

# Asia Pacific Risk Symposium 2020

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eGRC - Enabling the data-driven, intelligent  
enterprise through digitising risk & compliance



# Session 1 | eGRC



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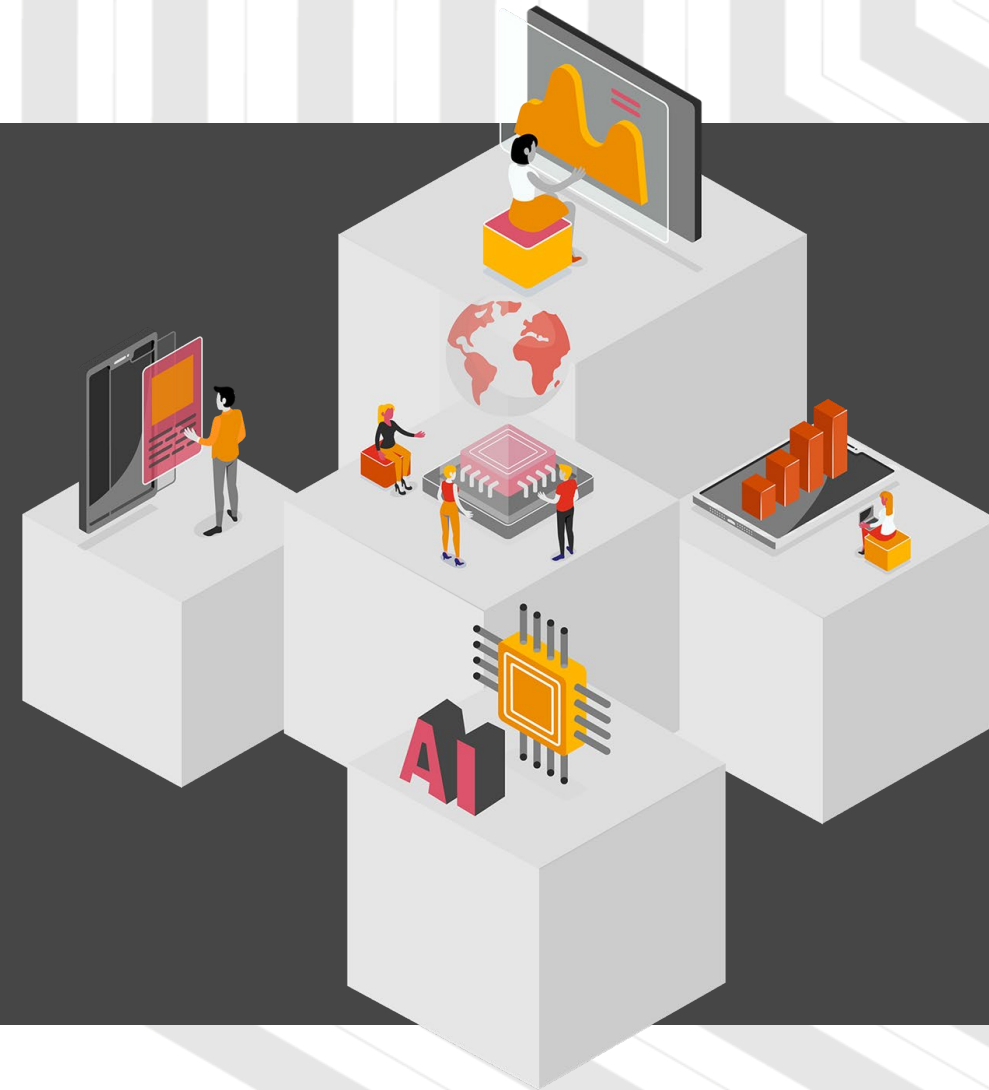
PwC Australia



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Managing Director, Head  
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Standard Chartered Bank



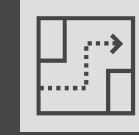
# Agenda



**Digitising GRC:  
PwC Insights**

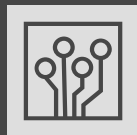


**Digitisation Journey:  
Standard Chartered Bank**



**Wrap up**

**Re-imagine GRC as we know it | Digitising and accelerating a traditional function | Agile IRM**



**Digitisation Journey:  
Insurance Australia Group**



**Q&A**

1

Re-imagine GRC as we know it | Digitising and accelerating a traditional function



Organisations are supercharging their digital ambition more than ever as part of the response to COVID-19. Risk and compliance functions are also digitising to keep pace.

