

Addressing Operational Risk with GRC

Gain a competitive advantage

We understand how hard it is to drive consistency and automation across different functions while managing operational risk. The ServiceNow® Governance, Risk, and Compliance (GRC) Operational Risk application can help address this effectively.

Efficient risk management is critical to running a successful business. With the increasingly complex business environment and threat landscape, it has become essential to identify, assess and manage risks more holistically. Operational risk is inherent as organizations deal with products, services, processes, systems, technologies, vendors, people and more. Risks arising from any of these can cause business disruption impacting strategic objectives and resulting in financial losses and reputational damage.

ServiceNow GRC helps consolidate siloed risks that exist across the organization with the Advanced Risk Assessment engine. The engine is built to address operational risk through an integrated risk framework. The integrated risk framework provides the ability to quickly identify, prioritize, and react to a wide variety of risks emerging throughout the organization with a single lens and common language. This unique approach enables you to do business with confidence knowing the risks and opportunities. It also provides a significant competitive advantage because it creates an environment where you can improve your decision making, increase performance, and reduce costs. Let's take a closer look at how ServiceNow GRC tackles operational risk.

Risk and control library - Establish a standard taxonomy across the business, risk, compliance, and audit with a risk register or risk catalogue that can be broken down as granular as necessary. This provides the flexibility to drill down as you navigate your maturity journey. It also drives clear ownership. Having an inventory of all risks and controls in a centralized repository or risk universe makes it easier to aggregate risks at various levels of the hierarchy, providing visibility into the areas that need focus.

ServiceNow GRC is uniquely positioned to connect the risks and controls to lines of business, functions, assets, processes, business services and many other components in the Configuration Management Database (CMDB) - providing business context. ServiceNow GRC enables you to create and map risks and controls to the flexible enterprise hierarchy, reflecting today's matrixed organization.

Risk Control Self Assessment (RCSA) - Evaluate inherent risk, the effectiveness of the control environment, and residual risk through manual or automated risk assessments. The built-in Advanced Risk Assessment engine is flexible enough to support multiple risk frameworks simultaneously, irrespective of whether it is top-down or bottom-up, quantitative or qualitative, simple or complex in nature. It provides visibility into the risk profile across business units and functions by rolling up risks and showing an aggregated or a worst-case view to stakeholders. Since RCSA's are granular, it becomes hard to collect the information manually

Benefits

- Prioritize your risks across the enterprise using dynamic dashboards that provide a holistic view of risk.
- Facilitate communication by establishing a common language across the enterprise.
- Identify and react to new or emerging risks quickly with continuous monitoring of risk, control, and compliance.
- Improve risk-based decision making, at all levels of the business, with up-to-date information on dashboards tailored for each group's unique needs.
- Work on the most critical risks first based on automated calculations that allow you to prioritize risks by impact and identify those that exceed predefined thresholds.
- Simplify reporting to the SEC or the board of directors using risk roll-up, which calculates risk at all levels of the risk hierarchy. Reporting capabilities makes generating presentations easy.
- Built on a flexible platform so you can tailor ServiceNow GRC easily to meet your business needs.

to complete assessments. ServiceNow GRC powers real-time risk assessments using automated factors that can fetch information on any data point in the Now Platform®. Automation will enable your organization to be agile in responding instead of muddling through with stale data. Risk assessments are robust and can include data points like cases, incidents, internal loss data, external loss data, key indicators, operating health of key assets, policy exceptions, open vulnerabilities, regulatory findings and many more without having to manually enter this information. Removing the manual factor not only provides dramatic benefits because of the real-time nature of the process – it's not point in time or annual, but it also saves time so your team can focus on the task of managing risks. This enables process or service owners to understand the material risks that their processes are exposed to, and whether their key controls mitigate those risks within the risk appetite.

