

# GRMI'S 2020 RISK MANAGEMENT SURVEY

In Association with  
**IIA INDIA**



Global Risk Management Institute

Associate  
Partner





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# Foreword from President, IIA National Conference – Bangalore 2020

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## R. RAMARAO

President, IIA National Conference Bangalore 2020 & Partner in a Bengaluru-based firm of Chartered Accountants

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This 2020 Risk Management Survey is a unique and happy collaboration between the Global Risk Management Institute (GRMI) and the Institute of Internal Auditors, India (IIA I).

We are all aware – sometimes, to our cost – of the rapidly changing role of risk management professionals, Internal auditors and risk management professionals have been passive by-standers who whip out their pocketbooks, record a significant occurrence and then pontificate before a bewildered process owner and an – sometimes resistant – audit committee. No more. Hindsight is out dated. Even insight seems passé. We jettisoned those pocketbooks in favor of digitization and automation. We understood the business as well as the line with the additional characteristics of independence and objectivity. And we forewarn the other lines of defense with our modelling and science.

Actually, do we? If we don't, what are the gaps?

This survey captures views of CXOs, CAEs and Risk Management professionals and sheds light on the current state of Internal audit and risk management. Changing risk profiles, growth of gig economy, data centric business models impel the application of a fresh risk lens and imbibe the knowledge and skills that go with board-level discussions.

Are we there yet? And if not, what do we need to get there?

I am sure that readers will get an insight into the ability of professionals to keep pace with change, the extent technology is currently being leveraged and the expectations from us. These views span the hierarchy and can lead us to answers we seek.

GRMI seeks to bridge the skill-set gap that exists with the anticipated requirements and expectations and provides structured education to risk management professionals to address this. GRMI plays a seminal role in the development of these professionals by providing experiential learning in relevant areas of risk management and thus serves professionals and business.

I thank all the participants to this survey – and specially those who also conversed with us – and provided deeper insights.

FOREWORDS



**GRMI seeks to bridge the skill-set gap that exists with the anticipated requirements and expectations and provides structured education to risk management professionals.**

# Foreword from Founder and Mentor, Global Risk Management Institute



## SUBHASHIS NATH

Founder & Mentor  
Global Risk Management  
Institute Founder, Axis  
Risk Consulting, now  
Genpact Enterprise Risk  
Consulting LLP

It gives me great pleasure in bringing to you all this second edition of the Internal Audit Survey run by Global Risk Management Institute ('GRMI') in collaboration with Institute of Internal Auditors, India. The survey brings to light the evolving business models in the age of digital disruption and provides some interesting insights on how corporations and consulting firms view their preparedness to deal with the quantum and speed of change. It is also encouraging to see the candid acknowledgement across corporate risk leaders and consulting firms of the need to significantly up the skill game to keep pace with the dynamic environment.

As I read through the responses, some of the things that stood out for me are the following:

There seems to be a significantly increased appreciation for need to keep pace with the changing business landscape, the speed and quantum of digital disruption being perceptible;

The fact that businesses are now getting hit by risks from previously unexpected sources/competition (eg, Sony launching a car), and the consequential higher complexity levels in dealing with velocity of these risks, is clearly something that risk professionals will need to get better at;

Clearly there is a significant gap to cover when it comes to leveraging advanced tools and techniques

around analytics, AI, ML and other advancements;

and it is heartening to see that there are initial signs for risk professionals to better equip themselves to become relevant for the CXO and Board versus managing transactional level risks.

The results of the survey should provide a good reference data point for most of the risk organizations to evaluate where they stand vis a vis the median and could provide you food for thought in terms of where you may want to channelize your transformation energies over the coming 12-18 months.

Each year the research and content team at GRMI puts in a tonnes of effort to pull this survey together in collaboration with the IIA. It is extremely encouraging to see an increasing respondent base as also a more senior respondent base in January 2020, which makes the results, rich in terms of experience reflected in the responses. Special thanks to those senior leaders who made time for live interaction to provide more qualitative perspectives and color to the survey beyond the numerical analysis of the responses.

**Subhashis Nath** is a Senior Global Partner and Executive Director at Axis Risk Consulting Services Pvt Ltd, a Genpact Company. He was the founder partner of Axis Risk Consulting in September, 2004. Prior to Axis, he spent nearly 2 years with the Global Center of Excellence of Ernst & Young, and about 9 years with Arthur Andersen. He was part of the core team that built Risk Consulting practice of Arthur Andersen in India. Subhashis has been focusing on Enterprise Risk & Compliance for the last 25+ years and brings deep domain knowledge around specific solutions, such as Anti Corruption, ERM, Third Party Risk Management, Internal Audit & SOX.