Our world is experiencing an unprecedented rate of change

Organisations are digitising at pace while

73%

of chief executives have identified speed of technology change as a **risk to growth**

47%

of chief executives in a range of industries are extremely concerned about **over regulation and the cost of compliance**

69%

of organisations **do not have a complete view** of their risk program and struggle with limited risk visibility

>70%

of organisations are **evaluating or re-evaluating technology** for GRC over the next few years.

\*PwC Australia 23rd CEO Survey  
\*2020 OCEG GRC Maturity Report  
State of Risk Oversight, March 2018

# What is driving the digital acceleration?

Trends that are driving change



1

## Costs keep increasing but customers demand better experience

Customers expectations are heightened with mounting pressure to enhance customer experience and reduce costs

2

## Increasing obligations and regulator expectations

Regulatory obligations continue to increase and regulators are more demanding. Organisations are looking for more effective ways of getting increased coverage.

3

## Increased digital ambition

The world is modernising, and organisations want to optimise risk management by leveraging tools and technologies that will help them become a digital enterprise

## The world is changing faster than we can keep up

We are in the midst of a unprecedented pandemic which is driving uncertainty and disruption. Covid-19 is fundamentally changing how organisations work, and as such organisations are looking for better resilience, increased coverage and reduced costs.

\*PwC Global Tech Risk Management Study 2019

\*PwC beyond Covid-19

# Example: The Supermarket of the Future

How digitisation and automation is shaping the supermarket of the future

Purchasing daily essentials from the supermarket

## Present



1. Shopper selects items
2. Proceeds to checkout
3. Items scanned
4. Payment & rewards captured
5. Shopper exits

## Supermarket of the future



1. Customer identified on entry
2. Shopper directed to items
3. Prices aligned to shelf life
4. Shopper selects items & rewards
5. Real time detection of selected items
6. Shopper exits
7. Automated payment & rewards

## Benefits of Automation

- Improved customer experience
- Reduced labour costs
- Digitisation of physical stores to compete against online disruptors
- Improved store performance
- Automated risks & controls e.g. detection of stock levels, use by dates monitored and prices adjusted, theft/error reduction



# Example: Tomorrow's Insurance Claim

How digitisation and automation is also shaping how insurance claims are made

Making a car insurance claim after an accident

## Present



1. Car accident occurs
2. Manual claims process - providing accident details
3. Physical vehicle assessment
4. Submit assessment report
5. Repair vehicle
6. Payment disbursed

## Tomorrow's car insurance claim



1. Car accident - sensors record event details automatically, detect damage
2. Claims process auto-initiated
3. Repair quotes fixed or sourced via reverse auction
4. Car directed to repairer
5. Payments auto disbursed

## Benefit of Automation

- Improved customer experience
- Reduced labour cost
- Eliminates fraudulent claims
- Reducing claim life cycle and manual handling
- Automation of controls, e.g:
  - auto validation of driver vs registration and policy details;
  - automatic recording of other vehicles involved and initiation of settlement process with other insurer(s)





However the journey can be complex and overwhelming

Organisations don't always get it right

There are so many solutions on the market today, and many organisations own several solutions which all have different strengths and weaknesses but technology alone is not going to be successful. There are a number of components that need to be considered, including which strategy is right for your organisation:

