GRC Trends and Predictions 2017
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Over the last few years, we have been learning to live with business uncertainty, and GRC professionals, once relegated only to their “three lines of defense,” have also emerged to play offense. In the latest MetricStream research survey, when asked what the top business drivers for GRC investment are, 70% of respondents answered “the need to improve risk oversight,” and almost 60% cited “new business initiatives introducing new risks and regulatory requirements.” So GRC programs are expected to contribute to business decisions with insights into the risks and business impact of rules. We can consider GRC professionals now as the navigators that help companies steer toward their goal through tumultuous and hazardous waters.

We certainly had our share of major events in 2016:

• Continued major cyber attacks - in fact, the attacks by Russia on the US Democratic National Committee have turned cybersecurity into a political football;

• Huge corporate and executive scandals such as Wells Fargo’s mis-selling of retail banking products, and who can forget the Panama Papers

• Two presidents impeached in Brazil and South Korea

• Crackdowns on corruption all around the world, with one of the most surprising and unforeseen in India with the overnight cancellation of 500 and 1000 INR banknotes

• Dramatic expansions of the war in Syria with an ongoing migrant crisis in Europe

Of course, the huge upsets on the political scene in Europe and the US have taken center stage, and one thing we can confidently predict is that the regulatory and business fallout from Brexit and the election of President Donald Trump will reverberate for the next several years. The scale of regulatory change from these two events promises to be mammoth. Trump is asking for deregulation, but in effect, should his administration make progress in that regard, massive regulatory change will be required to make things less onerous for businesses. He wants the Dodd-Frank Act overturned, for example, and that’s a lot to happen at once.

For businesses in the UK, a withdrawal from Brussels means there will be sudden shifts in the regulatory environment. On both sides of the Atlantic, it seems we are at the beginning of a deregulatory period but, in fact, there will be more rules that will have to be created in order to overhaul existing regulatory regimes. There may be fewer rules, but there will be new ones. No one knows for sure how Brexit and the changes in the U.S. will play out but we can expect a significant period of uncertainty in regulatory regimes and with that uncertainty, we can also see new opportunities for businesses that manage the risks and successfully navigate the changes.

Well, while we can certainly expect a continued world of business and regulatory uncertainty, the MetricStream team has a number of predictions for 2017 and beyond. Our Chairman Gunjan Sinha expects GRC to evolve into systems of intelligence, and CEO Shellye Archambeau says they will be needed since business leaders will have to make decisions faster than ever. COO Gaurav Kapoor predicts an ever stronger tone at the top, making good governance a competitive advantage. SVP for Product Management, Vasant Balasubramanian, predicts the emergence of hybrid clouds, CTO Vidya Phalke predicts that risks of the Internet of Things will come under the IT risk management program, and VP for Customer Engagement, Yo Delmar, predicts that ensuring business continuity during cyber attacks will become a top priority for CISOs. These and more predictions from our team provide insights into how GRC is evolving to meet the challenges and opportunities of 2017 and beyond.

-French Caldwell, Chief Evangelist, MetricStream
GRC: Trends and Predictions
GRC: Trends and Predictions

Gunjan Sinha, Executive Chairman, MetricStream
Shellye Archembeau, CEO, MetricStream
Gaurav Kapoor, COO, MetricStream

2016 Trends

Left Field Disruptions

Gunjan: In a survey of 25,000 plus CXOs conducted by a large public company, respondents identified one common concern: disruption from the left field. Uber is a perfect example of this trend; in less than five years, Uber is disrupting automotive, auto rental, transportation, and even logistics industries. We also live in the era of left field cyber attacks, the rise of ISIS, the precipitous drop in oil prices, Brexit, and DDoS attacks that can cripple the entire Internet. These left field disruptions are precisely what are keeping leaders up at night.