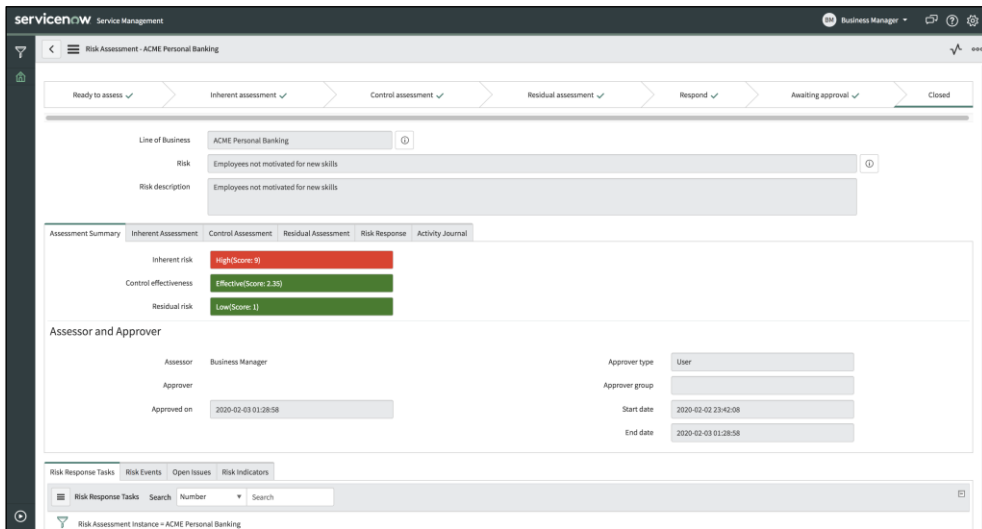


Figure 1: The assessment summary offers a valuable high-level overview.

With its simplicity and pervasive design, employees at all levels can identify and evaluate risks. It also integrates with third-party products such as RiskLens to provide more advanced quantitative risk analysis. Furthermore, with the Advanced Risk Assessment engine you can assess business, projects, IT applications, and products to connect the silos and get a good view of Enterprise Risk.

Key Risk Indicators (KRIs) / Key Control Indicators (KCI)s – ServiceNow GRC indicators are unique. They help monitor and report operating effectiveness of controls as well as business risks as they occur. Because data from applications across the enterprise is consolidated in the Now Platform you can gather any information and move from a point in time methodology to continuously monitoring risk for any department or function. Indicators can inform regarding your compliance levels also, providing additional information for your RCSA as well as for managing risks in a more efficient way.

Issue Management – Manage deviations and observations by logging them as issues, group similar issues into a master issue for efficiency and track the full lifecycle to closure. Issues can be automatically created when risks are identified and using the information available in the CMDB they can be assigned to the appropriate individuals, reducing the time to remediate. And the mobile application makes it easy to manage issues on the go.

Risk / Loss events – Gather various type of risk events like near-misses, financial and non-financial losses from any employee using the chatbot interface or through traditional means. A Risk Event can also track losses pertaining to personnel, information assets, IP, security incidents and other events. An ORX integration is included to import external loss events to refer and plan. Relate these events to existing risks and controls or identify new ones, performing root-cause analysis and taking actions so that the issue never occurs again. The multi-level approval workflow based on financial and non-financial thresholds allows relevant stakeholders to review the impact.