# SURVEY METHODOLOGY

The 2020 Survey on need for risk professionals to keep pace with dynamic business environment and earn a seat at the table for themselves, is sponsored by the Global Risk Management Institute, Gurugram in collaboration with the Institute of Internal Auditors, India. The survey was conducted involved 17 questions with responses involving a mix of multiple choice & ranking of parameters methodology. The questions were structured around three themes:

- *Ability of risk professionals to keep pace with dynamic business environment and business models.*
- *Are risk professionals adequately leveraging technology to keep pace with transforming business models?*
- *Are risk professionals able to meet expectations of the Board of Directors and their success in earning a seat at the table?*

The questionnaire was circulated to senior internal audit and risk management professionals from both corporates and consulting organizations, with respondent from large and mid sized operations, to ensure we got a representative view. The survey was circulated to 250+ professionals. responses were received from over 100 professionals. Given the nature of questions and themes covered in the survey, it was important to ensure that the respondents had the necessary experience level and exposure to multiple facets of risk management to not skew the scores and the resultant potential conclusions. This required us to eliminate about 18% of the responses. The profile of the final respondents that have been considered for the results shared in the subsequent pages are as follows:

- *43% of these responses were from professionals representing consulting firms or individual consultants;*
- *57% of these responses were from professionals representing corporates;*
- *The respondents fairly equitably represented views of corporates and consulting organizations of varying size and scale.*

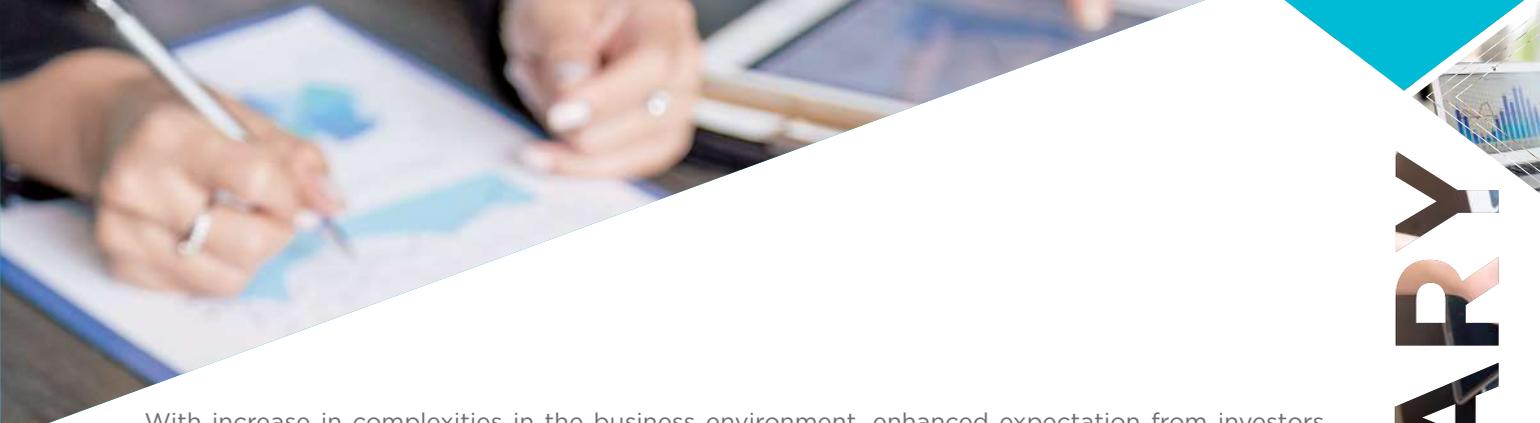
To get deeper insights as well as gain qualitative perspective on the various themes, the academic team of GRMI also spoke to ~12 senior risk leaders and board members. Their views have been appropriately incorporated in the analyses provided across various themes in the subsequent pages and also captured verbatim in many cases to retain the original message as picked up during discussions with these leaders.

# SUMMARY OF RESPONDENTS

Organization CATEGORY	TOTAL
Large Consulting Firms	15
Small Consulting Firms	25
Large Corporates	30
Small Corporates	24
<b>Total</b>	<b>94</b>



- ACC Limited • Acko General Insurance • Anantatv Connections Pvt. Ltd. • Adani Enterprise Limited
- Aditya Birla Group • ANI Technologies Private Limited • Ascenbay LLP • Ashok Leyland Ltd. • Bennett Coleman and Co. Ltd. • Bharat Electronics Limited • Bluereservoir Business Services LLP • BMC Software
- Captronic Systems • Cipla Ltd. • Cognizant Technology Solutions • Cyqurex Systems Private Limited
- Dalmia Bharat Group • Deepak Wadhawan & Co. • Deloitte • Dr. Reddy's Laboratories Ltd. • ECGC Ltd.
- Edelweiss • Emami Ltd. • Exdion Solutions Pvt. Ltd. • Ernst & Young • Factini Advisors LLP • Fidelity India Business Services • FINASTRA • Firstsource Solutions Ltd. • Godrej Industries Ltd. • Happiest Minds Technologies Private Limited • Hindalco Industries Limited • Hindusthan National Glass Industries Limited
- HSBC • HSBC GSC • ICAI • IIA • Infosys Limited • ISGEC • JRA & Associates • JSW Steel Ltd.
- Kalyaniwalla & Mistry LLP, Chartered Accountants • Kirloskar Oil Engines Ltd. , Pune • Kotak Mahindra Bank • Linde India Limited and 9 others • Mazars • Metro Brands Limited • Mhfl • MRF Ltd. • Mukund & Rohit • Mukund M Chitale & Co. • Nangia & Co. LLP • NIIT • Nitesh Industries • OakNorth Global Private Limited • Ogpl • OYO • Persistent Systems Limited • Pidilite Industries Limited • Prataap Snacks Ltd.
- Professional Practice • Protiviti • Randall and Quilter Investment Holdings Ltd. • Reliance Industries Ltd.
- S K ZAMA ASSOCIATES • Sahni Natarajan And Bahl • Samasta Microfinance Private Limited • Satya MicroCapital Ltd. • Singhvi Dev & Unni LLP • Subex Ltd. • Sundaram Clayton Limited • Target Corporation India • Tata Autocomp • Tata Capital Ltd. • Tata Communications • Tatasky • Tata Hitachi Construction Machinery • The World Bank • The Teachers Insurance and Annuity Association of America • Titan Company Limited • Water and Shark • Wipro Enterprises Pvt Ltd • Xiaomi India • Yokogawa India Limited