Reorganization of GRC Roles

Gaurav: With the evolution of C-level roles, GRC responsibilities in the organization are being reorganized. For example, earlier, the compliance function would report to the Chief Legal Officer (CLO), but in many companies now, they report to the Chief Risk Officer (CRO). Similarly, GRC activities, which were earlier relegated to a small group of individuals, have now become a central business priority. In fact, 69 percent of respondents to a 2016 GRC survey cited senior leadership as a role/function most likely to add value to GRC activities.

An Evolving Workforce

Gaurav: Millennials are increasingly moving into management roles, and their views, attitudes, and approaches to work are influencing organizational change. This younger demographic favors social media networking, mobility, and the cloud over traditional ways of working. Their agility, flexibility, and “never-say-die” attitude are an asset to the workforce – but matters of governance must not be sidelined. Right from inception, companies need to look at how they can establish a risk-aware and compliant culture across the enterprise.

Risk and Compliance Gets a Seat at the Table

Shellye: Against the backdrop of growing geopolitical uncertainties, as well as cyber security attacks and rapid regulatory changes, boards and C-suite executives are anxious to know how these and other emerging risks could affect their organization; what can be done to keep these risks in check; and more importantly, what can be done to transform them into opportunities. As a result, risk and compliance professionals are increasingly being given a seat at the table. Their role is not only to preserve corporate integrity and protect company reputations, but also to drive performance and strategy.

Visionary Companies Are Leading Social, Consumer, and Enterprise Change

Gaurav: Not only are many technology companies at the forefront of key market changes, but they are also often the ones driving those changes. For example, look at sharing economy companies such as Airbnb and Uber, or others such as Spotify and Xiaomi who have stayed ahead of the curve when it comes to understanding changing consumer preferences. Meanwhile, the need to draw valuable insights quickly from large volumes of data, and the deep desire to simplify business applications have helped companies like Palantir, Stripe, and SurveyMonkey create significant traction.

2017 Predictions

GRC Will Evolve into a System of Intelligence

Gunjan: The next level of GRC will be
to create true systems of intelligence, marrying data external to the organization, data feeds from regulators, etc. and using predictive (forward-looking) algorithms driven by machine learning, artificial intelligence, and natural language processing. Look beyond Siri style, where the system actually thinks, predicts, and acts with cognitive intelligence. In the future, leaders will begin to harness large and complex structured and unstructured big data sets; to curate, classify, and correlate all sorts of data and metrics, and to help users parse the signal from the noise. For customers, this will not be about creating more complexity, but about using technology and innovation to make GRC simple.

GRC Will Be More Layered and Simplified

**Gunjan:** In the year ahead, we will see organizations continue to layer GRC apps across their core business processes and functions, in order to push GRC to the point of decision-making and action. The focus will be on simplifying GRC programs, and achieving a higher degree of agility in order to quickly adapt and respond to a risky business landscape, evolving regulatory environment, and the ever-changing context of how business is done – which spans big data, social media, mobility, user collaboration, and the rise of Generation C.

**Businesses Will Need to Make Risk-based Decisions Faster than Ever**

**Shellye:** Many companies in the last few years have had at least one strategic initiative fail, or have lost a competitive advantage because of delays in decision-making. Therefore, in the coming year, businesses will look to make faster, more risk-informed decisions. Instead of managing risk in siloes, they will begin to understand how risks across the enterprise interact with each other and with controls, regulations, and policies. They will build risk reports that are relevant, timely, and rich with insights. And when management has good risk intelligence, they will make good decisions that drive business performance.

In a Disruptive World, High Performers Will Be Set Apart by Their Ability to Anticipate and Manage Risk

**Shellye:** In today’s disruptive world, the risks and threats, as well as the opportunities, are coming thick and fast – and they’re evolving rapidly. The companies that stay ahead of the curve will be those that can anticipate the bends in the road, and respond more proactively to the potential shifts in business. They will start freeing up resources that are stuck trying to analyze the past performance of the business, and instead redirect those resources to focus on what could happen and how the company will need to respond. Those are the companies that will lead with GRC.

