Keep your eye on the future

with the right risk management solution.

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How to Choose Risk Management Software

Managing risk is no longer just a best practice – in this increasingly standards-driven business environment, it is a vital part of an organization's GRC program. Most managers understand the importance of ensuring that their company's financial and material assets are protected. They give significant risks individual attention, and carefully plan to prevent or respond to each potential loss. But when companies fail to view risk management as an enterprise-wide initiative, duplication of efforts and compliance "silos" occur. Savvy risk managers are responsible for more than the security of financial assets – they also protect the safety of governance, business processes, operations, internal controls, and network infrastructure. By adopting Enterprise Risk Management (ERM), companies take a strategic, company-wide approach, minimizing all risks that can significantly undermine business value.

In successful ERM, management defines a set of processes for identifying all major business risks, and establishes policies for mitigating their impact. The program is enacted by upper management but makes every employee responsible for managing risk. To manage a program of this magnitude, companies need an enterprise-wide system that enables extensive collaboration as a part of a wider GRC program.

Effective ERM efforts benefit greatly from a software solution that can automate your processes and drive sustainable results. With the right product, your company will generate higher profits, improve quality, and lower operational costs. But how do you find the best software for your needs? The following checklist should help you clarify your objectives as you move towards selecting the best product for your business.

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Checklist for choosing ERM software

	Yes	No
1. Can the system help you perform your specific ERM goals? Before you begin your software search, you should have a clear idea of what you wish to accomplish. Management should work to determine the types of risk that the company faces across the board – whether they're financial, market, environmental, operational, supply chain, social or political risks, each should be taken into consideration as part of a holistic risk management program. Establish what business processes need to be automated to simplify and regulate risk management. Decide whether you need a solution that helps you improve document control, streamline communications, achieve compliance with Sarbanes Oxley and/or Basel II, or help you perform other tasks. Look for a product that fulfills all your most important objectives.		
2. Does the system fit your company's needs? One of the first questions to ask when researching a product is whether the software's framework is appropriate for your business. Can it work seamlessly with your existing middleware (LDAP, database, etc.) or will you need to purchase and support additional software? Can it scale to support the number of users you require? Managers from smaller companies may want vendor-hosted software, which can be less costly and demanding on your IT department. If your company has more than one site, find out how the vendor handles training and implementation for the software in multiple geographical locations. Also determine whether the software is open standards-based, because that kind of architecture indicates flexibility and can substantially lower cost.		
3. Is the framework flexible? If your company makes a change, your software should be able to recognize this change and accommodate new assessments. Other questions to ask include: Does the software allow you to choose your own fields and labels for various documents and functions? Can the workflow be modified to accommodate new policies and procedures? If your company is multinational, determine whether the software handle users who do not share the same language. Also consider how often you might need to upgrade the software, and how difficult it will be. If new or evolving requirements arise, can your administrator make configuration adjustments to adapt the system? Or, must the software vendor make programming changes before the system can accommodate new requirements?		
4. Does the software have a comprehensive communications tool? One of the most important factors in ERM is keeping everyone informed and involved in risk management processes. Auditors want companies to have a structural process in place that encourages symbiotic communication between employees and management. Effective ERM products facilitate company-wide communication. For example, some systems have email message formats that link users directly to documents. Another key feature is an accessible document repository, so that all		

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	Yes	No
employees know what is expected of them to support the risk management goals of the enterprise. Many solutions can generate automated alerts and reports that provide the data most important to the end user. They will allow you to choose which employees receive alerts and sign off on important documents, enabling automatic distribution. When you choose a solution that lets you "manage by exception" in this way, you save time and improve communication.		
5. Does the system help you monitor, assess, and mitigate risks? Auditors want companies to thoroughly identify and assess every significant business risk, and develop plans for managing them to an acceptable level. An ERM solution should help you detect and prevent risk by performing risk assessments and identifying appropriate controls. Such activities should be managed in a "closed-loop" fashion so that none of them fall through the cracks. If your ERM system ties risk assessments to associated business objectives and business processes, it allows you to monitor related aspects of the business, and understand how they are affected by risk management activities.		
6. Does the product help you continually evaluate ERM processes? Auditors want to see ongoing evaluation and improvement of ERM processes. Therefore, continuous assessment and monitoring is a necessary component of effective ERM. Your system should help you automate a monitoring system so that controls assessments are performed regularly. This will prepare you for audits and help you make informed decisions about changing your risk management policies. The system should allow you to assess the status of your risk management activities at any time. You should be able to adjust your control activities in response to context changes and to adapt the schedules of control tests as the underlying risk environment changes. If a control test identifies a problem, the system must ensure that the problem is corrected.		
7. Does the software enable streamlined document control? One of the challenges risk managers face is organizing a vast amount of data. Ideally, your ERM software will help you create a system that organizes your documentation in an intuitive, clean and consistent manner. A central repository for storing and categorizing documents eliminates the possibility of lost documents, improves accessibility, and increases efficiency. Auditors will be able quickly access and assemble your company's important documentation, and you will ultimately save costs.		
8. Can the software enable compliance with federal regulations, industry standards, and all your GRC initiatives? While risk management is an important business objective in its own right, it's also a key facet of many other compliance initiatives. The ideal software solution will allow you to tie risk management to your other compliance activities, fostering a holistic Culture of Compliance ™. Look for a product that can facilitate compliance with Sarbanes Oxley, ISO		

