important to consider the integrations and skill sets you want to retain, as well as making decisions around what toolsets you want to upgrade and/or sunset. **And in doing so, you would present yourself with an opportunity to re-create the vision for your program that is enabled on a set of tools that are leaning forward versus lagging.**

Change the rules: Legacy programs are, by definition, based on principles that are legacy too. In order to modernize the program and replatform it on a forward-leaning toolset, it is imperative to change the rules, supporting guiding principles, processes, and potentially, the current operating model. Trading off the approach that "lifts and shifts" to one that "refreshes your capability set" will allow an organization to revisit the scope of the program, its strategy, and the technology roadmap. For example, we often find organizations that did not contemplate user experience, cloud-based tools, or certain GRC processes in scope given the limitations of the legacy tools. **Such organizations stand to benefit from approaching the replatforming exercise to be aligned to the current-day capabilities and practices.**

[1] Source: KPMG CEO Outlook Survey, October 4, 2022

Redesign beyond workflows: Organizations have lofty visions but translating them to outcomes requires making big bets and taking quantum leaps. Those that go short on execution tend to suffer from value deficit. This is especially hard for organizations that are averse to change and don't want to break things that are seemingly functioning. By taking the opportunity to redesign from the ground up, organizations 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 and insights. Specifically, consider a future that allows for improvements across new technology capabilities, like virtual agents, machine learning, and quantifiable insights. **Organizations that approach technology in a modern way will see accelerated solution deployment through standardized code libraries, lower costs of compliance over time, and contribute to business performance through actionable decisions.**

Remember your data: Oftentimes, organizations tend to underestimate the importance of migrating data as part of GRC capability migration/transitioning. It is important to realize that data supporting your GRC programs is more relevant than the tools that processed them. Given that, it is critical to develop a complimentary data strategy alongside GRC replatforming strategy. As an example, it may be tempting to not move legacy data to your new program foundation. Typically, the retention policies apply to data—whether it is in legacy systems or new toolsets. **For that reason, it becomes important to consider data strategy as an integral component of replatforming strategy and roadmap.**

Lean in to "Out of the Box" technology capabilities: By reimagining the vision and future-state design, organizations can lean into modern technology capabilities that can easily scale to meet ongoing business challenges, stakeholder growth, and technology changes. Leveraging out-of-the-box functionality, such as built-in workflow, reporting, and artificial intelligence/machine learning capabilities as much as possible will allow for optimized processes, enable leading practices, reduce implementation effort, and minimize the impact of future upgrades. **This approach allows organizations to achieve faster time to value and a stronger foundation to evolve future capabilities, but also reduces technology debt through innovation and modernization.**

Focus on change: Any initiative in an organization is only as good as their adoption rate by the stakeholders involved. This can be the single-most important factor that derails the success of a GRC implementation. Replatforming a GRC program requires reprogramming stakeholder mindsets along the way. For example, it is important to collaboratively develop and share the goals, and vision, and provide continued updates on process being made within the program to all key stakeholders. Equally important is to position this as an opportunity to learn new skills, build new competencies, and align across business stakeholders. **Actively focusing on this from visioning through execution, as well as post-implementation, increases the odds of success of the replatforming initiative.**

This paper presented six key factors to consider when replatforming a GRC program. By embracing GRC replatforming as a capability rebuilding exercise, organizations can increase the odds of success by prioritizing their mission, stakeholder experiences, and data-driven insights. At KPMG, we firmly believe **these considerations can help guide organizations toward using this as an opportunity to enhance trust among their stakeholders including regulators, customers, third parties, employees, and communities in which they operate.**

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