The Tone at the Top Will Become Stronger

**Gaurav:** Visionary organizations will take proactive steps towards establishing a strong “tone at the top,” and ensuring that it permeates throughout the organization. To ensure that employees embody the firm’s risk and compliance vision in their day-to-day decisions and actions, GRC activities will need to be established and periodically updated. A proper incentive program will help in getting employees on board with these changes.
The modern, digital organizations of today are looking for a GRC solution that is easy to use, responsive, intuitive, mobile, and personalized for the end user, thereby ensuring faster adoption across the enterprise as well as improved time to value.”
2016 Trends and 2017 Predictions

Integration of GRC across the Enterprise

The level of integration across GRC functions is still a major issue in organizations globally, even though it has improved over the years. In many organizations, GRC departments run their own programs in silos with limited or no data sharing among them. The result is not only inefficiency, but also a failure to get a clear view of organizational risks and issues. Hence, going forward, more organizations will adopt a unified GRC platform approach with a vision to strengthen integration and collaboration across departments and functions, gain a more holistic view of enterprise-wide risk and opportunities, and enable better and faster business decision-making based on complete, accurate, and timely information.

Greater Reliance on Technology

Organizations of all sizes are increasing their GRC related technology spending to drive efficiency and business performance. They are looking for a “system of intelligence” to not only help them simplify and automate manual GRC processes, but also provide a real-time and forward looking view of risk which, in turn, will enable them to balance risk and opportunity effectively. They are continuing to buy and implement multiple GRC apps to meet their unique and ever-changing business requirements. Based on their internal GRC program priorities, as well as maturity levels and resource availability, they are planning their own version of a GRC journey. For example, most of the companies we are working with start their journey with either IT risk management or enterprise risk management, followed by vendor risk management and then other areas like policy management, compliance management, and audit management.

Growing Importance of Simplification and User Experience

The modern, digital organizations of today are looking for a GRC solution that is easy to use, responsive, intuitive, mobile, and personalized for the end user, thereby ensuring faster adoption across the enterprise as well as improved time to value. The solution needs to give users the ability to configure their own workflows, reporting formats, and content requirements (with no programming) to meet ever-evolving business requirements. All these capabilities should be accessible anytime, anywhere, and on any device, making it easy for users to access data in real time.

Move to the Hybrid Cloud

As CIOs seek agile and responsive multi-device and multi-platform applications, a growing number of organizations will move their new next-gen system of engagements onto the cloud while maintaining the current systems of records at their premises. They will follow a hybrid cloud strategy to ensure the segmentation of systems between the cloud and their premises based on performance and information security. This “cloud-first” model will result in a significant reduction in the total cost of ownership and a quicker return on future IT investments, while retaining the agility of technology.
Technology and GRC: Trends and Predictions

Shellye Archambeau, CEO, MetricStream
Vidya Phalke, CTO, MetricStream
French Caldwell, Chief Evangelist, MetricStream

2016 Trends

User Experience Matters

Shellye: Today’s customers expect a seamless and satisfying user experience. They engage with companies through a variety of channels, and they demand both convenience and personalization. The imperative for companies, therefore, is to build products that are intuitive, easy to use, and memorable; to collaborate more closely with customers, and be responsive to their needs; to leverage predictive analytics in order to deliver personalized products and services, while also using market insights to enhance business planning and strategy. Those are the keys to forming lasting customer relationships.

Growth of the Cloud

Shellye: At MetricStream, an increasing number of customers are choosing our GRC cloud to deploy their GRC apps and solutions. In 2016, IDC predicted that worldwide spending on public cloud services would be $141 billion in 2019. Clearly, security concerns are no longer a deterrent for companies wanting to move to the cloud. In fact, Gartner has predicted that security will displace cost and agility as the primary reason for the government’s adoption of the cloud.