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	Yes	No
17799, AUS/NZS 4360, and rollout of compliance frameworks like OCEG "Red Book" and COSO ERM.		
9. Does the software reduce the costs of audits/assessments? As ERM becomes an increasingly vital business practice, the costs of auditing continue to rise. A key to minimizing them is to eliminate unnecessary audits and to share audit results across compliance areas. For example, auditing information for compliance with many Cobit requirements can be used to support Sarbanes Oxley requirements.		
10. Does the software eliminate system redundancy? If you currently use point solutions to address various elements of compliance management, look for an integrated, all-purpose compliance solution. You should not need to spend money for the purchase of additional software products and licenses, or waste time training employees in yet another system. Seek a solution that can help you integrate ERM with other compliance processes, like environmental management and employee training. A comprehensive system will lead to significant reductions in effort and costs.		
11. Is the software reasonably priced? When deciding how much money you can allot towards your software purchase, consider the projected return on investment. The high up-front costs of compliance software can be daunting, but studies show that these products save companies the significant costs of audit management. Ask the vendor for examples of customers who have reported substantial savings after implementing their products. There are also ways to save initial costs. Look for software that is low in both training and operational costs. And consider opting for vendor-hosted software, which can be implemented cheaply and rapidly, accelerating your time-to-benefit.		
12. Does the software simplify employee training? Part of effective ERM is ensuring that each employee understands and follows his or her job requirements, and has a thorough grasp of the company's policies and compliance procedures. A system should help you establish a formal, company-wide system for employee training. If a system has flexible communication options, employees can receive automated notices about certification requirements, training sessions, and newly released or changed documents that require their review.		

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IBS America develops integrated compliance management solutions to help companies improve corporate governance and achieve sustained adherence to regulations and standards. Since 1993, we have delivered our systems and services to thousands of companies worldwide. IBS America is one of the very few compliance software companies certified to ISO 9001.

WEB-BASED COMPLIANCE MANAGEMENT SOFTWARE

Enterprise Risk Management Module

The Enterprise Risk Management Module is the keystone of a complete GRC solution. With CompliantPro, identify the key business risks and manage those risks to an acceptable level Perform easy and efficient controls testing. Store policies and procedures in a convenient central repository. Address requirements from multiple regulations, including Sarbanes Oxley. Reach your risk management goals with CompliantPro.

