

The background of the entire image is a photograph of the Tower Bridge in London at night. The bridge's two massive stone towers are illuminated with warm yellow lights, and the suspension cables are lit with a cool blue light. The sky is a deep, dark blue with some light clouds. The overall mood is sophisticated and urban.

# GRC

SUMMIT 2022

LONDON, NOV 8-9

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# Experience the Power of Connection

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# Operational Resilience: Weapon of Choice for Evolving Risks

Presented by MetricStream Product  
Management



# Agenda

- Current Market Situation
- Operational Resilience Overview
- Case Studies
- Upcoming Acts & Regulations
- Way Forward
- Product Demonstration



# Current Market Situation

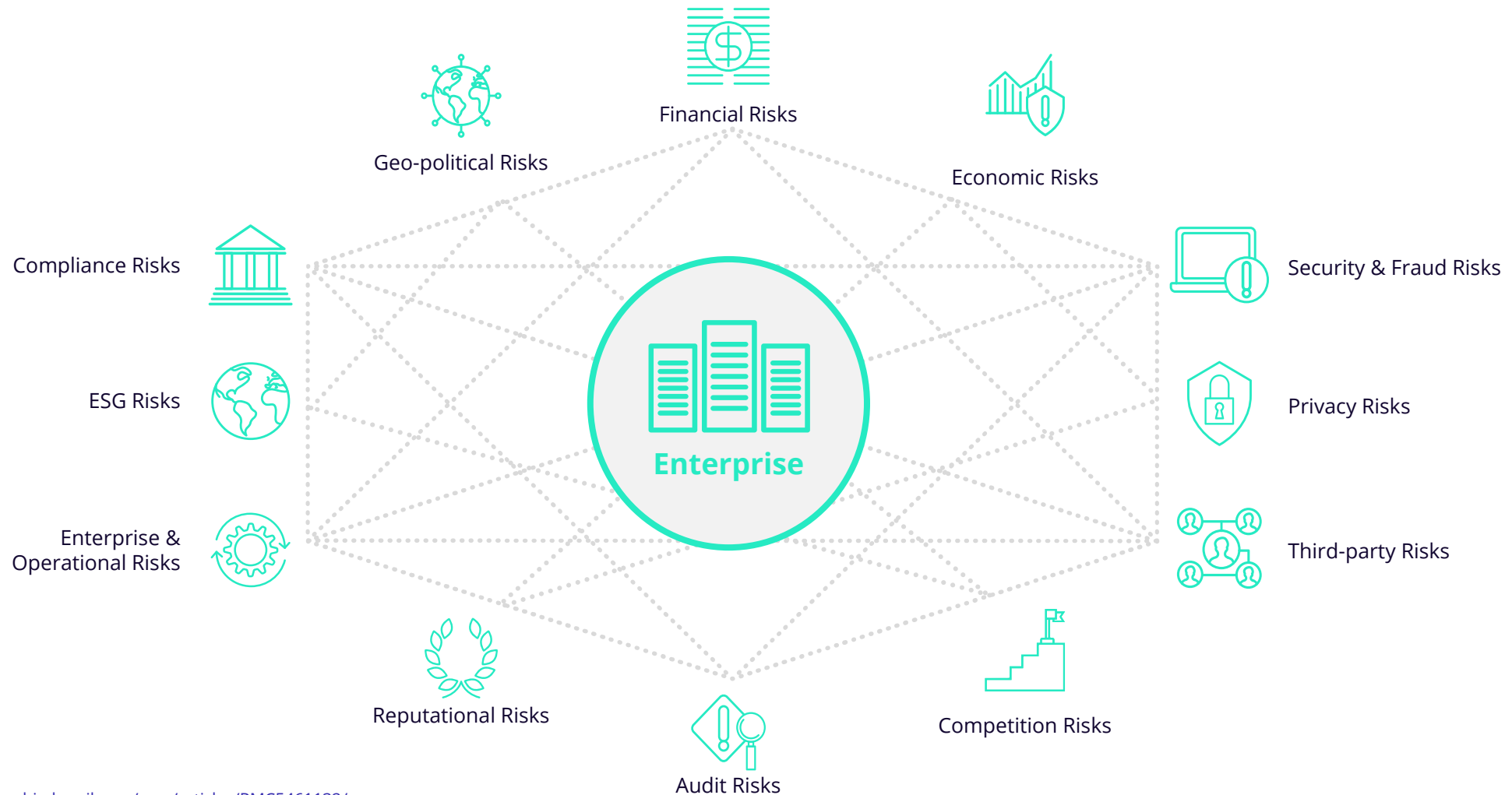
## Shifts in GRC Challenges & Approaches