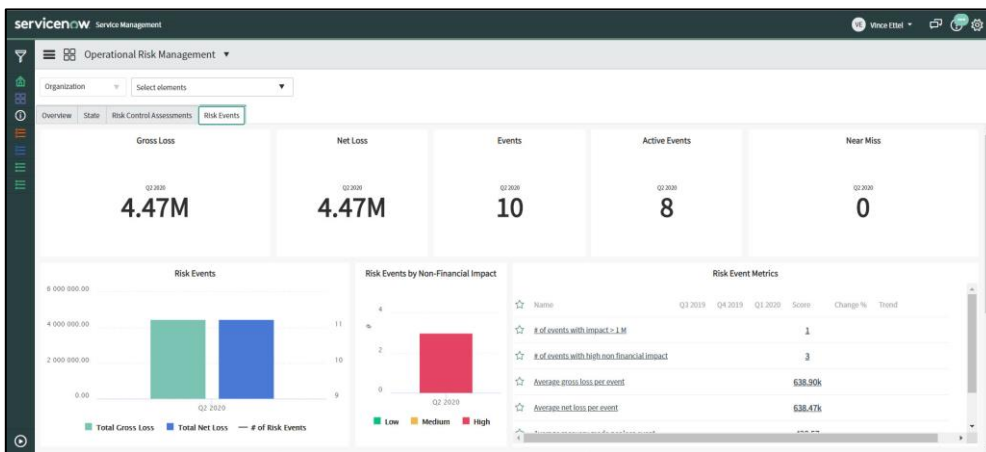
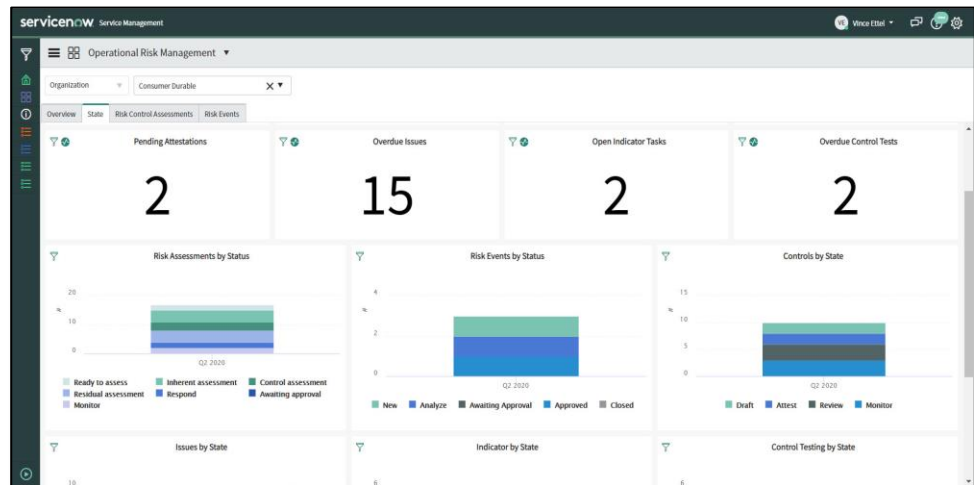


Figure 2: The Risk Event Dashboard provides visibility into operational risks.

Insightful risk reporting - The ability to provide decision-makers, at all levels of the business, with up-to-date information regarding the organization's risk posture is critical in a risk management program. ServiceNow GRC provides comprehensive visibility into operational risk via real-time analytics dashboards, Basel reports and notifications. Risk rollup, compliance rollup, and the entity by risk statement provides aggregated information irrespective of the entity type assessed. The reporting framework allows you to use handy tools like loss forecasting for better planning. Risk Managers will have all the information necessary to make informed decision to manage risk effectively. The platform also enables users to easily create their own reports.

Figure 3: This comprehensive report shows the status of risk events, issues, controls, and assessments.



ServiceNow Governance, Risk, and Compliance

Our Operational Risk capabilities is part of the Risk Management application in ServiceNow Governance, Risk, and Compliance (GRC). ServiceNow GRC helps power your resilient business with risk-informed decisions embedded in daily work. By seamlessly embedding risk management and compliance activities into your digital workflows and familiar user experiences, you can improve decision-making, gain real-time visibility into risk, and increase productivity. Only ServiceNow can connect the business, security, and IT with an integrated risk framework that transforms manual, siloed, and unfamiliar processes into a user-friendly, unified program built on a single platform. Governance, Risk, and Compliance consists of six applications: Policy and Compliance Management, Risk Management, Advanced/Operational Risk, Audit Management, Vendor Risk Management, and Business Continuity Management. To learn more, please visit: www.servicenow.com/risk.