With increase in complexities in the business environment, enhanced expectation from investors and oversight by regulators, there is a pressing need for organizations to review and transform operations towards enhancing operational excellence and effectiveness. In the process, organizations are embracing rapid digital transformations and newer business models as a survival strategy. The risk profile of organizations is also changing drastically along with the impact and velocity at which such risks can potentially hit the organizations. Ability of risk management function to foresee risks, assess the impact of such risks and put reasonable mitigation actions before the risk hits you gives the organization a significant competitive edge over its peers in the long run. Organizations more than ever before need risk professionals to be catalysts for change and enablers of value creation. However, for risk professionals to do justice to their role, they not only need to keep pace with the changing business models and digital & operational transformation, but also earn the due share of respect to influence Board actions.

Purely going by the responses, the consistent view is that risk management professionals are struggling to keep pace with the dynamic business environment and digital transformations happening in the business. The traditional review plans and methodologies are becoming redundant and risk professionals are requiring to recalibrate strategies basis the emerging events and issues. Risk management professionals need to be equipped with skill sets to identify early warnings and risk indicators and be able to apply interactive risk models to the changing risk structures.

In terms of leveraging of technology by risk professionals, the responses reflect a view that risk professionals may be there in terms of applying traditional analytics tools to historical data, but there is some distance to be covered in terms of applying artificial intelligence, machine learning and advanced analytics to potentially predict what can go wrong, identify behavioral patterns and corroborative trends. The digital fitness gap between the risk management function and the business is expanding and the risk management function is struggling to implement desired control frameworks and governance structures over the digitally transformed processes. Respondents believe that lack of skill sets to implement and operate automated processes and tone at the top are the biggest challenges which organizations need to overcome to enable risk management function to deliver its true potential.

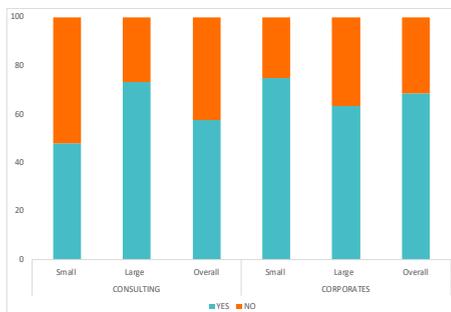
Respondents were divided on risk management professionals being able to meet board expectations and earn a seat at the table. The major challenges that organizations need to overcome are lack of understanding of the changing business landscape and lack of behavioural skills and persuasiveness apart from the domain and technology skills. Respondents also believed that there needs to be a more collaborative approach and an open culture of communication between the risk management function, management and the board for risk professionals to make a meaningful contribution and be the value engine of organizations.

# ARE RISK PROFESSIONALS ABLE TO KEEP PACE WITH DYNAMIC BUSINESS ENVIRONMENT AND BUSINESS MODELS?

In the current complex business environment, organizations are undergoing rapid digital and process transformations and embracing newer business models to remain competitive. With this, the risk profile of organizations is also changing drastically along with the impact and velocity at which such risks can potentially hit the organizations. With this, the onus to pre-empt and proactively address those risks is on the risk management team which is increasingly becoming a strategically important function in the organization.

Risk professional do need to have both an outside-in view - external regulatory environment, geo-political actions, competition, consumer patterns & other external factors and an inside-out view of business actions being taken by leadership & other internal factors. Risk management professionals need to be able to identify the early warning indicators and emerging risks and be equipped with skill sets to do real-time impact assessment of risks, prioritize them in the context of the business and formulate risk mitigation strategies to preserve value and create a competitive edge for the business over its peers.

## 1.0 Keeping pace with dynamic environment

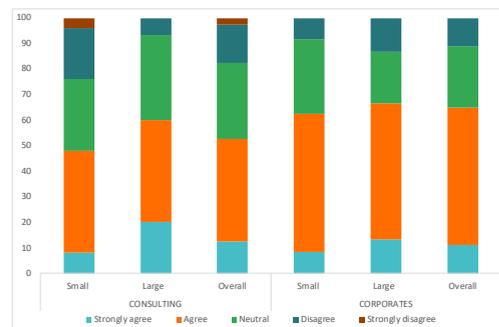


**Swaminathan Venkatachalam, Head Corporate Audit & Assurance, Godrej Industries Ltd.**

It is essential for risk management professionals to upskill themselves to be able to foresee the unknowns and identify emerging risks in the rapidly changing business environment and transforming business models. One also needs to be able to do real-time impact assessment of risks, prioritize them in the context of the business and come up with practical mitigation plans to preserve value for the business.

1.0) 67% of respondents from corporates believe that they are able to keep pace with dynamic business environment and transforming business models as compared to 60% of respondents from consulting. This is reflective of professionals from corporates having better understanding of business nuances and industry landscape and hence being better placed to manage the drastic change in risk profile. Also, significant upskilling may be required for small consulting firms to continue to create value as only 43% of the respondents believe that they are able to keep pace with the changing business dynamics.