A new normal for turbulent times

- Connected risks
- Persistent challenges
- Coping strategies



# Connected Risks



<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5461132/>

<https://www.acronis.com/en-us/blog/posts/nhs-cyber-attack/>



# Disruptions



It is an inevitable risk for firms to suffer disruptions to their operations as a result of natural or manmade disasters. Some of these could be, but not limited to

- Force Majeure
- Cyber Attack
- Competition
- Litigations

Disruptions can be managed well if Enterprise can address its weakness around

- Processes
- People
- Systems
- External Events

# What is Operational Resilience?

- Operational resilience is the structured approach by which an enterprise can respond, retrospect, course correct and move forward as an answer to disruptions.
- It is the principle that allows organizations to Thrive on Risk.

“

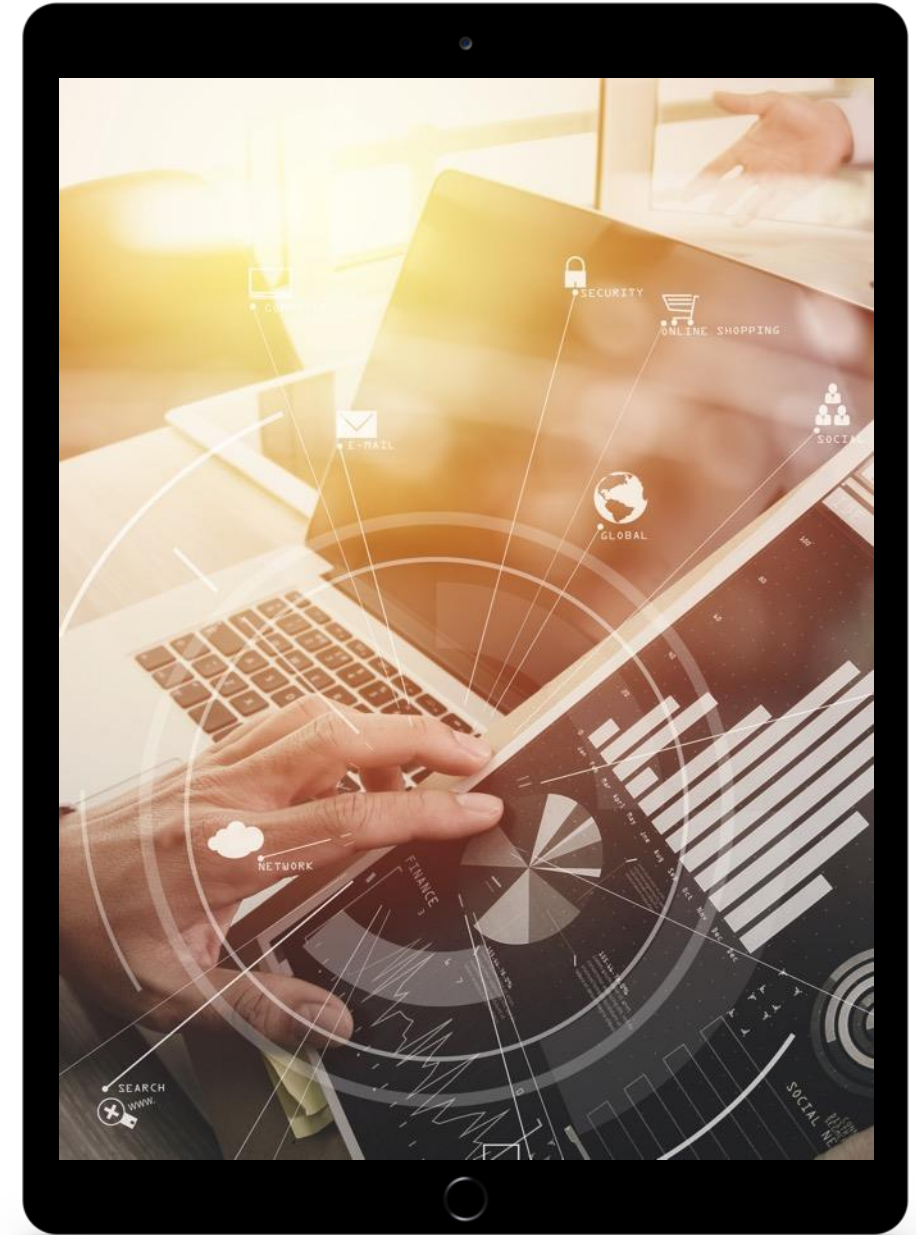
*Everyone deals with adversity;  
It's how you bounce back from it.*  
-Daniel Cormier

