



# ACHIEVING LEANGRC®

STREAMLINE GOVERNANCE, RISK AND COMPLIANCE PROCESSES FOR  
ACCELERATED GROWTH AND PROFITABILITY

**KERWYN VELASCO**, PRODUCT MANAGER, RISKCONNECT, INC.

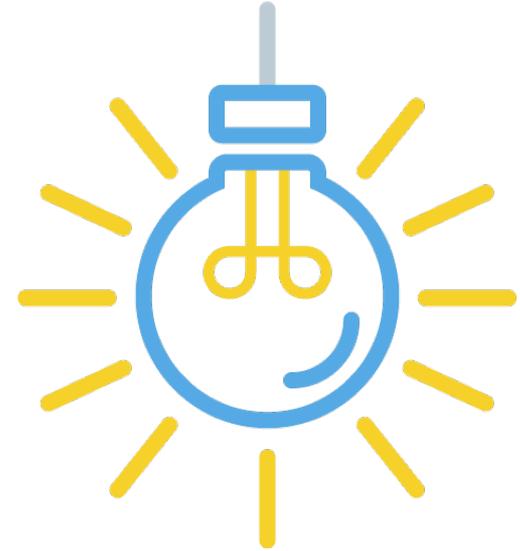
**CAROLE SWITZER**, CO-FOUNDER AND PRESIDENT, OCEG

# Housekeeping

- Download slides at <https://go.oceg.org/achieving-leangrc-1>
- Answer all 3 polls
- Certificates of completion (only for OCEG All Access Pass holders)
- Evaluation survey at the close of the webinar
- Find the recording on the OCEG site at <https://go.oceg.org/webinar-recordings>
- Download the eBook at <https://go.oceg.org/achieving-leangrc>

# Learning Objectives

- Define Lean Thinking
- Outline the Basics of LeanGRC
- Determine how to use LeanGRC for
  - Organizational Planning
  - Information Management
  - Policy Management
  - Risk Assessment
- Assess how technologies can drive LeanGRC



# Poll 1

Do you have an OCEG All Access Pass (a paid membership) and would you like to receive CPE credit for this event?

- a. Yes, I have an All Access Pass, and I would like to receive a Certificate of Completion for this event
- b. Yes, I have an All Access Pass, but I do not need a Certificate of Completion
- c. No, I do not have an All Access Pass, but I would like to get one and receive CPE credit for this and future webcasts I attend
- d. No, I do not have an All Access Pass and I don't want to buy one at this time (so I won't get CPE credit for this event)

# What is Lean Thinking?

- Derived from Lean Production developed in the 1990's at Toyota
- Focuses on reducing cost and increasing quality – eliminating overhead and activities that don't directly add value
- Lean means more than just removing waste
  - simplify infrastructure
  - improve collaboration and communication
  - increase efficiencies
  - increase agility and flexibility
  - provide continuous process improvement
- Stated simply– Lean thinking creates more value with less work

# How do Lean Principles Apply to GRC?

- **FOCUS ON INDIVIDUALS WHO ADD VALUE**
  - Assign GRC responsibilities to key people on the “front lines” to leverage knowledge
  - Establish GRC leaders and champions who instill ethical and compliant behavior
- **USE PULL DEMAND TO DRIVE VALUE**
  - Provide risk information at the *point of need* within business processes
  - **Embed** reminders of corporate ethical policies within processes
  - **Centralize** risk information to enable use across organizational boundaries.
- **ESTABLISH CONSISTENCY AND EXCELLENCE ACROSS THE ORGANIZATION**
  - Replicate efficient and effective techniques
  - Apply a unified GRC approach, as set out in OCEG’s GRC Capability Model

# The First Principle of Lean Thinking

## PRINCIPAL #1: ELIMINATE WASTE

### 7 "WASTES"

Inventory  
Overproduction  
Motion  
Over-Processing  
Defects  
Waiting  
Transportation



### LEAD TO GRC INEFFICIENCIES

Redundant Processes  
Manual Processes  
Duplication of Controls  
Poor Information Flow  
Myopic Management

# How does the first principle apply to GRC?

Eliminate waste in these aspects:

- **Over production** = over controlled risks
- **Inventory** = overly complex network of policies, procedures, training, controls
- **Over processing** = inappropriately complex GRC processes
- **Motion** = operational interruption from GRC processes
- **Defects** = unclear policies, procedures, training, controls
- **Waiting** = slow reviews, approvals, and authorizations
- **Transportation** = poorly managed data, decision flows

# Eliminating Waste Improves GRC

- **Eliminate Redundant Processes** with a central repository and mapping of risks, regulations, controls, and compliance projects for efficiency and scalability
- **Avoid Manual Processes** such as testing, paper-based approvals, and evidence gathering by automating workflows, controls testing, and evidence gathering and analysis
- **Do Away With Control Duplication** by maintaining a centralized repository of controls mapped to control objectives of each regulation for a rationalized set of controls for a range of regulations
- **Streamline Inventory** to improve data management by reducing the ways and places data is collected, enabling better communication and improving decision-making
- **Establish Comprehensive Compliance Management** to increase efficiency and ensure that projects are completed according to schedule and budget

# Poll 2

Which of the following inefficiencies are you most concerned with in your GRC Program?

