

# 2023 GRC Trends and Strategies: Aligning GRC Efforts with Business Priorities to Deliver Forward-looking Insights

---

**Alla Valente**

Senior Analyst,  
*Security & Risk*

June 14, 2023

BOLD  
AT  
WORK

# GRC Trends

---

The forces shaping our view of security and risk

# Trend

/trend/

---

*noun*

- a general **development or change** in a situation or in the way that people are behaving

*verb*

- to be **widely mentioned or discussed on the internet**, especially in posts on social media websites: *news stories that are trending online*

## CITY

# Casual Friday on Wall Street

## Suits Go Khaki as Dress Code Goes the Gap's Way

By DAVID BARBOZA

Just when young people are being suited with school uniforms, Wall Street suits are, it seems, thinking of dropping their suits.

The first signal of such a revolution came yesterday with the casual ringing of the opening bell at the New York Stock Exchange, where dress codes have been in force since the late 18th century, when trading was done curbside, under an old Buttonwood tree.

While most outside observers would not have noticed any arresting stylistic shift, the hundreds of traders who crowded the exchange's floor were allowed for the first time — and for only one day — to wear khaki pants. And the brass at the stock exchange hinted that more fashion changes were coming.

"It's still a crisp, businesslike look," said Richard Grasso, the chairman and chief executive of the exchange, who wore khakis with a double-breasted suit jacket and dark tie.

"But will we drop jackets and ties? Stay tuned."

Yet the casual Friday concept was really business as usual at the stock exchange: the Gap Inc., whose stock is publicly traded on the Big Board, was kicking off its Gap@work advertising campaign, using the exchange as a New York-size marketing prop, complete with a huge Jumbotron television outside blaring L.L. Cool J. rap music.

"This is something we've been planning," said Michael McCadden, a Gap executive. "We said, 'What is the symbol of business? It'd be really cool to take on the symbol of business, one that hasn't gone casual.' And we said: the New York Stock Exchange. They're one of the last bastions of conservatism out there."

Some of the sora-headed brokers who occupy the typically frenzied trading floor were displeased with the one-day suspension of the dress code, worrying that it would under-

### A one-day dress code change, but hints of style surprises to come.

mine the establishment ethos.

"I'll always wear a suit and a tie to work," said Joseph Yurman, who works for Robertson Stephens Inc., a brokerage house. "This is an institution that's been around for a long time and we have an image to uphold, a certain demeanor. I don't think you want to see someone trading millions of shares in dungarees and a ripped shirt."

Others growled that only Wall Street's stuffiest shirts could con-

vince themselves that wearing khakis with the still mandatory tie and jacket could be called casual.

"I like this, but dress down to me means no tie," said Frank W. Schultz, a broker who was outside the exchange on a smoking break. Mr. Schultz said that while he approved of the khakis, he couldn't understand why he wasn't allowed to unbutton his shirt.

Although casual Friday has been gaining in recent years, the movement has been more prevalent on the West Coast, where the informal Intels and Microsofts of the world reside. Yesterday, though, the casual cowboys struck at the core of the Eastern Establishment.

Of course, the marketing soldiers from the Gap didn't have to twist any arms. The Big Board has for many years treated its listed companies to all sorts of publicity-enhancing stage shows.

When Marvel Entertainment joined the Big Board in 1991, Spider-Man scaled the exchange platforms, weaving a web of mischief around the brokers.

When Revlon went public, traders hooted at the supermodels Claudia Schiffer and Cindy Crawford.

And when Gateway 2000 moved to the exchange, a cow bell opened the session and a Holstein calf was brought onto the trading floor, because Gateway, based in South Dakota, decorates its packages with cow spots.

As for yesterday's event, the Gap



Wall Street loosened its tie a bit yesterday. At the New York Stock Exchange, a broker wearing khakis provided by the Gap as part of an advertising campaign showed her clothing to another woman.

sent a squadron of marketing pros out ahead of time, distributing khakis and Oxford shirts to thousands of stock exchange workers.

But there were more than a couple of traditionalists who held out, choosing to forgo the khakis.

Harry Smalls, aka "Harry the Hat," a broker who has been prancing about the trading floor for decades in an odd felt hat, threatened not to show up for work, according to friends. He declined to be interviewed.

"Apparently, the guy's livid about it," said a fellow broker. "He's a real old guy; he's been here since time began, and he likes tradition."

