



| Making the Case for  
INTEGRATED GRC SOLUTIONS



When it comes to governance, risk, and compliance (GRC), many organizations find themselves at a crossroads. They recognize the importance of managing risk and complying with regulations, but are also under tremendous pressure to cut costs. Proving the value of new processes and solutions can be a daunting task.

But it doesn't necessarily need to be.

## WHAT IS GRC?

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GRC is not simply technology and tools; it encompasses a comprehensive strategy and organizational mindset for managing governance, risk, and regulatory compliance.

- **Governance** is effective and ethical management by the board of directors, executives, and management that enables an organization to reliably achieve its objectives.
- **Risk Management** is the ability to address uncertainty and effectively mitigate risks that can impede operations or the ability to be competitive in the market.
- **Compliance** involves the institution's ability and efforts to act with integrity and become or remain compliant with laws and regulations.

The information and business functions important to GRC can span the entire enterprise. For example, critical vendor information and contracts could be buried in a spreadsheet, or important regulatory information could be on a scribbled note on an executive's desk.

Decentralized or disorganized processes and data management can add unintended risk, which can potentially lead to lost revenue, audits, or fines — and no organization wants to find itself in that situation.

This is where technology solutions come into play as a way to increase oversight and integrate your risk and compliance management efforts.

# GRC CHALLENGES

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## More Regulations

With limited resources and compliance deadlines looming, institutions often find themselves overwhelmed by the demands of new and changing regulatory requirements.

Many will make do with an *ad hoc* approach, which may be expedient in the short term, but become confusing and hard to track and maintain in the long term. Varying frameworks, manual processes, and data silos present serious challenges for organizations' compliance efforts.



## Data Silos

Many organizations (both large and small) function in silos, where each business unit has its own set of compliance regulations, vendors, and processes. Critical information may be stored in multiple locations, resulting in duplicate or inconsistent data. This complicates management and maintenance, prevents information sharing between departments, and may even conceal potential risks.



## Disconnected Solutions

A natural outcome of a siloed approach is to manage each business unit with different tools. Often these products are expensive and don't integrate easily, causing fragmentation within the institution. With disparate solutions, you run the risk of duplication, conflicting data, and higher costs.



## Greater Risk

Unnecessary risk threatens your organization's ability to meet goals and drive growth. But identifying and monitoring risk can be challenging and time-consuming, especially with different business units working in silos. Plus, failure to effectively mitigate risk makes strategic decision-making more difficult.

# BENEFITS OF A COMPREHENSIVE GRC SOLUTION

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## Manage Compliance Effectively

By removing data silos and integrating all critical information, a GRC solution equips organizations to comply with regulations, lower audit findings, and improve overall risk treatment. Full-featured platforms enable automated task management, simplify monitoring regulatory changes and compliance status, and provide tools to create and manage risk assessments and reports.



## Tear Down Data Silos

The most effective solutions maintain a secure, centralized database for better information management, which makes it easier for all users to share and verify GRC data. This reduces duplication, increases consistency, enables accurate reporting, and equips management to make informed, risk-based decisions.



## Consolidate Your GRC Efforts

An integrated GRC solution establishes a single source of truth for the entire enterprise, helping organizations create streamline their processes, managing data and workflows within one platform.



## Manage Risk Holistically

With a comprehensive management platform, institutions can streamline all risk management processes, effectively identifying both threats and opportunities and mitigating vulnerabilities. This clarifies connections between risk and business outcomes, giving organizations confidence to make strategic decisions.

## SEEING THE BIG PICTURE

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It's important to note that a GRC solution is just one part of the bigger picture. An integrated platform helps manage your organization's GRC efforts, but will be only minimally beneficial without the proper controls and processes already in place.