POINT SOLUTION



INTEGRATED



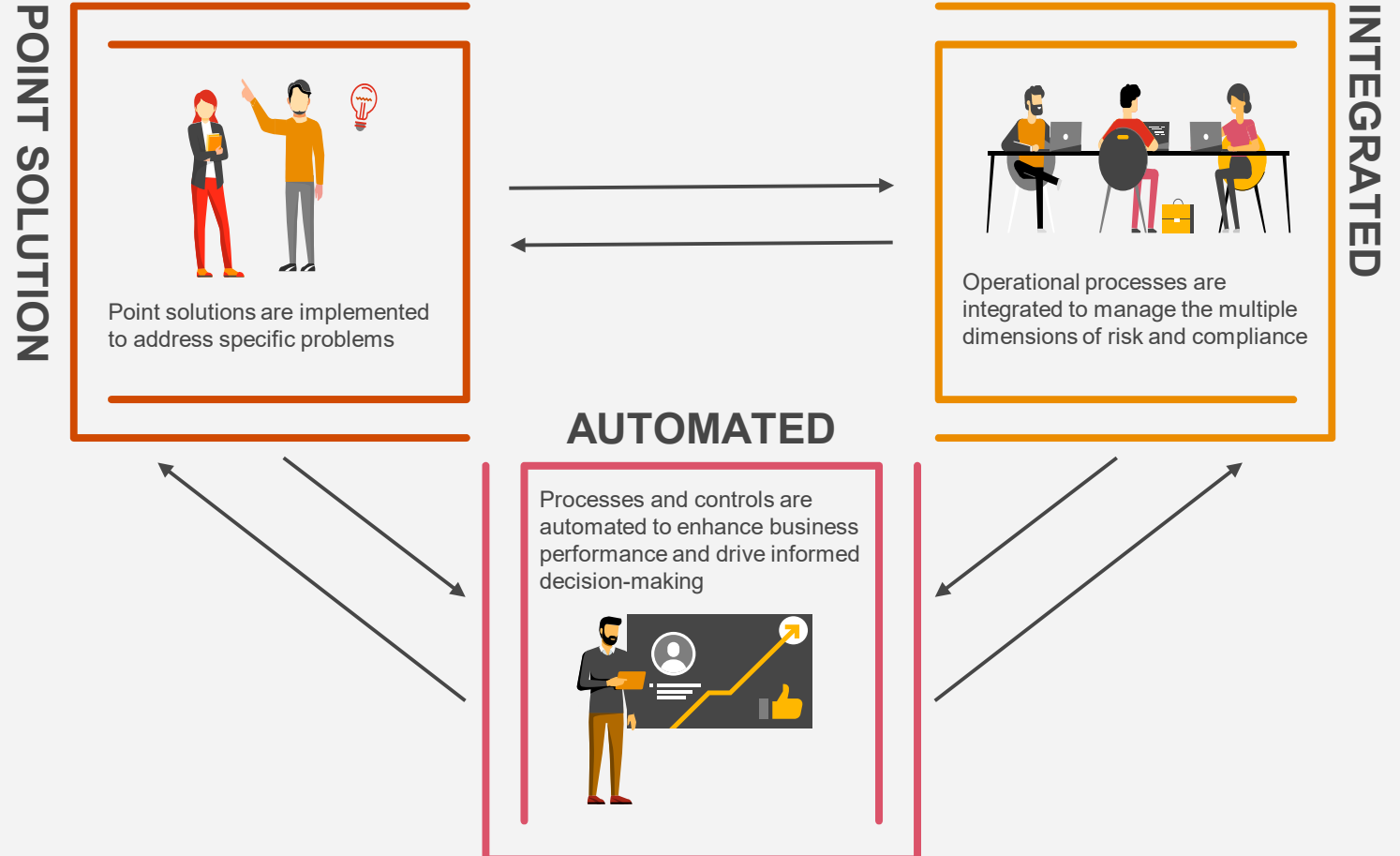
AUTOMATED



# Choosing the right strategy based on challenge and maturity

No one strategy fits all and no approach is decidedly good or bad.

Based on the type of challenge or the maturity of an organisation, a single, multiple or even combination of strategies can be adopted.



# Strategy: Point Solution

What is it?



Organisations seek **point solutions** to address specific problems (e.g. a solution to manage GDPR requirements, a platform for WHS matters). Each solution contributes to an enhanced risk profile of the organisation but only to an extent, as it has a narrow focus on technical or operational downsides.



## Characteristics



Affordable



Quick time to value



Targeted solution



Innovative



Improved insight



Stand alone

## Examples



Privacy & GDPR



Health and Safety



Business Continuity



# Strategy: Automated

What is it?



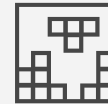
Organisations are focused on big opportunities and take on manageable risks with emphasis on productivity and efficiency. Leveraging technology (e.g. artificial intelligence and machine learning) to **automate processes** too complex for older technologies; identifying trends in historical data; and providing forward-looking intelligence to strengthen human decisions.