Biometrics Close Security Gaps

Shellye: Biometrics are increasingly replacing traditional username and password combinations as a way to authenticate and validate user access to devices. The security benefits of biometrics are particularly useful now that we engage with increasingly confidential and sensitive information, including mobile payments and transactions. According to Deloitte’s Global Mobile Consumer Survey 2016, over a quarter of smartphones have a fingerprint reader.

2017 Predictions

Big Data Applications and Analytics Will Become Self-servicing for Business Users

Vidya: With advances in analytics tools and sophistication in security technologies, the time has come for big data analytics to run in a self-service mode for business users.

IoT devices Will Come under the Same Risk Management Umbrella as Traditional IT Assets

Vidya: As more and more business critical data passes through internet of things devices, organizations will define proper ownership for these devices, while also implementing controls, and performing risk assessments to ensure their security.

Virtual Reality Will Provide New Avenues to Organizations for Training, Simulations, And Forecasts

Vidya: Virtual reality devices are becoming ubiquitous in the connected world. Organizations will use these devices to conduct more real and synchronized trainings across locations, as well as to simulate business continuity, disaster, and risk management scenarios, and to forecast changes across the organization.

The Connected Smart Car, Smart Home, and Smart Office Will Power The Next Big Wave Of Technology Advancements For the Human Race

Vidya: As cars and homes become more contextually aware and smart enough to operate themselves, the next technology wave will be defined by automation, Artificial Intelligence (AI), and networks that make life simpler.
“With advances in analytics tools and sophistication in security technologies, the time has come for big data analytics to run in a self-service mode for business users.”

Robots and Artificial Intelligence Will Create New Risks

French: Robots and AI are poised to increase productivity. However, if they lead to higher unemployment rates, as predicted, we are likely to witness a significant amount of labor unrest and reputational backlash. Customers may publicly criticize companies for replacing their employees with “non-human” workers. And although robotics and AI promise to bring newer, higher-income jobs, laid-off workers may not have the skills to take advantage of these new opportunities. The other risk is cost – many companies may not be able to ride the AI wave simply because they can’t afford to. Bigger firms on the other hand, might have the resources, but could end up spending hundreds of thousands of dollars on AI technology that doesn’t live up to expectations.
Risk Management: Predictions
Risk Management: Predictions

Brenda Boultonwood, SVP, Industry Solutions, MetricStream

2017 Predictions

Compliance Management and Risk Management Will See Further Integration

Risks, both evolving (e.g. vendor risks) and emerging (e.g. cyber risks, model risks), and compliance will continue to complement each other, with one serving as a bellwether to the other and vice versa. This integration is steadfastly becoming the Holy Grail for organizations, as it brings together strategic objectives with regulatory prerogatives, and establishes a forward-looking, business-enabling approach to risk and compliance. In some cases, risk and compliance functions will be integrated at the organizational level. In other cases, a risk-based approach to compliance will dominate the methods for determining what is most important and where investment dollars should go.

Risk Regulations Will Continue to Evolve

With the political guard changing at some of the leading economies of the world, the regulatory landscape remains uncertain and is expected to continue to change rapidly. Organizations can expect direct changes (e.g. regulatory amendments) and indirect changes (e.g. re-negotiated trade agreements) in regulations across all risk profiles. With change as a constant, organizations will need to build or augment agility in their risk management programs without compromising on the robustness of the same. Regulations are difficult to reverse. We may see a temporary relaxation in enforcement which should cause uncertainty levels to rise.

Advanced Analytics to Enhance Sophistication in Risk-weighted Strategic Decisions

Disruptive changes in technological innovations will provide organizations with exponentially enhanced sophistication in risk-related data analytics capabilities. Big data, machine learning, and crowdsourcing can significantly enhance risk management programs with stronger computing power and improved predictive accuracy. Organizations will need to leverage such capabilities to enable the business lines to make risk-aware decisions (providing a competitive advantage) while optimizing the cost of risk management programs (providing an operational advantage). To cite an example, with the change in the focus of bank regulators from bespoke capital models to a more standardized model approach (SMA), there is a tremendous opportunity to direct analytics resources and efforts to where business decisions can be improved - Where should we invest to reduce operational losses? Which controls matter the most in mitigating risk? Which risks lead to the highest business returns?

