

How Should We Structure Our Program?

There are several ways you can structure your GRC programs. For many organizations, especially large organizations, a federated approach using a Center of Excellence will deliver the most value.



MONARCHY

Centralized Strategy
Centralized Resourcing
Centralized Operation



Pro:
• Central intelligence
• Ability to leverage experience across all lines of business

Con:
• Perception that corporate is over-reaching
• Lack of business unit buy-in and accountability
• Business unit risks and processes not fully understood
• Slow to respond to business unit market dynamics
• Does not recognize that there are risks deep in the business that HQ may not understand

FEDERATED APPROACH (center of excellence)

Business Unit executives come to the Center of Excellence with goals, requirements and needs that are specific to their business.

Federated, Center of Excellence approach allows an organization to select centralized or decentralized approaches where they make sense.

Business Unit executives return with tools, components and commitments from the Center of Excellence to manage processes.

AUTONOMY

Decentralized Strategy
Decentralized Resourcing
Decentralized Operation



Pro:
• Full ownership and accountability rests with the business units
• Keen understanding of business unit specific risks and priorities
• Agility to respond to market dynamics

Con:
• Lack of coordination and common language
• Likely duplication of effort and reinventing the wheel
• Lack of corporate insight into specific risks
• Does not recognize systemic risks

Pre-Built Components

Business units may use pre-built program components for implementing and managing their own programs. Business units are not required to use these components; however, doing so often reduces costs for the business unit.

Here are some components you may find useful...

Training Modules
Risk Assessment Technology
Policy Management Technology
Learning Management Technology

Here's how you can work with the Center of Excellence...

We can help you find what you need or you can help yourself.

Here are the essentials.

Standards & Methods

The Center of Excellence defines enterprise-wide standards and methods for key GRC processes. These corporate standards and methods must be used by all business units and provide the glue that holds everything together.

Standards and Templates for:
Common Vocabulary
Program Planning & Strategy
Risk Assessments
Education & Communication
Preventative Controls
Detective Controls
Response & Investigations
Evaluation & Improvement

This is where you can find education, monitoring and consulting.

Process Execution & Management

The Center of Excellence operates key GRC processes on behalf of the business units. Business units are not required to use the Center of Excellence for process execution and management but in many cases it provides efficiencies.

Almost always makes sense to centralize

- Manage and distribute policies
- Conduct and manage education
- Hotline / Helpline for general issues
- Monitoring of key controls
- Conducting investigations

Rarely makes sense to centralize:

- Business unit-specific risk assessments
- Day-to-day monitoring of all controls

Planning

The Center of Excellence identifies area in the business where: standards and methods are required; common components will add value; and centralized process execution and management will be more effective and efficient