## Characteristics



Minimal human intervention



Smart controls



Large efficiency gains



Valuable automated insights into complex data

## Examples



Machine Learning/AI



RPA



Continuous control monitoring, analytics



Intelligent GRC



*"PwC estimates that 45% of workforce tasks can be automated which could save an estimated \$2 trillion in global workforce costs"*

# Strategy: Integrated

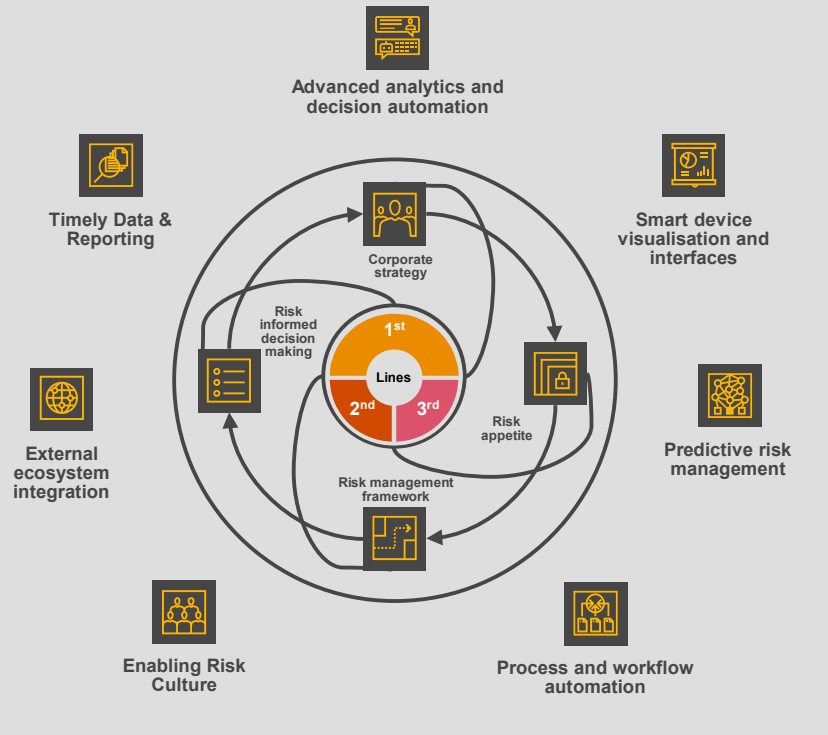
What is it?



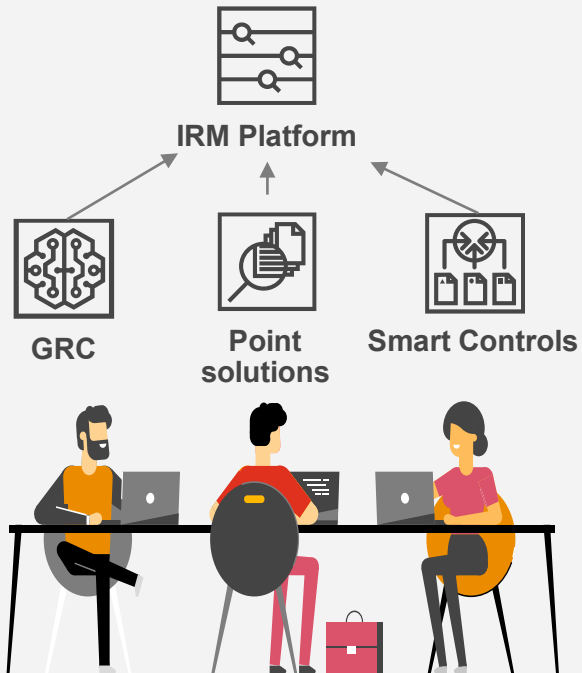
Operational processes are integrated to manage the multiple dimensions of risk and compliance. These are aligned to key strategies by leveraging technology, human centred design and the data and predictive capabilities that result to drive down the cost of risk and compliance, but increase its effectiveness. **Integrated Risk Management (IRM)** broadens the focus to include a more holistic picture of both tactics and strategy, which includes upside opportunities and strategic risks.