”



# How do You Become Ops Resilient?

- **Disruption Absorption** refers to the ability of a firm to maintain the structure and normal functioning of operations in the face of disruptions
- **Recoverability** refers to the ability of a firm to restore operations to a prior normal level of performance after being disrupted





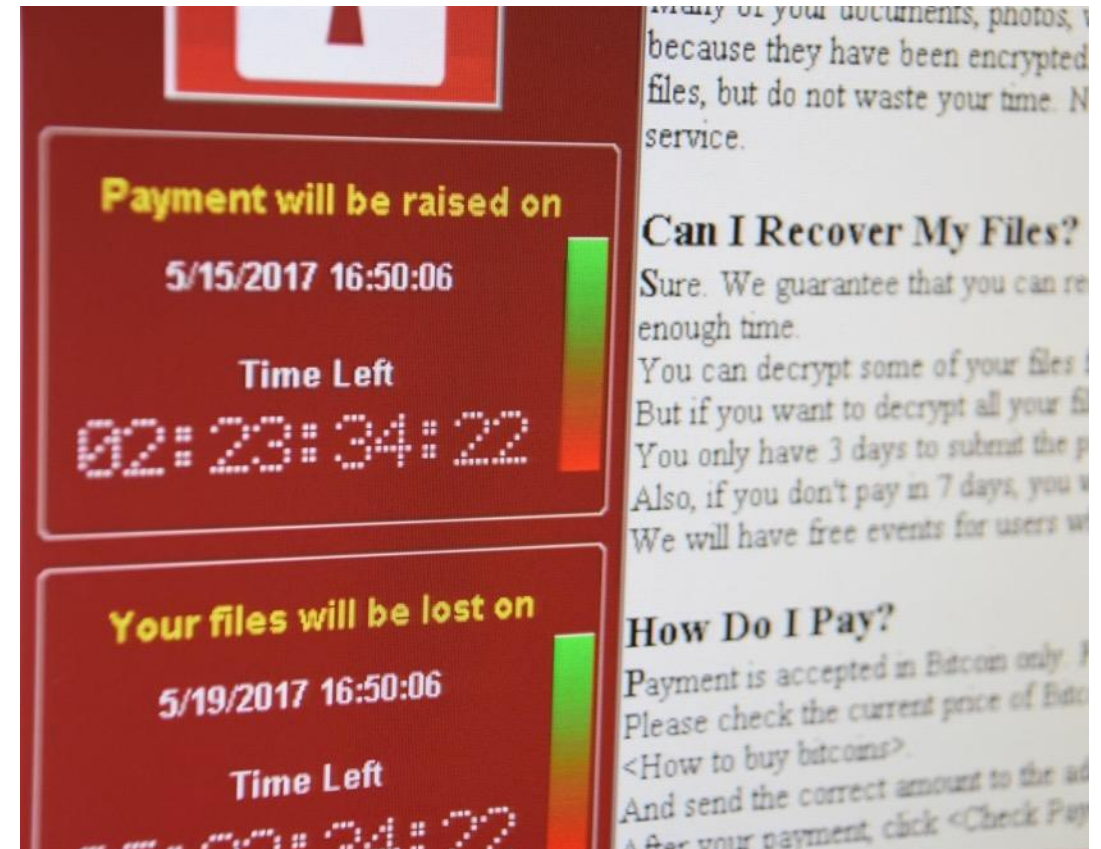
# Case Studies



# Operational Resiliency Failure

## - Case Study

- On May 12 2017, the “WannaCry” ransomware began affecting dozens of NHS facilities.
- Eventually, more than 60 NHS trusts were hit.
- This resulted in thousands of cancelled appointment and the diversion of A&E patients to other hospitals.
- Staff was forced to pen and paper for record keeping and had to use personal mobile
- Some of NHS Windows operating systems are more than 15 years old and were no longer updated or supported by Microsoft.
- Disruption to services cost the NHS an estimated £92M



# Operational Resiliency in Action

## - Case Study

- 9.0 magnitude earthquake and 100-foot tsunami
- Three nuclear power plants of the same approximate age, disaster conditions, and regulations
- Fukushima Daiichi experienced meltdowns and radiation leakage
- Onagawa experienced higher ground motion, was 40 miles closer to the epicenter, and experienced a larger wave, but was undamaged. Why?
- Onagawa implemented a proactive and collaborative culture of safety and risk awareness from the start and prioritized it across the company
- Onagawa had strict protocols for disaster response, tested controls, and educated all employees on their roles and the steps to take in and after an earthquake and tsunami



<https://thebulletin.org/2014/03/onagawa-the-japanese-nuclear-power-plant-that-didnt-melt-down-on-3-11/>

<https://www.theatlantic.com/ideas/archive/2022/03/fukushima-nuclear-disaster-management-onagawa/627070/>



# Digital Operational Resilience

Acts & Regulations

# Information and Communications Technology



- Risk Management Strategy
- Timely Incident Reporting
- Periodic Testing
- Third Party Risk Management
- Sharing the Information

# Digital Assets & Currencies

## Market in Crypto Assets (MiCA)

### Protect Consumers

Make aware of Risk associated and avoid fraudulent activities

### Anti Money Laundering

EBA to maintain a public register of non-compliant crypto-asset service providers

### Climate Footprint

Protect Environment with mandatory minimum sustainability standards for consensus mechanisms