Organizational leadership needs to understand that technology solutions are designed to simplify and automate existing processes, which is critical for building

successful GRC initiatives. Implementing new technology also requires strategic planning. One approach is to initiate a phased roll-out for your solutions, which enables you to focus on your highest priority needs and deliver some quick wins. Then you can introduce additional GRC capabilities as you develop

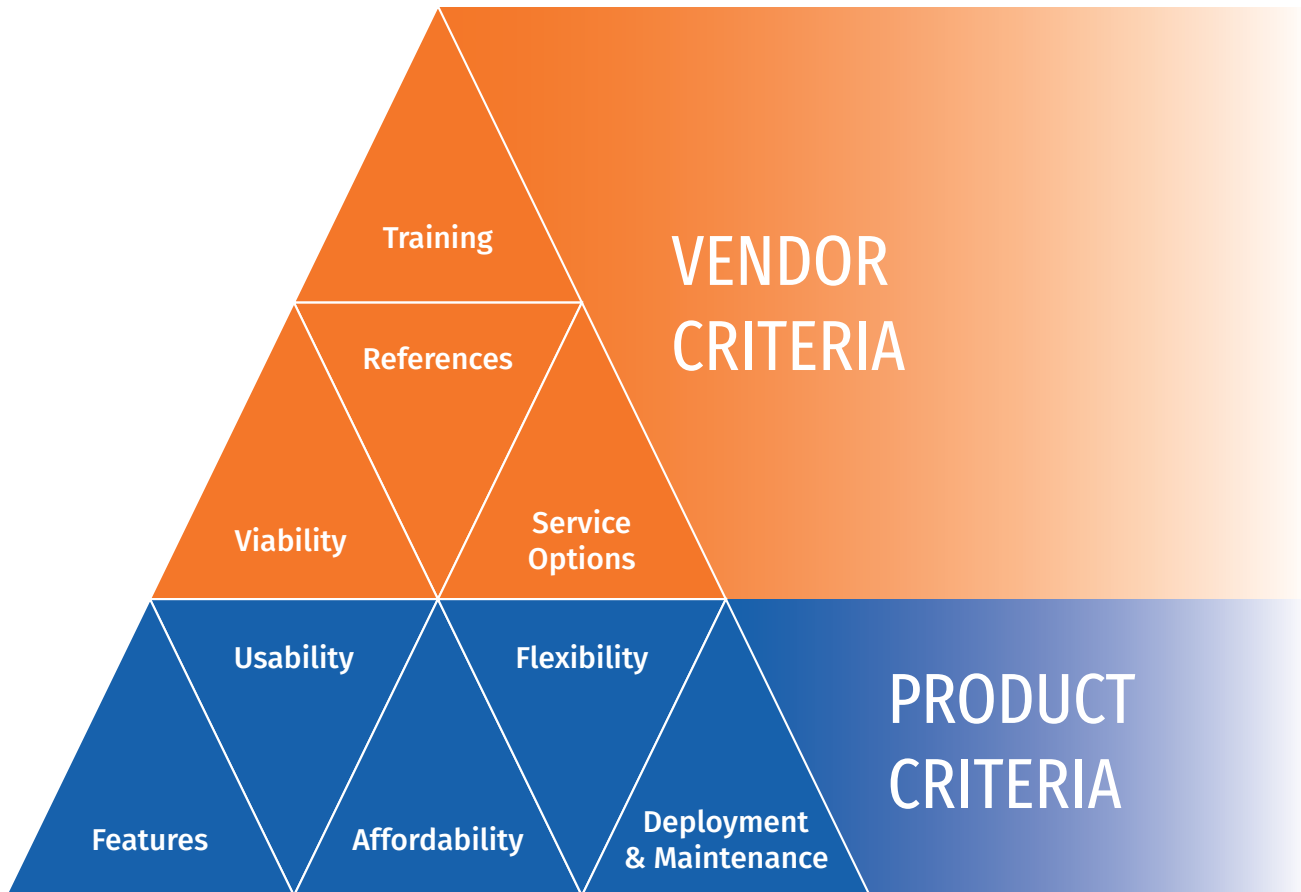
your management strategy or as your business grows. However, if you don't yet have strong internal controls or processes in place, a good vendor should still be able to help. Top providers have consulting and deployment services to jumpstart the process of developing controls, processes, and launch strategies.