Changing Customer Expectations Will Lead to New Risk Program Challenges

Customers expect an immersive, personalized, and instant response from organizations at all touch points. The growing influence of hyper-connectivity, coupled with the increasing number of startups gaining prominence with their disruptive business models (e.g. fintechs in financial services), are compelling organizations to be ultra-responsive to customers. Organizations will need to address a new set of risks emerging from highly customized solutions. They will need to protect customer interests and, more importantly, protect sensitive customer data. Customers also expect that their complaints will be dealt with fairly and systemically.
Compliance and Ethics: Trends and Predictions

French Caldwell, Chief Evangelist, MetricStream

2016 Trends

Rise in C-level Scandals

In 2016, we saw the re-emergence of C-level corporate scandals that grabbed the headlines. In fact, there were more attention grabbing C-level scandals in 2016 than we’ve seen since the early 2000s – before SOX. These included Wells Fargo’s executives turning a blind eye to the creation of fake accounts, Roger Ailes at FOX resigning due to sexual harassment allegations, Zenefits’ CEO resigning after the company ran into trouble with the law, Mylan’s price-gouging of the life-saving EpiPen, the Volkswagen emissions scandal, the 1MDB fund corruption scandal, the Theranos lab testing scandal, and many more.

Emergence of Anti-corruption Movements

2016 witnessed the emergence of anti-corruption movements as a political force. The government of India demonetized currency notes in an effort to stop tax evasion, inhibit counterfeiting, and reduce systemic public corruption. The impeachment of the president of Brazil started in late 2015 and continued through 2016. China is in the midst of an anti-corruption drive and has set up a G20 research center to boost international anti-corruption cooperation. The MetricStream and Dow Jones global anti-corruption survey found that having anti-corruption programs in place for six to 10-plus years continues to trend upward, nearly reaching 60% of companies. Most of the programs in place have codes of conduct and internal training.

Surge in Heavy Penalties

In the last year, some businesses had to enter into huge settlements for non-compliance. Volkswagen had to pay $15 billion for the diesel-cheating settlement that set the auto industry record. Illegal banking practices cost Wells Fargo $185 million in fines, including a $100 million penalty from the Consumer Financial Protection Bureau.

2017 Predictions

Use of Analytical Tools Will Increase

Despite privacy concerns, companies will increase their use of analytical tools to monitor employees for compliance and anti-corruption. Organizations with mature ethics and compliance programs need an integrated platform to track multiple regulatory changes, tie them to business processes, conduct an impact assessment, gain in-depth compliance risk intelligence, streamline policies and procedures, and track multiple compliance metrics. They should be able to monitor ethics and compliance risks in real time to proactively spot the inconsistencies. There is a huge demand for innovative analytical solutions but the problem is finding the right solution that caters to each organization’s specific ethics and compliance requirements.

Ethics and Compliance Rules Will Be Tightened

While there is an overall trend towards deregulation in the US and other western countries, ethics and compliance rules will be tightened, and companies doing business with government entities will be required to renew their focus on anti-bribery training. The recent tweaking of ISO 37001 (The International Standards Organization's Anti-bribery Management Systems – Requirements with Guidance for Use), in October 2016 also indicates that globally, anti-bribery and anti-corruption enforcement will be made more stringent.
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Enterprises Will More Rigorously Monitor Their Fourth Parties

Extended supply chains and greater reliance on cloud providers mean that what used to be third parties when a process was managed in-house, have become fourth parties. This shift requires that enterprises ensure that their business partners and suppliers are rigorous in monitoring their own third parties. Suppliers, and especially IT and cloud service providers, will be expected to provide strong attestations that their own third-party monitoring programs are effective. In some cases, where risks from business disruption are exceptionally impactful, enterprises will ensure an additional level of direct monitoring of high risk fourth parties.

