

The 4 Phases of Your Risk Management Journey

Business today can be overwhelmed with constant change—both internally and externally. The forces exerted on an organization include competitive pressures, regulatory flux, geopolitical instability and a whole host of other factors that can introduce unpredictability. No organization can achieve complete visibility into risk. There is no crystal ball that will magically outline opportunity, map risks and provide a distinct, unobstructed path to success. However, there are specific stages organizations can move through in building an integrated risk management program.

The RSA Archer® solution has defined a multistage maturity model with which to track the progress of the journey toward risk management maturity.

Siloed Stage: Many organizations can get stuck in the most elementary risk and compliance approaches that attack individual issues within a stovepipe strategy. This strategy relies on a constant firefighting mode for the front line and functional employees. With the focus typically on compliance and tactical risks, the organization cannot see beyond the immediate issue. Risk managers are hunkered down in the trenches with little movement forward, relying on old-fashioned approaches that may get the job done but will never enable them to keep pace in today's market.

These organizations need to take the compliance crush off the table and start addressing regulatory and industry requirements in the most efficient and effective manner. This requires automating compliance and building a cohesive strategy to deal with the “table stakes” of doing business. Compliance obligations need to be tackled but with an eye towards the future. Building more silos at this point is futile. Risk and compliance functions need to focus on where data and processes can be leveraged, reused and shared—and where limitations of niche, operational tools can be overcome. By transforming compliance, companies can pave the way to the next stage in their journey.

Managed Stage: Companies in this stage have solved or are well on their way to solving the compliance conundrum and are poised to harness risk. Transforming compliance has resulted in common policies, standards and controls, an effective control infrastructure, and efficient methods to measure, monitor and report compliance state.

Companies in this stage need to become aware of the various risks they are juggling and put plans in place to manage these risks within the context of a broader strategy.

A key factor in this evolution is addressing both cyber/technical risk and business risk with a combined strategy. The business needs to understand the risks in its technology landscape, and technologists must be active participants in addressing business risk. The risk program should be focused on giving the business the insight to navigate major issues. This progress is being fueled more and more by metrics and analytical capabilities that provide visibility into risk.

Companies in the Managed stage begin building the bigger picture, shoring up strong competencies and bringing weaker elements up to a stable state. As the business risk management program matures, effort begins shifting from compliance as the key driver to focus more and more on risk. The organization eventually reaches a point where the business objectives take the lead and the company is then poised to move to the next stage—Advantaged.

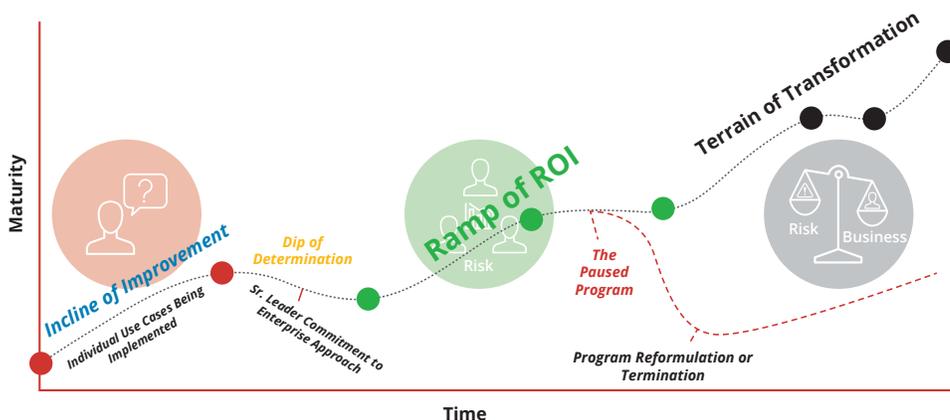
Advantaged Stage: When the organization has mapped out and conquered the risk landscape, it's time to begin exploring the opportunity landscape. The organization is now ready to realize the competitive advantages of harnessing risk—beating competitors to market, launching new products and services with calculated efficiencies, and avoiding major issues that affect reputation and the bottom line. They have turned the corner from managing unrewarded risk to benefiting from rewarded risk.

The four phases of the risk management journey

Your journey through the three stages of maturity will depend on many things. There is no single path to improving risk management in an organization. Organizational complexities, cultural differences, market factors, business changes, leadership shifts, technology strategies and other variables will impact your journey.