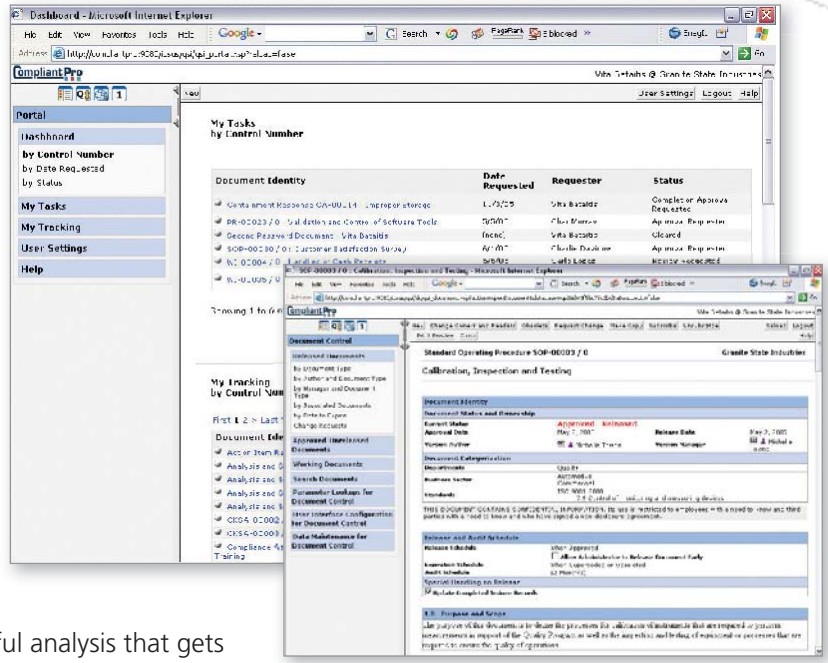
Benefits

- **Lower Costs:** Spreadsheet and word processing-based risk assessment methods are unwieldy and impractical, driving higher costs. CompliantPro's web-based architecture is both cost-effective and easy to use. The rich framework means that you don't need to purchase multiple compliance solutions to address multiple compliance requirements. Users don't need to be retrained when they move between departments because all CompliantPro modules share a consistent user interface. Eliminate wasted efforts on insignificant controls
- **Streamlined Communication:** Enterprise-wide involvement is a vital facet of effective ERM. CompliantPro enables automated communication among employees, so you can work together to minimize risks. Use the centralized dashboard to access documentation of all processes, management controls, and financial controls. Define workflows, approvers, backup approvers, and escalation. Set up notifications, alerts and escalations about approaching and missed deadlines. Simplified communication fosters effective risk management.
- **Increased Revenues:** Achieve a significant increase in profits when you automate your risk management processes. CompliantPro enables an enterprise-wide approach to risk management, engaging all levels of your organization in minimizing risk. Create controls for every uncertainty so you can perform streamlined corrective actions when incidents arise. Increase investor and customer confidence, driving higher profits.
- **SOX Applications:** This module is COSO- and OCEG-framework compatible, offering an ideal framework for SOX compliance. Allocate resources to manage those internal controls with significant risks based on a top-down assessment. Gain easy access to Sarbanes Oxley policies and procedures. Automatically alert owners, testers, auditors of their responsibilities. A formal sign-off process further supports the requirements of 302 & 404.
- **Flexibility:** In today's standards-driven business world, you strive to keep current with a range of legal requirements, industry standards, and board directives. Use CompliantPro to address not only SOX, but all of your unique GRC requirements. And with CompliantPro's flexible framework, you can change your risk management processes to keep pace with new and updated standards.
- **Accessibility:** CompliantPro is not bound by traditional client-server architecture, so you can log in wherever there is an Internet connection. Moreover, CompliantPro can be run on industry-standard relational databases, email systems, web application servers, directory services and portals.

CompliantPro

Enterprise Risk Management Module

Your IT department will appreciate that.



Features

- **Risk Reporting Capabilities:** Perform real-time status reporting. Tie related risks, assessments, findings, and objectives together for flexible and coherent reporting. Graphically portray your most significant risks using heat maps. Use powerful visuals to demonstrate key statistics. The reporting motif gives you easy access to previous results.
- **Risk Assessment:** Perform insightful analysis that gets to the core of issues. Enter data to get numerical risk weighting and retrospective loss data analysis. Perform exception reporting, assessing and identifying even the risks outside the normal range of expectations. Prepare for every uncertainty with controls tests.
- **Closed-Loop Issues Management:** As part of the assessment process, findings will inevitably be uncovered. Ensure these issues are recorded and that they do not "fall through the cracks" with a hard-wired system that guarantees closure via timely, automated notifications to those who need to know.
- **Rich Categorization Options:** Choose your own fields and labels for various documents and functions. You're not restricted to vendor-supplier categorization options, and can use the terms familiar to your employees.
- **Workflow Engine:** Set up workflows of virtually any type allowing for routing, assignment and responsibility models. With real-time tracking , determine a document's place in the workflow process at any time.
- **Rich-text Editing in a Browser:** While other web applications only permit simple text entry, CompliantPro offers you full functionality as you edit documents from the browser. Change fonts and emphasis of text, and embed images and tables inside fields.
- **Employee Training:** Educate your employees about your company's policies and procedures. Foster a more responsible, conscientious workplace, and ensure that each employee has job-specific knowledge. Implement whistle-blower strategies and give employees a way to register concerns without fear of management reprisal.
- **Reviews:** Meeting agendas, minutes and action items are created and tracked for management reviews, design reviews, material reviews, and contract reviews.

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