“While there is an overall trend towards deregulation in the US and other western countries, ethics and compliance rules will be tightened, and companies doing business with government entities will be required to renew their focus on anti-bribery training.”
Cyber Security: Predictions
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Yo Delmar, VP, GRC, MetricStream
French Caldwell, Chief Evangelist, MetricStream

2017 Predictions

Cyber Security Regulations Will Increase

French: Despite an overall de-regulatory trend, we can expect to see greater regulation in the area of cyber security, particularly when it comes to Internet of Things (IoT) products. Currently, there is little incentive for manufacturers to ensure that their products are not vulnerable to security threats such as a DDoS attack. In fact, many connected devices like smart TVs come with default security settings that can be learned easily. But what if, instead, each device was shipped with a unique password made up of random numbers. Simple, but not easily hackable. We need industry standards and product regulations that can help enforce these practices, and prevent IoT abuse. Utilities, transportation, and health services will also need increasing cyber security regulation.

We Will Witness Bigger Cyber Attacks with Broad Geographical and Monetary Ramifications

Yo: With cyber attacks gaining prominence as a weapon of choice, 2017 will see bigger attacks on a group of facilities or upstream internet service providers, and these attacks will affect a larger geographical area or take down a number of facilities.

Security Testing Will Be Embedded Consistently across All Points of the Software Development Lifecycle

Yo: There will be a greater focus on incorporating specific security processes and assessment models such as the OWASP Software Assurance Maturity Model (SAMM) within the Software Development Lifecycle (SDLC). Security touch points will expand to each phase of the SDLC and become more development methodology agnostic.

Third and Fourth Parties May Be the Biggest Gateways for Targeted Cyber Attacks

Yo: IT vendor risk management continues to be missing from the priority lists of many large organizations. As a result, third and fourth party access to facilities and organizations will prove to be the easiest gateway for a targeted cyber attack.

Ensuring Business Continuity during a Cyber Attack Will Be the #1 Priority for CISOs and CTOs

Yo: It’s no longer a matter of if a cyber attack will occur, but when. CISOs will, therefore, need to invest in better disaster recovery and redundancy mechanisms to ensure that the business is not impacted materially by cyber attacks.

Machine-speed IT, Cyber, and Security Risk Intelligence Will Be Integrated into Human-speed Operational Risk Management

Yo: While IT, security, and cyber processes operate at machine speed, they will increasingly be integrated into the operational risk fabric of the organization through workflows, alerts, and analytics.

A Common Language Will Emerge to Support Risk Intelligence

Yo: As security and cyber processes are aligned with operational risk, business resilience, incident management, and crisis management processes, organizations will build a sustainable, common risk language. This standardized nomenclature will support meaningful dialogue, and drive high-value analytics that, when acted upon, reduce risk.
Third-Party Management: Trends and Predictions

Sonal Sinha, VP, MetricStream

2016 Trends

Increased Visibility into Fourth Parties

As regulatory bodies and customers push organizations to achieve better third-party oversight, there is an imminent need to dig deeper into the third-party network. It is no longer sufficient to only manage third parties today, as the impact of fourth parties or even licensees or contract manufacturers can significantly impact the reputation and financial performance of the parent organization. Since organizations are ultimately responsible for all their vendors, they need to validate third parties, as well as their third-party’s vendors. Organizations have long struggled to define the processes needed to manage fourth parties in the absence of a direct contract with them, but there will be more focus on this area over the next year.

Preparation for Probable Changes in Outsourcing

With possible changes in outsourcing and offshoring, organizations are evaluating various ways to work with their existing vendors, identify alternate vendors, and understand the impact of these changes on their current hierarchy and relationships. As the vendor ecosystem embraces change, and re-aligns to meet new organizational and economic objectives, organizations must ensure that they are evaluating their vendors based on accountability and preparedness in order to avoid potential incidents.