## 1.1 Able to continuously enhance audit plans?

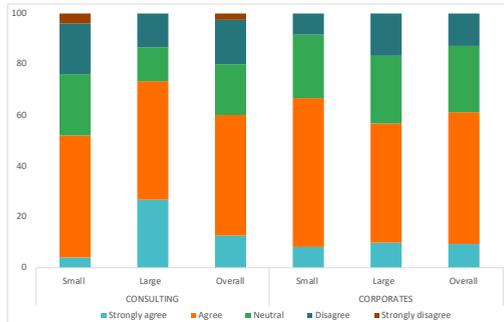


1.1) 52% of respondents from consulting believe that they are able to continuously enhance audit plan and methodologies in line with changing business models as compared to 63% from corporates. Inability to align work program with changing risk profile limits the effectiveness and ability of auditors to drive meaningful insights.



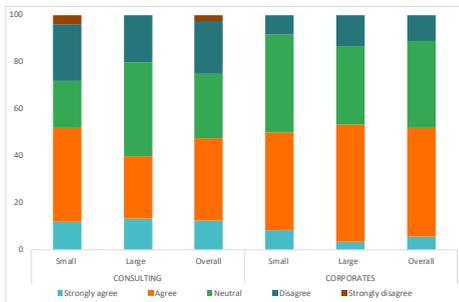
# ARE RISK PROFESSIONALS ABLE TO KEEP PACE WITH DYNAMIC BUSINESS ENVIRONMENT AND BUSINESS MODELS?

## 1.2 Equipped to recalibrate strategies?



1.2) Only 60% of respondents across consulting and corporates believe that risk professionals are equipped to recalibrate strategies basis emerging events and issues. The changing business models and complex business environment lending itself vulnerable to emerging risks, one needs to be able to foresee the unknowns and be proactive in doing real-time impact assessment and address the risks. The traditional risk models and frameworks are becoming more and more redundant, and need for agility and be proactive rather than reactive is more than ever before.

## 1.3 Skills to identify early warning indicators?

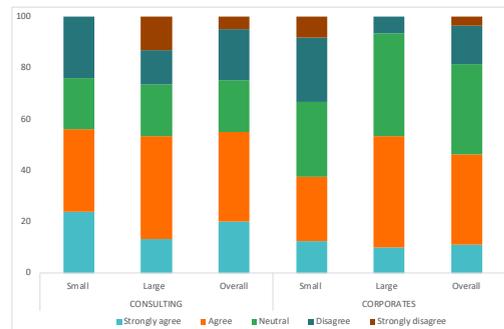


**Afzal Modak, Former Global Transition Leader, GE Global Operations**

With changing geo-political forces, growth of gig economy and movement towards data centric business models, risks need to be assessed through new lenses and monitored dynamically. Risk models need to be interactive to adapt to changing risk structures. There is a significant need to upskill risk management professionals to fully understand emerging risk indicators through orientations, research and development of live case studies.

1.3) Only 22% of the respondents from consulting and 10% of respondents from corporates believe that there is no need to enhance skill sets to identify red flags and early risk indicators. There needs to be significant investment into research work and development of case studies around identifying warning signals and how risk models need to evolve basis the changing risk profiles. It is essential for risk professionals to be able to connect the dots of changes happening in the business environment and its impact on an organization.

## 1.4 Skills around advanced risk methodologies?



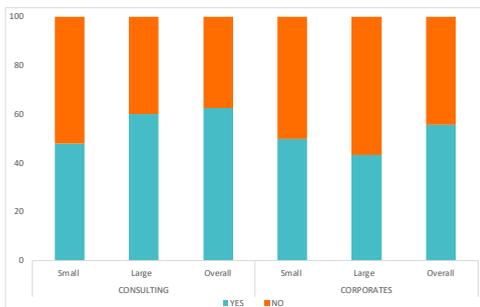
1.4) Only 22% of the respondents from consulting and 10% of respondents from corporates believe that risk professionals have the requisite skill sets around applying risk methodologies to deal with complex business environment. Hence, there is an alarming need to upskill risk professionals which can be structured education programmes, internal trainings or hands-on depending upon time commitment and investments. The approach and outlook towards risk management needs to change and move from transaction and reactive to being more holistic and proactive.

# ARE RISK PROFESSIONALS ADEQUATELY LEVERAGING TECHNOLOGY TO KEEP PACE WITH TRANSFORMING BUSINESS MODELS?

As we are witnessing a rapid transformation in business processes and are becoming more and more data centric, the associated risk profile is also undergoing a drastic shift. With this, there is a need to enhance the control frameworks to manage the risks in the digitalized avatar. More and more of transactional controls which were manual are now moving to being risk based and automated, and at the same time there are newer risks which are coming to the forefront including cyber, data privacy, loss of data, inaccuracies, online frauds, misuse of technology by customers/ vendors which are arising either by virtue of processes being digitalized or embracing of newer business models. To manage these risks, it is equally important for risk professionals to embrace technology and leverage it effectively to put effective control frameworks around digitalized processes.

Hence, there needs to be a continuous upskilling of risk professionals not only in risk management domain skills to understand the changing risk profile, but more so in terms of applying digital tools and techniques to identify deviations, behavioral patterns, trends & anomalies from business data to address those risks.