Others said khakis and Wall Street were a nice fit.

"I have to say, the cotton feels good on my legs," said Louise Jones, a floor broker, who noted that Wall Street was changing.

"You don't see many of us up in the luncheon club smoking cigars anymore," she said.

The biggest fear surrounding the khaki affair, though, was the possibility of additional marketing promotions.

"The only worry I hear is that next we'd have Victoria's Secret here," said Bob Fagenson, a broker. When an exchange official reminded him that Victoria's Secret was a valued member of the exchange, Mr. Fagenson said with a chuckle, "I'm telling you right now, I am not going to wear a nightgown."



The shift towards digital is not optional.



Risk is at the center of every business conversation and interaction.

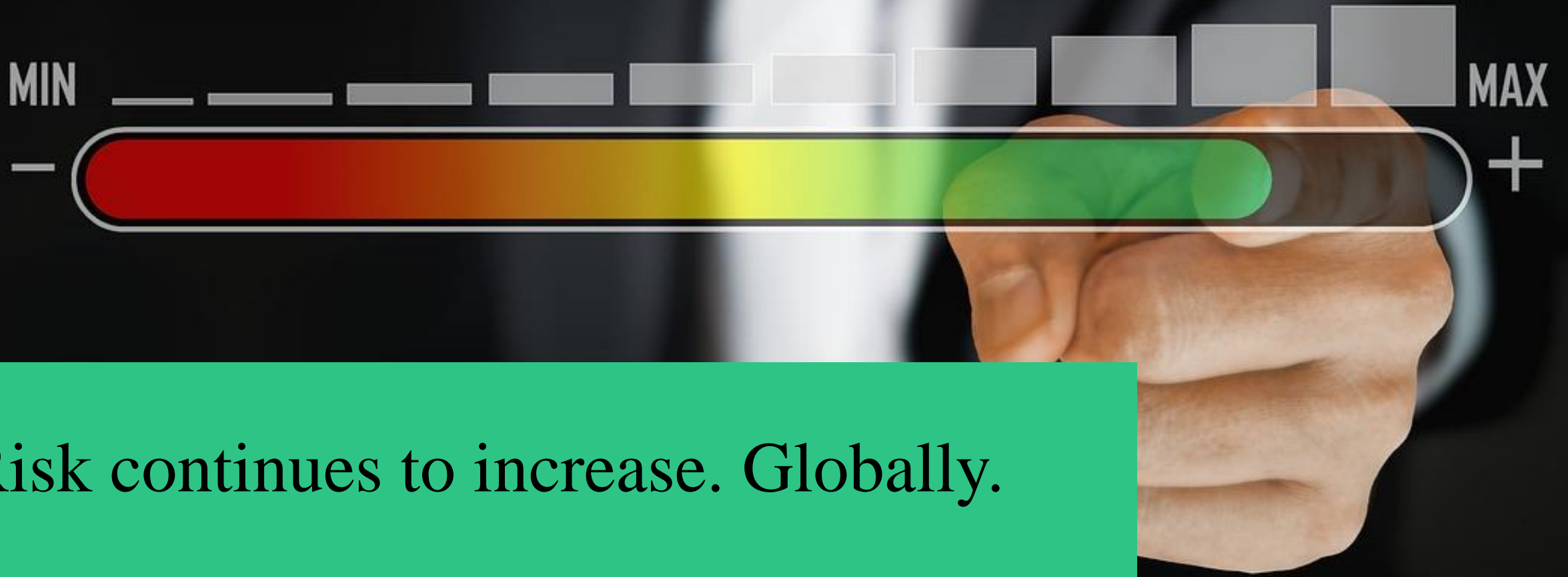


Governance makes a resurgence.



Compliance doesn't equal resilience.





Risk continues to increase. Globally.

# 79%

Experienced at least one **\***discrete critical risk event in the past 12 months

**\*Discrete critical risk events:** those events where significant business, financial, or reputational impacts or disruptions were experienced by the organization.

# Top drivers of increased risk

“What are the primary drivers of the increased risk?”



**35%**

Increased reliance on  
3<sup>rd</sup> parties



**34%**

Financial instability



**32%**

Political/social  
instability

# Fads to avoid

---

Emerging doesn't mean it's here to stay

# Fad

/fæd/

---

*noun*

- a style, activity, or interest that is very popular **for a short period** of time

Even before the pandemic, the whole fashion industry had started to unravel. What happens now that no one has a reason to dress up?