## Characteristics

## Examples



-  Multi solution
-  Scalable
-  Cross Functional
-  Contextual
-  Consolidated
-  Predictive



# Are you on the right track?

## Set the strategy

GRC is more than a technology implementation. Spend time upfront to determine strategy, business case, roadmap, risk taxonomy and data model.

## It needs to be business integrated

GRC processes are not separate and distinct from business processes. To be effective they must be 'built-in' or 'process-embedded'.

## Adoption is key

The success of tooling is the ongoing use and adoption by all three lines of defence to manage risk. User experience is important.

## Start small and build on successes

Take your time. Aim for a minimal viable product to start with to maximise ROI and quick time to value and layer more over time. Find a hero!

## Be pragmatic and keep pace

Continuous improvement is important as the business and risk maturity evolves.

## Executive led

Ongoing buy in, use and benefits for executives and senior management is key to release benefits and drive sustainability .

# Last thoughts

## AGILE IRM:

### A new way of thinking about eGRC

There is no right or wrong to adopting a point solution, integrated or automated GRC technology. A traditional fixed vision or target state just doesn't work. Your evolving strategies mean the Risk landscape is constantly changing and new Compliance obligations will continue to be introduced. As your business changes and adapts, so should your risk solution.

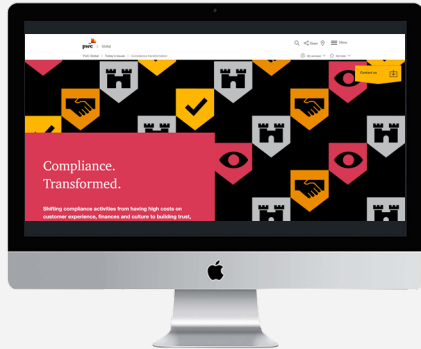


**Agility is the key to your sustained success.**

Moving from point solutions to automated or integrated has to be right for your maturity and needs but also driven in an agile way. An organic risk technology strategy will dramatically increase your agility and reduce the overall cost and effort in the implementation. It will set up a lasting flexible foundation that will continuously grow with you and your organisation. No matter what the future holds.



# Thought Leadership



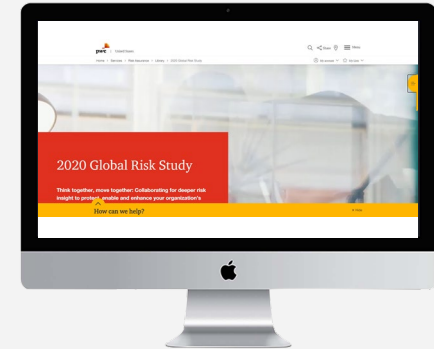
## Compliance Transformed

<http://dpe-preview.pwcinternal.com/content/pwc/gx/en/issues/compliance-transformed.html>



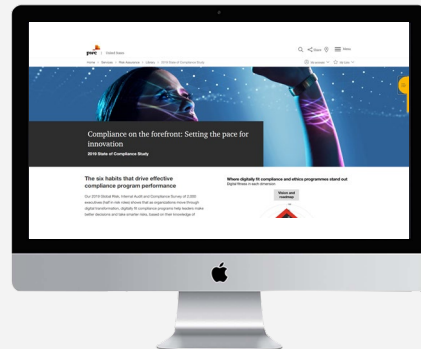
## Intelligent Automation

<https://www.pwc.com/us/en/risk-assurance/publications/assets/pwc-promise-of-intelligent-automation.pdf>



## Risk in Review

<https://www.pwc.com/us/en/services/risk-assurance/library/2020-global-risk-study.html#:~:text=Risks%20are%20becoming%20increasingly%20complex, strategic%2C%20financial%20and%20operational%20initiatives.>



## Compliance on the forefront: Setting the pace for innovation

<https://www.pwc.com/us/en/services/risk-assurance/library/state-of-compliance-study.html>



## RPA and your digitisation strategy

<https://www.pwc.com.au/pdf/pwc-rpa-and-your-digitisation-strategy-report.pdf>





# 2

## eGRC Digitisation Journeys: Insurance Australia Group

Neil Morgan

Craig Sydney



# 2

## eGRC Digitisation Journeys: Standard Chartered Bank

- | Ajay Patel
- | Francis Wan



# 3

## Q&A

Please leave any questions for our speakers in the question box



# 4

## Wrap up



# Thank you

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