## 2.0 Skills around advanced risk methodologies?

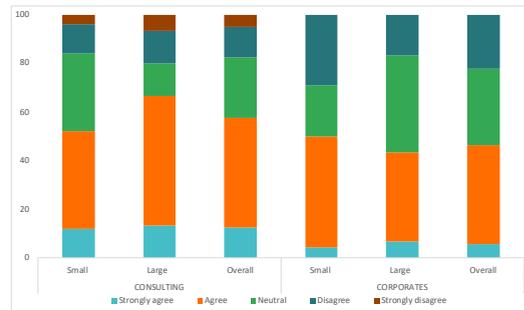


**Sandhya Sriram, Vice President, Global Head of Audit and Risks at Wipro Enterprises**

It is pivotal for risk management professions to articulate the need for new tools and technologies and the value they bring to the table across risk assessment as well as business processes.

2.0) Only 52% of respondents from consulting and 48% of respondents from corporates believe that risk management professionals are embracing technology to keep pace with the transforming business models. As businesses go through a digital transformation, it is essential for risk management function as well to keep embrace the change to be able to effectively manage risks emerging from the transformed processes and preserve value for the organization.

## 2.1 Outpaced by business in embracing technology



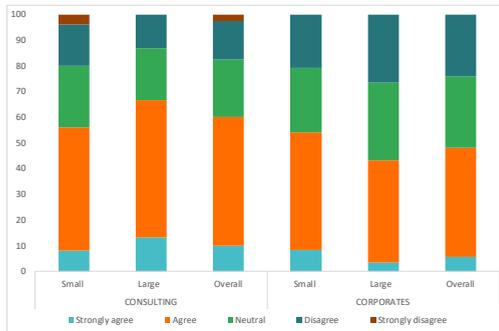
2.1) 57% of the respondents from consulting & 46% of the respondents from the corporates believe that though the organizations are going through a rapid digital transformation & are leveraging artificial intelligence & machine learning to enhance effectiveness and efficiency of business operations, the risk management function is lagging behind in the process. The trend is even more evident in case of small consulting firms where large ticket size investments may be a potential bottleneck and so it is evident in case large corporates wherein the business transformation seems to outpace the risk management function in term of embracing technology due to



# ARE RISK PROFESSIONALS ADEQUATELY LEVERAGING TECHNOLOGY TO KEEP PACE WITH TRANSFORMING BUSINESS MODELS?

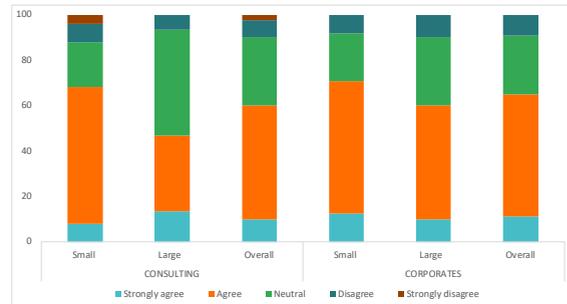
management focus and skilled resource allocation in favour of the business.

## 2.2 Competency to provide strategic advice ?



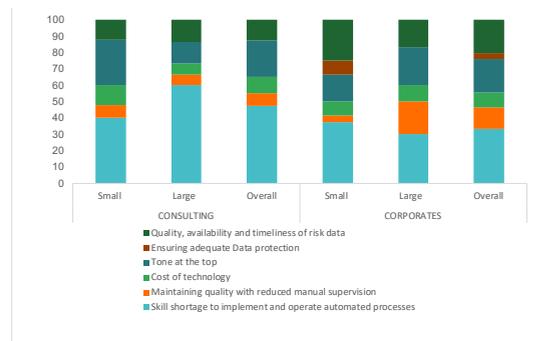
2.2) Only 46% of respondents from corporates and 58% from consulting believe that risk professionals have the competency to provide strategic advice and assurance with regard to the risks arising from organization's digital transformation. This makes the rapidly transforming data centric business models more vulnerable than ever before to unanticipated risks including cyber threats, data privacy, data accuracy and integrity risks. Risk management professionals need to equip themselves and end-to-end understanding of business model and operations including the technology landscape of the business to be able to understand the risks thrown up by the models and then develop a customized risk framework accordingly. As much as it is a pressing need, it is also an opportunity for the risk management function to meaningfully create an impact on the business and get themselves heard.

## 2.3 Equipped to implement governance frameworks?



2.3) Only 62% of respondents from corporates and 60% from consulting believe that risk professionals have the skill sets to design and implement appropriate governance and control framework over digital processes. As the risk profile impacting organizations is evolving, the traditional risk models and control frameworks are becoming redundant. Hence, risk professionals need to go through an upskilling cycle to understand how tools and techniques can be applied to strengthen the governance processes in the digital environment.

## 2.4 Biggest challenge in embracing technology?



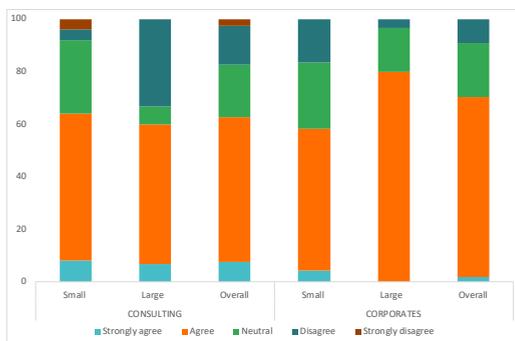
**Sunil Bajaj, Partner and Risk Management Leader, S.R. Batliboi**

As we are witnessing a rapid transformation in business processes, the associated risk profile is also undergoing a drastic shift. Hence, there needs to be a continuous upskilling of risk professionals not only in domain skills to understand the changing risk profile, but more so in terms of applying digital tools and techniques to identify deviations, behavioral patterns, trends and anomalies from business data to address those risks.