Increased Focus on Business Continuity Makes Supply Chains More Resilient

Business Continuity Management (BCM) has gained importance in making supply chains resilient. In 2016, evaluations of third parties based on BCM and resilience parameters became more structured. Going forward, organizations will continue to work with their third parties on BCM plans, check for effectiveness, and even enable their third parties to manage their own vendors. Organizations will also continue to invest in systems that help them map their global suppliers and vendors to business units, factories, and products. Doing so will help them visualize and analyze their global footprint, thereby reducing the impact of likely disruptions, responding to incidents faster, and ensuring quicker recovery.

2017 Predictions

Rapid Adoption of Fintech Vendors and Cloud Apps Will Impact Data Privacy and Security

While fintech and cloud apps offer a variety of benefits, they also introduce a few important risks which need to be acknowledged and managed. Companies will leverage innovative products and services from fintech and cloud app vendors, while also deploying suitable control systems to mitigate the associated risks like data breaches, website attacks, and cyber threats. Companies will also look to evaluate and implement comprehensive systems to on-board and monitor such vendors in order to ensure data safety and security.

Advanced Analytics Will Help Predict Supplier Risk

As the complexities of the supply chain increase, there will be a greater need to improve one’s ability to predict supplier-related risks. With new risk types emerging, organizations need to be better prepared. Advanced analytics and correlation of various data elements, including social media conversations, news, feeds from various third-party sources, climate /
2017 Predictions
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Advanced Analytics Will Help Predict Supplier Risk

As the complexities of the supply chain increase, there will be a greater need to improve one’s ability to predict supplier-related risks. With new risk types emerging, organizations need to be better prepared. Advanced analytics and correlation of various data elements, including social media conversations, news, feeds from various third-party sources, climate / weather data, critical events, political and economic stability factors, and supplier KPIs (Key Performance Indicators) will all help organizations build a more resilient supply chain. Many organizations are looking to implement advanced analytics that can significantly improve tactical as well as strategic decision-making by providing insights on suppliers and related product risks from various sources and activities. In addition, as organizations change products, or introduce new product lines, there is an increasing need to understand the impact of these changes on the supply chain in order to support product compliance. Also essential is the ability to leverage third-party risk analytics and metrics to adapt to changing customer demands and market needs.

**Vendor Risk Management, IT Risk Management, and Enterprise Risk Management Will Need to Be Better Integrated**

Many enterprises acknowledge that vendor risks and IT risks directly impact enterprise risks. Thus, poor input from a vendor risk management program limits the identification of business risks and IT risks. Going forward, organizations will enhance their enterprise risk management and IT risk management programs by aligning business, IT, and vendor risk management objectives, processes, and metrics. They will work towards establishing a common framework that can be leveraged by enterprise risk management, IT risk management, and vendor risk management programs for better alignment, data aggregation, and standardization. In addition, integrated risk intelligence will help organizations improve their vendor contract definition, as well as build a mechanism to track failures and lapses.
CONTRIBUTORS

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Sonal Sinha, VP, MetricStream
Till quite recently, GRC professionals were often stereotyped as the people who said “No” – the ones who were a “necessary burden” to the business. However, these perceptions are rapidly changing, especially in the wake of risk events the world over – be it shifts in political power across Europe, regulatory uncertainty in the US, the recent Yahoo hack preceded by the SWIFT attacks, or the Wells Fargo corporate accounting scandal. Companies today need GRC champions – people with the expertise, knowledge, and tools to not only protect and defend the business, but also drive it forward.

The question is, where do you as a GRC champion begin to focus your time and resources? What areas of GRC will be the most critical in the following year? And how do you orient your GRC journey to drive better business performance? We hope that the trends and predictions outlined in this report will help you answer these questions, and define your GRC objectives and strategies for the year ahead. By integrating these insights into your GRC plan, we believe that you will be better able to anticipate the challenges ahead, prioritize your GRC investments, and make more informed decisions, leading to a successful 2017.