<https://www.consilium.europa.eu/>



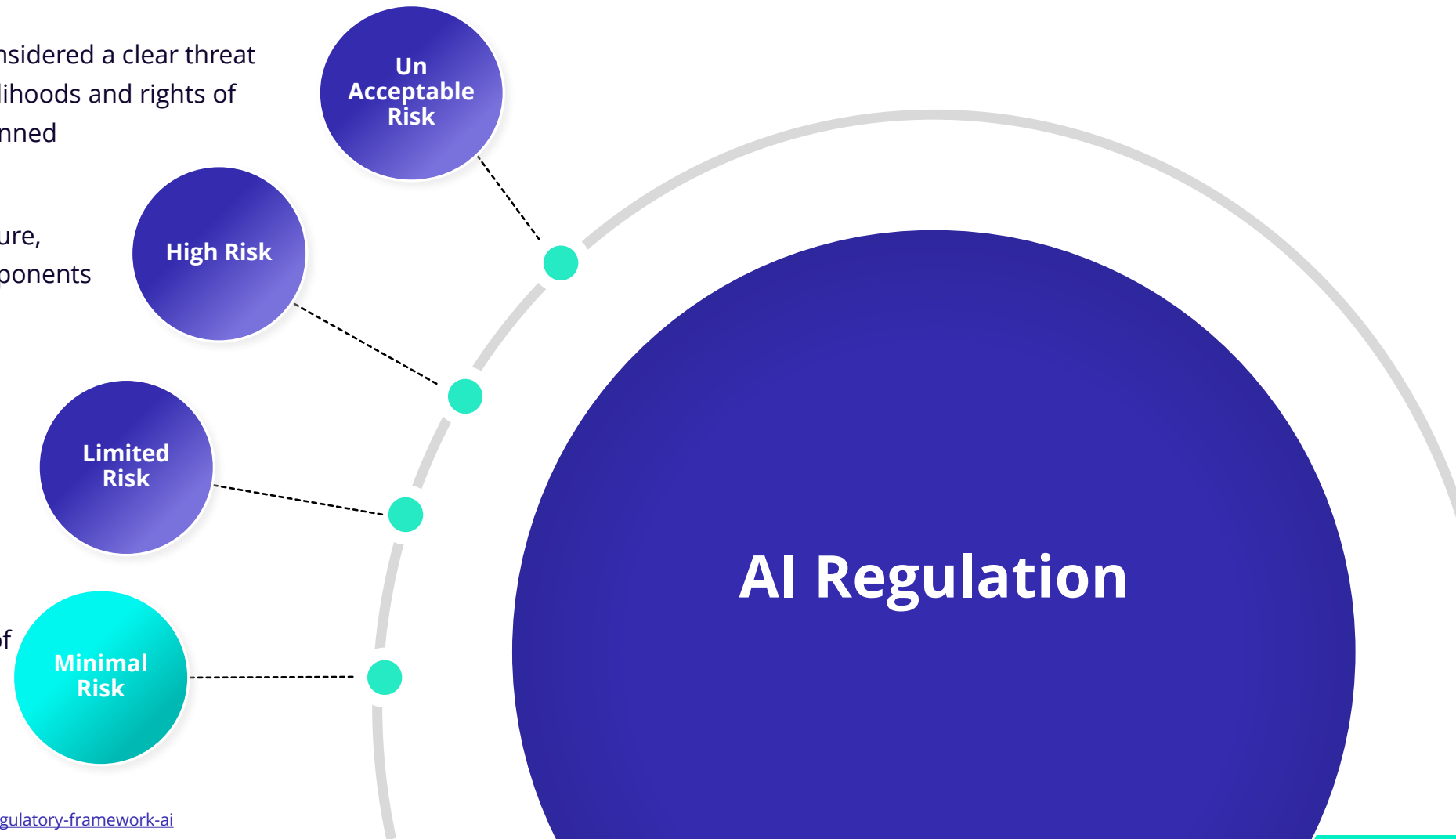
# Ethical Artificial Intelligence

All AI systems considered a clear threat to the safety, livelihoods and rights of people will be banned

AI impacting critical infrastructure, education, Product safety components

Transparency issues. E.g. Humans interacting with Chatbots

The proposal allows the free use of minimal-risk AI like Video games, Spam filters



<https://digital-strategy.ec.europa.eu/en/policies/regulatory-framework-ai>

# Regulatory Focus

- **UK** – FCA/PRA
- **Germany's** Institute of Public Auditors (IDW) standards for listed companies
- **America** – Federal Reserve
- **Singapore** – MAS
- **Australia** - APRA/ASIC