While there isn't a "typical" journey, there are generally four phases:

- Incline of Improvement
- Dip of Determination
- Ramp of ROI
- Terrain of Transformation



Most often, organizations start the journey by focusing on individual, tactical needs. These use cases—defined by the organization’s business priorities—should build a foundation and begin demonstrating quick wins. This can be called the “Incline of Improvement” as the organization moves up the maturity scale. You will start seeing some efficiencies, reduction of time and effort to meet risk management requirements, improved reporting around those use cases, some data sharing and other indicators of improvement.

A key turning point for many organizations is a stronger commitment from senior leadership to a more enterprise-level approach. While the initial implementation may be sponsored by senior leadership, as organizations progress up the “incline,” at some point the wins start adding up. Executive management sees the value in the effort and issues a mandate to break down silos, consolidate platforms, establish common taxonomy and assessment approaches, streamline reporting, etc. This is a big step forward as it gathers more resources and momentum for your program.

However, most organizations will see a dip as processes take one step backward to take two steps forward. This “Dip of Determination” is a positive step, as it sets up a stronger program, but you must keep focus. As you do, some processes may need to change to break down organizational barriers (the step backward) and to move on to the next phase (the two steps forward)—the “Ramp of ROI.” At this point, organizations are in the Managed state of maturity and really starting to connect the dots. It is important to keep momentum going to get up that ramp.

Somewhere along this ramp there is an important inflection point. As the program matures, the goal is to take the next step to address new and changing business activities—those growth activities that are fueling the business. Organizations are seeking to reach the “Terrain of Transformation”—where risk management is part of the culture. At this phase, the discussion is around business opportunities and the organization reaches the Advantaged stage of maturity. Once an organization reaches this terrain, there must be constant and continuous measurement of the risk management program. The organization cannot be lulled into a false sense of security, since the business constantly changes. The good news is that organizations that reach this level of maturity generally have a good sense of how to ride through the waves of change and adjust accordingly.

The bad news is there is another trajectory that your journey could take. Anywhere along this journey, a “Paused Program” can lead to a downward spiral. This could be triggered by several different factors. Many times, the loss of a program champion, a lack of resources or a general lack of progress (program wins or demonstrated value) can derail your strategic plan. If the program pauses, it will lose ground and could end up dissolving to the point where the program has to be reformulated and re-established. The process then starts over as the organization goes back through the phases. Given how important risk management is today, it is imperative to show progress and keep the program on track.

Phasing your organization with RSA Archer solutions

The phases outlined above are excellent examples of how RSA Archer solutions can play a critical role in keeping your program moving. The RSA Archer use case strategy allows an organization to implement individual use cases to meet business priorities. Each use case pushes your organization up that incline of improvement—incrementally building capabilities within the context of a larger strategy. With RSA Archer solutions, the risk program doesn't have to take multiple steps backward to move forward when it hits that dip of determination. The configurability of our platform and the ability to share data and leverage processes helps organizations address the convergence of risk management efforts. As more and more risk management processes come aboard RSA Archer as the risk management platform, the return on investment gains steam. The RSA Archer solution, as a centralized, consolidated platform, provides the technology infrastructure to automate and streamline processes. Finally, your business benefits from a multidisciplinary approach to risk management when leveraging the breadth and depth of RSA Archer solutions to navigate the transformation towards program maturity.

Business risk management enables organizations to improve business performance through reduced risk as well as more informed and faster decision-making. RSA Archer solutions help you reduce risk by:

- Defining and enforcing accountability for risk and compliance issues
- Enabling collaboration on risk issues across business lines and organizational boundaries
- Driving efficiencies by automating processes
- Improving visibility by consolidating data and enabling risk analytics across the organization

These are all core elements of the journey towards maturity. The RSA Archer maturity-driven approach enables organizations to bring day-one value and plot the course of your program, from Siloed to Managed to Advantaged.

Learn more about RSA Archer solutions for business risk management at rsa.com/grc.

About RSA

RSA offers business-driven security solutions that provide organizations with a unified approach to managing digital risk that hinges on integrated visibility, automated insights and coordinated actions. RSA solutions are designed to effectively detect and respond to advanced attacks; manage user access control; and reduce business risk, fraud and cybercrime. RSA protects millions of users around the world and helps more than 90 percent of the Fortune 500 companies thrive and continuously adapt to transformational change. For more information, go to rsa.com.