# ARE RISK PROFESSIONALS ADEQUATELY LEVERAGING TECHNOLOGY TO KEEP PACE WITH TRANSFORMING BUSINESS MODELS?

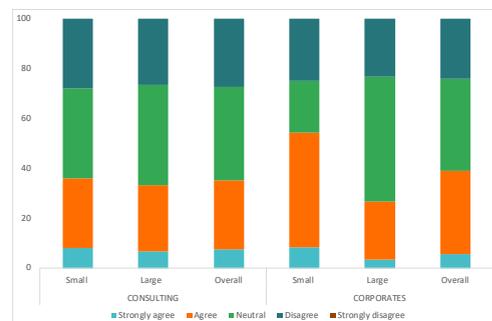
2.4) In terms of the challenges to risk management professionals embracing technology, shortage of skill sets to implement and operate automated processes clearly emerged as the biggest challenge being ranked the same by 46% of respondents from consulting and 35% of respondents from corporates. This is followed by the 'Tone at the top' as the second biggest challenge being ranked the same by 23% of respondents from consulting and 20% of respondents from corporates. Both the challenges aren't independent of each other and hence need to be addressed in coordination. As risk management professionals continue to upgrade themselves with domain, technology and behavioural skill sets, they will be able to anticipate, manage and report risks more effectively and in turn earn the due share of respect and recognition from the management and board members. This will significantly push the perceived value that risk function brings in and also drive more investments in people and technology for the risk management function.

## 2.5 Widening gap in digital fitness ?



2.5) 62.5 % of the respondents from consulting and 70% of the respondents from corporates believe that the gap between digital fitness of the organization and its risk management function is widening. Though small and large consulting firms have a similar view in this regard, the large corporates seem to be taking a greater cognizance of the view with almost 80% of the respondents believing in the same as compared to only 57% from small corporates. This widening gap poses a major threat as the control frameworks implemented by the risk management function would stand weak vis- à-vis the transformed processes and associated risks.

## 2.6 Adequately leveraging advanced analytics?



2.6) Only 37 % of the respondents from consulting & 38% of the respondents from corporates believe that they are adequately leveraging advanced analytics. As business models are becoming data centric, there is a huge opportunity for risk professionals to leverage data to identify anomalies, risk triggers, fraud indicators, behavioural patterns, procurement patterns, pricing trends & other business insights, provided there is investment into people and skill set enhancement.



**Sivaram Subramoniam, Head - Internal Audit, Titan Company Limited**

“Digital fitness” is a basic skill set that risk professionals need to be equipped with. For this, there needs to be structured training programmes, investments into development of case studies & research work to showcase how the risk profile of organizations embracing digitalization changes & how a digitally fit risk management professional can be more adept to identify these risk transitions, & suggest techniques to manage these risks effectively.

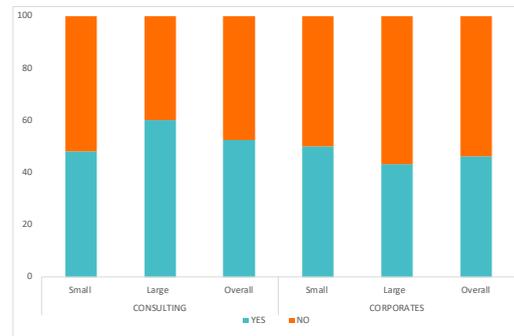


# ARE RISK PROFESSIONALS ABLE TO MEET EXPECTATIONS OF THE BOARD OF DIRECTORS AND HAVE SUCCESSFULLY EARNED A SEAT AT THE TABLE?

With increasing complexities in business operations, dynamic regulatory environment and increasing onus on board members, the risk management function is only becoming more and more sought after and viewed as a strategic function by board members and more specifically by Independent Directors. With increasing expectations from the board, onus is on the risk management professionals to do justice by preserving value for the organization at the same time being viewed as a facilitator rather than a deterrent in the decision making process. They need to demonstrate strong understanding of business nuances and industry landscape and need to make meaningful contribution in strategic discussions by bringing in risk considerations in the context of the business. This would ensure they not only get a seat at the board table and get the due respect, but their role would be cherished and sought after and the function will get the due share of investments on people and technology.

3.0) 48% of the respondents from consulting and 52% of the respondents from corporates believe that risk management professionals are not meeting board expectations and are yet to earn a seat at the table. This risk management professionals need to socialize the value risk function brings in rather than giving a threat connotation. Risk management needs to be presented as a value building exercise to the leadership, so that it is perceived as a desirable action rather than treating as a governance burden.

## 3.0 Risk professionals meeting board expectations ?



3.1) 53% of respondents from consulting and 51% of respondents from corporates believe that risk management professionals are not able to adequately harness risks to drive value for the organization. Risk management professionals need to move beyond the transactional aspects of the business and adopt a mind-set to take a holistic view of the business dynamics and industry events. They need to be the senior management’s eye to be able to pre-empt emerging risks, exploit them to convert into an opportunity and recommend specific enhancements to drive change and move towards operational excellence.