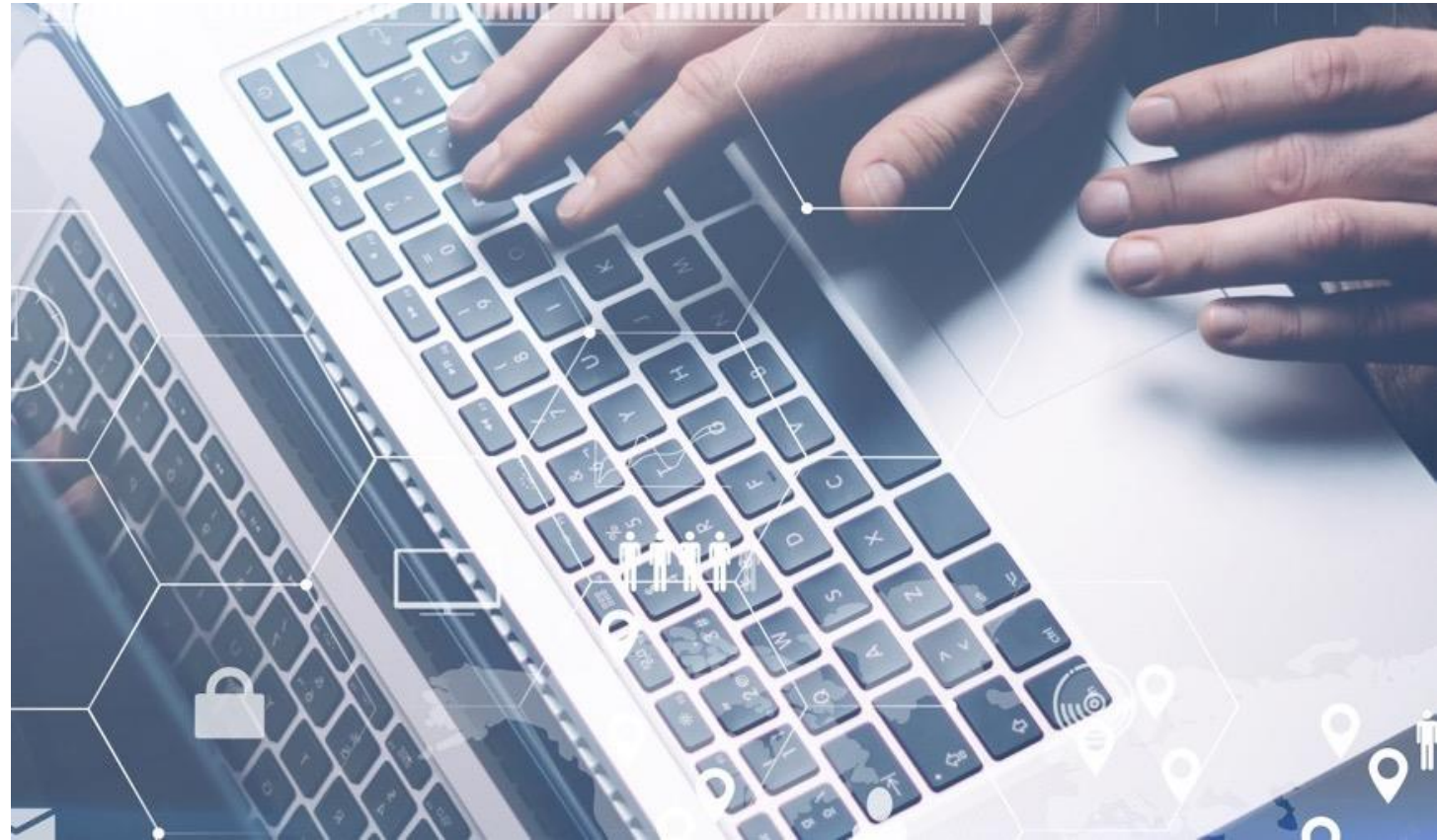


# Way Forward



# Operational Resilience Principles

- Governance
- Operational Risk Management
- Business continuity
- Mapping interconnections and interdependencies
- Third-party Risk management
- Incident management
- ICT including cyber security



# Metricstream's Solution



# MetricStream Operational Resilience Solution Components

IT risk and control assessments  
Threat & vulnerability  
Cyber risk quantification



Risk & control assessment  
Loss data management  
Key metrics  
Issue & remediation  
Risk analytics & reporting

Vendor information management  
Onboarding & due diligence  
Continuous vendor monitoring