# EVALUATING GRC SOLUTIONS & FINDING THE RIGHT VENDOR

GRC management tools can be complex, but functionality and ease of use do vary between vendors. To weigh the pros and cons and make sure you're choosing a solution that delivers maximum benefit and scalability, it's a good idea to make a list of your organization's short- and long-term requirements prior to selecting a solution.

## Solution Evaluation Pyramid



## Product



## Evaluation

### FEATURES:

Does the solution provide the basic and advanced functionality you need?

### USABILITY:

Are the interface and built-in tools intuitive and easy to use?

### AFFORDABILITY:

What is the total cost of ownership?  
Are there any add-ons or hidden costs?

### FLEXIBILITY:

Does the solution work with your existing processes? Will it be able to meet your needs as your organization grows and evolves?

### DEPLOYMENT:

How long will it take to fully implement, configure, and train staff to use the solution?

### MAINTENANCE:

How easy is it to update the platform?  
Do you pay for updates?

## Vendor



## Evaluation

### VIABILITY:

Is the vendor profitable and knowledgeable? Is its business outlook favorable for the long term?

### REFERENCES:

Can the vendor produce appropriate references?

### SERVICE OPTIONS:

Are service or consulting options available to supplement the solution?

### TRAINING:

Is training available?  
What are the associated costs?



# MAKING THE BUSINESS CASE FOR GRC SOLUTIONS

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In today's business landscape, effective GRC management tools are essential to the success of enterprise risk and compliance management initiatives. However, GRC professionals like risk managers and compliance officers must often educate their organization's board or leadership team to communicate the business value of investing in new technology.

Purchasing any new solution has upfront costs, so it is important to develop a quantifiable return on investment, or ROI, that can be brought to the board or executive management. In general, the formula would look something like this:

$$\text{Simple ROI \%} = (\text{Gain from Investment} - \text{Cost of Investment}) / (\text{Cost of Investment})$$

When calculating your cost and benefits projections, it is important to collaborate with other business functions such as audit, business continuity, risk management, and vendor management to build the best long-term business case.

## Calculating ROI

### STEP 1 – BENCHMARK CURRENT PERFORMANCE:

Documenting your internal business processes and setting a benchmark of your current GRC costs help demonstrate the inefficiencies of your current system. Things to consider include:

- Redundant labor costs
- Redundant technology costs
- Outsourced labor or consultants
- Regulatory fines and/or near misses
- Current (and future) additional resources needed to remain compliant

## STEP 2 – ESTIMATE SAVINGS:

Through a detailed analysis of your current performance, estimate the potential savings your organization will be able to see through cost reductions and increased efficiency.

## STEP 3 – ESTIMATE COSTS:

Speak to your shortlist of GRC vendors and get cost estimates for your organization. This may include:

- License fees
- Implementation or training fees
- Service fees
- Potential downtime during implementation and training

## STEP 2 – ESTIMATE SAVINGS:

Through a detailed analysis of your current performance, estimate the potential savings your organization will be able to see through cost reductions and increased efficiency.

## STEP 4 – FORMULATE ROI:

Plug your numbers into the ROI formula:

$$\text{Simple ROI \%} = (\text{Gain from Investment} - \text{Cost of Investment}) / (\text{Cost of Investment})$$

To project this out over several years, simply multiply your *Gain from Investment* and *Cost of Investment* by 5 for five years or 10 for ten years before plugging them into the equation.

## SIMPLE ROI % EXAMPLE

$$\begin{aligned} & (\text{Savings over five years: } \$100,000 - \text{Cost of investment over five years: } \$50,000) / \\ & (\text{Cost of investment over five years: } \$50,000) \\ & = 100\% \text{ over five years, or } 20\% \text{ savings per year} \end{aligned}$$

## STEP 5 – MAKE YOUR DECISION:

At this point, you should have a more informed perspective on weighing the costs and benefits of implementing an integrated GRC solution.

# CONCLUSION

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Organizations of all sizes stand to gain significant benefits from investing in a GRC management platform. The barriers to implementing cost-effective solutions are becoming negligible, and real improvements in business processes and cost reductions can be achieved when stakeholders work together toward a shared goal.



**Learn more about what's possible with an integrated GRC management platform:**

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