- a. Redundant Processes
- b. Manual Processes
- c. Duplication of Controls
- d. Poor Information Flow
- e. Myopic Management
- f. Other

# LeanGRC Organizational Planning

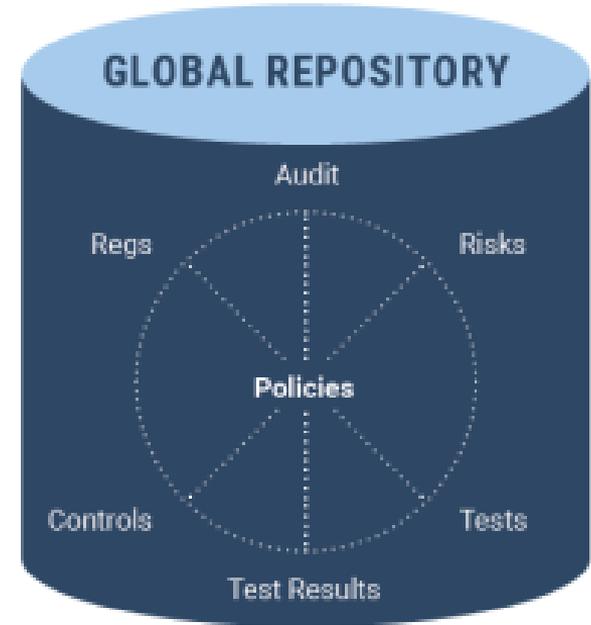
- Make processes consistent
- Determine the right amount of centralization
- Establish GRC standards and methods
- Use Common GRC program components
- Refine GRC program management

# Typical Problems in Information Management

- Poor information quality
- Limited risk visibility
- Redundant or inconsistent effort
- High costs

# Lean Information Management

- Improve information quality
- Reduce redundant activity
- Identify and lower costs
- Gain better risk control



# Typical Problems in Policy Management

- Scattered policy creation
- Policy information overload
- No centralized repository
- Siloed manual processes

# Lean Policy Management

- Design and manage to meet requirements
- Coordinate drafting and approval
- Publish and communicate
- Test frequently
- Automate when possible
- Monitor and review for change



# Typical Problems with Risk Assessments

- Inconsistent process
- Inconsistent metrics
- Duplicated risk information
- Duplicated or overlapping risk activities

# Lean Risk Assessment

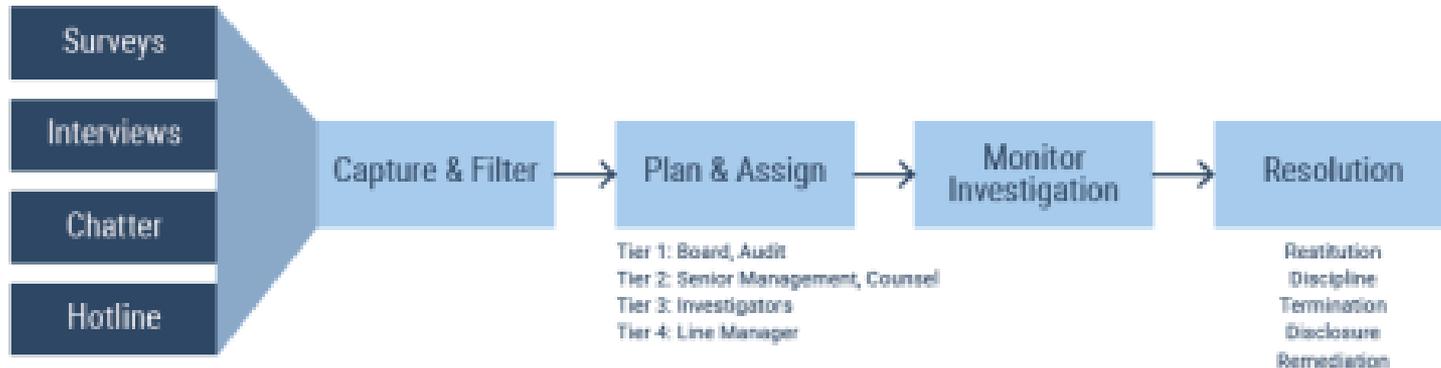
- Establish central repository of information
- Apply common risk management framework
- Automate some risk assessment processes

# Typical Problems with Detection and Enforcement

- Siloed issue identification
- Inconsistent enforcement
- Poorly defined processes

# Lean Detection and Enforcement

- Capture and filter
- Plan and assign
- Monitor Investigation
- Resolve Issue



# Poll 3

Do you have a role in decisions about selecting technology to help lean GRC processes?

- a. Yes, I am a primary decision-maker
- b. Yes, I am part of a committee making decisions
- c. Yes, I provide input to the decision-makers
- d. No

**LEAN GRC =**

- ↑ EFFECTIVENESS
- ↑ EFFICIENCY
- ↑ AGILITY

# Questions?