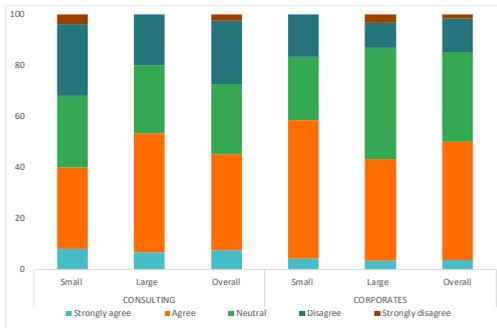


*Jyotin Mehta, Independent Director - Linde India, ASK Property Investment and Majesco Limited | Chair of the Audit Committee - Linde India & Majesco*

While Independent directors and top management do have a critical role to play in driving the tone at the top around risk management and enable investment into people and technology, the risk management function also needs to be vigilant towards identifying and taking proactive steps towards early risk indicators and preserving value.

# ARE RISK PROFESSIONALS ABLE TO MEET EXPECTATIONS OF THE BOARD OF DIRECTORS AND HAVE SUCCESSFULLY EARNED A SEAT AT THE TABLE?

## 3.1 Ability to harness risks ?

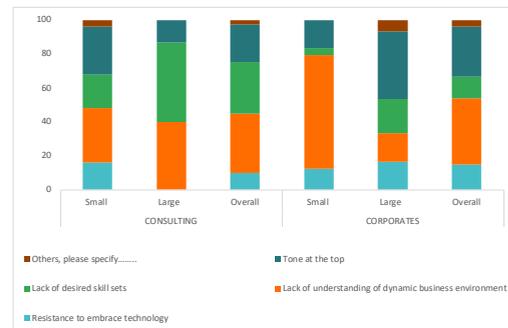


3.2) In terms of the major challenges in the risk management division not being able to deliver the desired value, ‘lack of understanding of dynamic business environment’ clearly stood out as the biggest challenge. 38% of respondents from both corporate and consulting firms vouched for the same. Only when one has a clear cut understanding of the business dynamics in the digitally transformed environment, will they be able to anticipate the ‘what can go wrong’, the threats and corresponding opportunities that one can leverage to deliver value.

‘Lack of desired skill sets’ and ‘Tone at the top’ emerged as the next set of major challenges in the risk management division not being able to deliver the desired value. Interestingly, the results are consistent to what we also noted as the major challenges in risk management professionals embracing technology. Hence, if the risk management function gets the sponsorship from the board and senior management

and makes right set of investments into people, domain & technical skill set enhancement, it can make a mark and firm a place for itself in the Board room.

## 3.2 Major challenges in delivering value ?



3.3) Only 51% of the respondents from consulting and 53% of the respondents from corporates believe that risk management professionals are equipped to provide quality and comprehensive information in line with board’s expectations. Risk management professionals need to support their observations, risks that they anticipate with case studies, research and scenario analysis indicating in-depth analysis having gone into the risk reports. Risk professionals need to be equipped with not only domain skill sets, business and industry knowledge, but also develop behavioural skills such as inter-personal skills, influencing through persuasive communication and being assertive towards its point of view. They need to in layman terms, articulate their finding and come up with practically implementable mitigation plans and



**Mahesh Babu Gupta, Ex Independent Director, Punjab National Bank**

As organizations go through their digitalization journey, risk management professionals have a very critical role to play in anticipating emerging risks, leveraging appropriate tools & techniques to manage such risks and report periodically to the board. However, there is a pressing need to focus upon and develop risk management as a skill set and as a category to ensure availability of risk professionals for the industry.

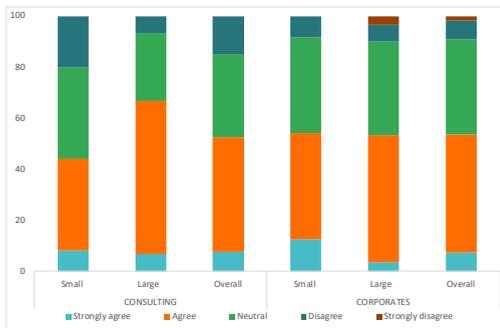


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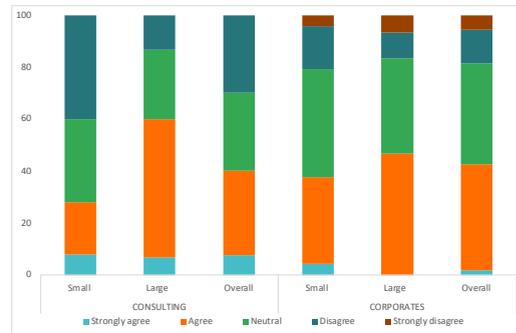
ensure they are accurately communicated to the relevant business functions, senior management and the board as part of the risk reporting process.

Risk management professionals also need to be more assertive and persuasive to get themselves heard and make the most of opportunities to exploit risks and be a driving force for the business.

### 3.3 Equipped to provide quality information ?



### 3.4 Open culture of communication?



3.4) Only 40% of the respondents from consulting and 42% of the respondents from corporates believe that there is an open culture of communication between the risk management function, management and the board. The trend is even more evident in case of small corporates and consulting wherein only 30% of the respondents believe that there is an open culture which is likely because of the limited scope of their engagements with the board. There needs to be a collaborative approach between the stakeholders, sharing of information, business strategies and brainstorming to bring out the best from each stakeholder.