## MetricStream Platform



GRC CLOUD



GRC FOUNDATION



GRC INTELLIGENCE



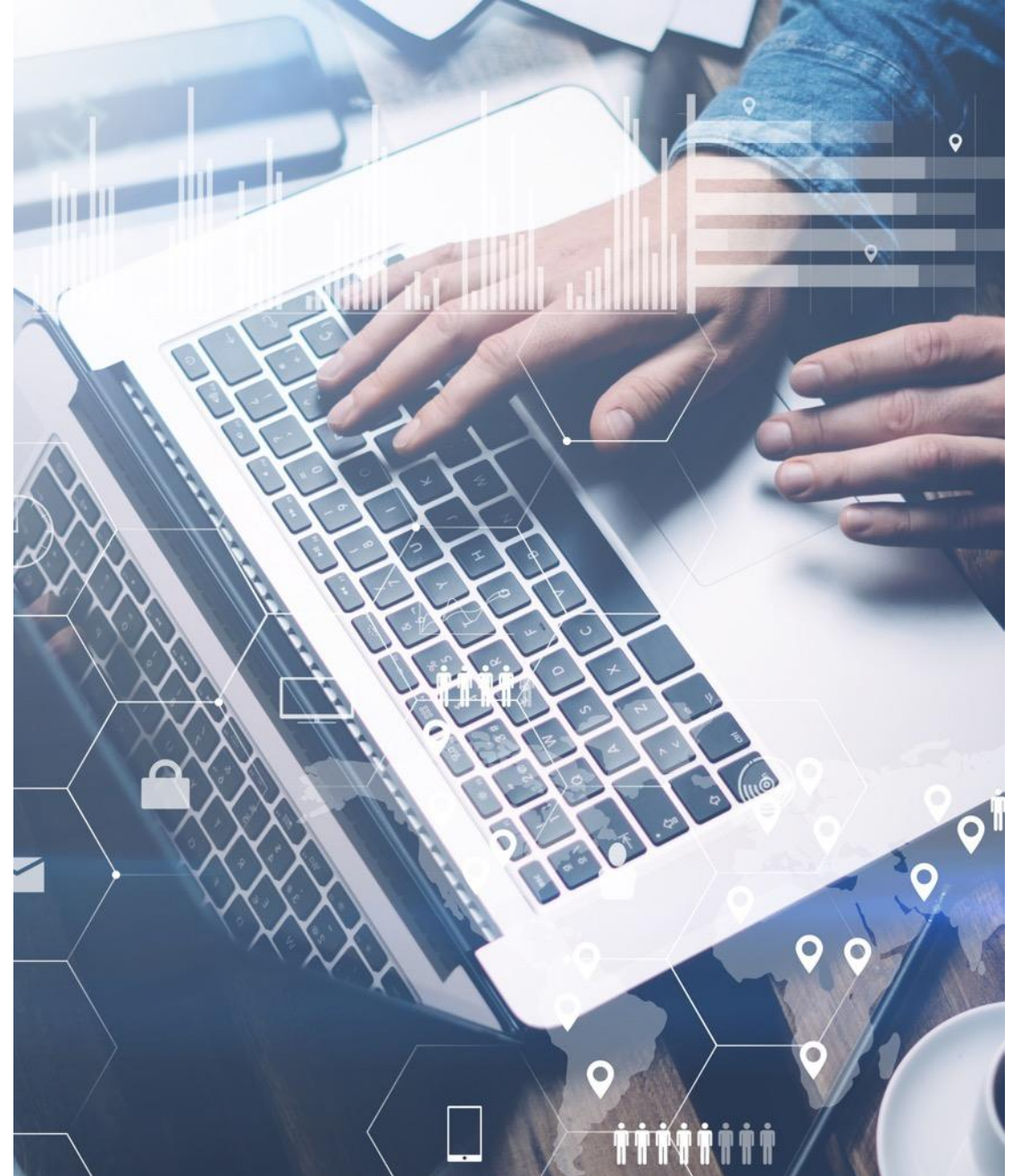
ANALYTICS



APPSTUDIO



# Product Demonstration



# Key Takeaways

- It is impossible to separate resilience strategies from agile risk management strategies
- The key to long-term success in a dynamic world is a holistic and agile approach to risk and resilience
- In order to mitigate risk and resiliency, adapt to rapidly changing regulations, and ensure accountability, it's essential to use technology solutions built to streamline the process.







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# Thank You

 **metricstream**  
thrive on risk™