**With increasing complexities in business operations, dynamic regulatory environment and increasing onus on board members, the risk management function is only becoming more and more sought after.**



*Geeta Mathur, Independent Director for multiple companies including Motherson Sumi Systems, Infoedge Limited, India Infoline group companies, NIIT Limited*

Risk Management professionals should be persuasive in seeking bandwidth from Audit Committee and the Board to present their view point on inherent risks associated with different aspects of business and recommended risk strategies . One needs to seize opportunities and demonstrate value contribution to the organization.

# KEY TAKEAWAYS

As organizations are going through a digital transformation journey and business model shifts, the risk profiles have also changed drastically. Organizations are getting hit by risks which didn't exist earlier, and are facing threat from industries which it didn't compete against. The growth of gig economy and movement towards data centric business models has also raised the need for application of a fresh risk lens and need for dynamic monitoring. The discussions around risk considerations have moved from backend to Board level discussions. Risk professionals are expected to connect the dots of changes happening in the business environment and its impact on an organization. This has led to increasing expectations from risk professionals to move beyond the operational/ transactional aspects and invest efforts towards making strategic contribution to preserve organizational objectives. *To do justice to the expanding role & expectation from risk professionals, they need to be equipped with the following:*

- Risk professionals do need to have an alpha personality and exert confidence in their actions and recommendations.
- Need to develop risk management as a skill set and as a category to ensure availability of risk professionals for the industry.
- Risk management professionals need to socialize the value risk function brings in rather than giving a threat connotation or being treated as a governance burden.



**Seema Grover, Senior Director and Chief Internal Auditor, Dr. Reddy's Laboratories**

Risk management professionals need to follow a journey of collaboration with Compliance team, Internal Audit team, IT team and business to be able to connect the digitized processes with governance requirements. One also needs to get equipped with skill sets to implement internal controls and data security frameworks around digital processes.



**Thiyagarajan Kumar, Director, Management Assurance Services, Times of India group**

Trained risk professionals are essential for organizations to run operations effectively and efficiently on a sustainable basis. However, technology, domain and behavioral skills are lagging behind and we have a journey to cover to align to international standards. Hence, there is a need to significantly enhance investments towards upskilling of risk professionals.



**Sandhya Sriram, Vice President, Global Head of Audit and Risks at Wipro Enterprises**

It is important for risk management professionals to build the imagery of the risk function within the organization. While Governance is at the core of the function, the spirit of value creation should drive conversations.

# KEY TAKEAWAYS

- The approach and outlook towards risk management needs to change and move from transaction and reactive to being more holistic and proactive.
- Ability to demonstrate strong understanding of business nuances and industry landscape to be able to make meaningful and practical recommendations.
- There needs to be significant investment into research work and development of case studies around identifying warning signals and how risk models need to evolve basis the changing risk profiles.
- Enhancement of skill sets to not only to use the available tools and techniques, but also to be able to apply them in the organizational context with necessary industry and business process nuances being factored in.
- Enhancement of skill sets around behavioural aspects, sharpening of soft skills and ability to articulate and present risks and findings for Leadership's consideration.
- There has to be a collaboration between Compliance team, Internal Audit team, IT team and business to be able to connect the digitized processes with governance requirements.



*Rajat Jain, Former Global SVP & Managing Director, Walt Disney India  
Former EVP & Business Head, Sony Entertainment Television*

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Risk management professionals and business need to periodically discuss business goals, strategies and customized risk models, so as to be able to create synergy and generate a positive impact on the growth and sustainability of the organization.



*Afzal Modak, Former Global Transition Leader, GE Global Operations*

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Role definition and relevance of risk management professionals has evolved over time and their contribution is actively sought by progressive management and the board. Risk professionals do need to have an alpha personality and exert confidence in providing organizational and business guidance.



*Geeta Mathur, Independent Director for multiple companies including Motherson Sumi Systems, Infoedge Limited, India Infoline group companies, NIIT Limited*

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Business models, regulatory environment and risk management are evolving rapidly, offering Risk Management professionals a rare inflexion point. They need to use this opportunity to approach and influence Audit Committee and Board Members with domain knowledge, strong business understanding, ability to present risk mitigation plans and articulating strong point of view.

# CONTRIBUTIONS

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We would look forward to your continued support as we plan to make this an annual initiative going forward.

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# ABOUT GRMI

Gurgaon-based GRMI is pioneering in putting together a cutting-edge curriculum in risk management to educate aspiring professionals for a successful career in the risk management market, which is estimated to be upwards of USD 40 Billion and growing. It is the first-of-its kind comprehensive Risk Management curriculum in the world, covering end-to-end fundamentals of risk management across multiple industry verticals such as manufacturing, retail, banking, life sciences, telecom, hospitality, etc.

Credibility at GRMI is defined by the quality of leadership that is driving the entire programme. GRMI is led by a distinguished Dean, an exceptionally learned Board of Directors and Strategy Board. GRMI aims to be a hallowed portal for creating future leaders for the country and the globe by leveraging guidance and directions from learned Academic Council which has strong mix of Academicians and Industry leaders, and an eminent Board of Governors which comprises of national and international members from industry and academia.

GRMI is committed to ensuring an environment where aspiring risk professionals get to interact with more global risk leaders than what any other institute can offer.





Associate  
Partner



## Global Risk Management Institute

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