By Irina Aleksander

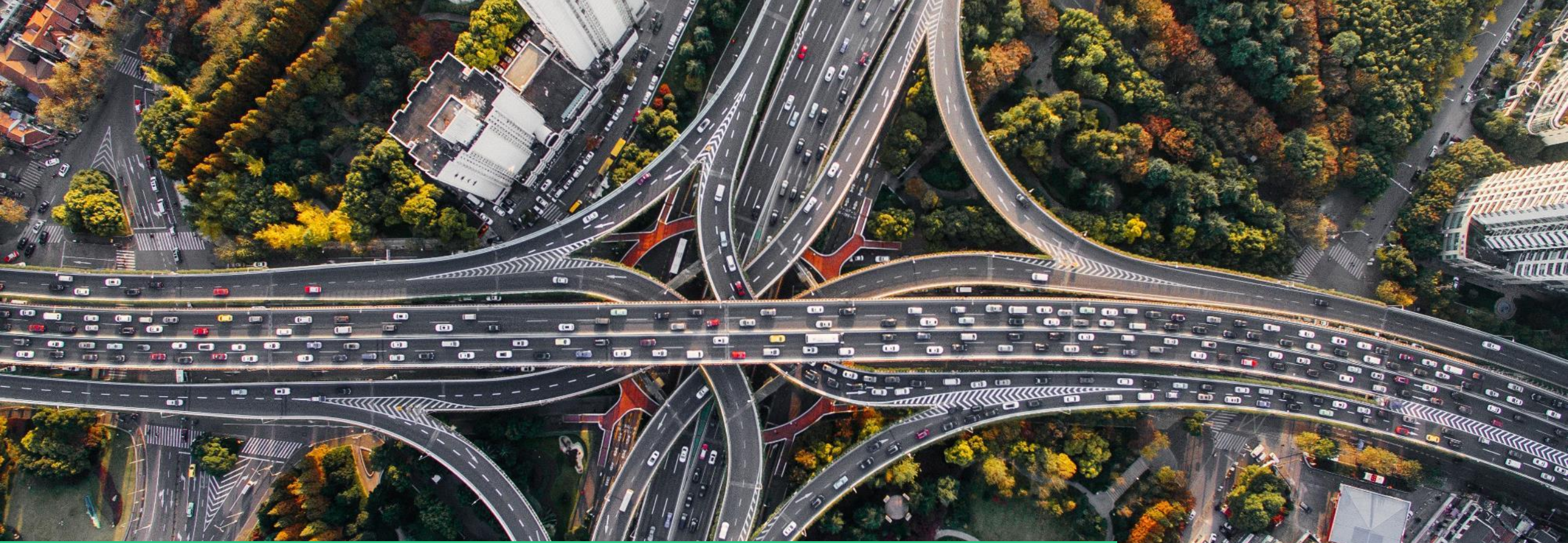
Photographs by Stephanie Gonot • August 6, 2020

# sweatpants forever

Source: <https://www.nytimes.com/interactive/2020/08/06/magazine/fashion-sweatpants.html>



# Innovation without guardrails



Convenience at the expense of insights





$$\begin{aligned}
&= \frac{n!}{k! \cdot (n-k)!} + \frac{n!}{(k+1)! \cdot (n-(k+1))!} \\
&= \frac{(k+1) \cdot k! \cdot (n-k)!}{(k+1)! \cdot (n-k)!} + \frac{n! \cdot (n-k)}{(k+1)! \cdot (n-k)!} \\
&= \frac{(k+1) \cdot n! + b \left( \sum_{k=0}^n (n! \cdot (n-k)) \right)}{(k+1)! \cdot (n-k)!} + \frac{(k+1)! \cdot (n-k)!}{(k+1)! \cdot (n-k)!} \\
&= \frac{(k+1) \cdot n! + \sum_{k=0}^n (n! \cdot (n-k))}{(k+1)! \cdot (n-k)!} \cdot \frac{u_1^2}{a^k b^{n-k}} + P_1 + V_1 =
\end{aligned}$$

# Tech investment without resources

$$K = 1 - \sum_{n=1}^{\infty} \frac{1}{(2n-1)^5}$$

# You too, can “make it work”

---

Five strategies GRC pros can learn from style icons

# Strategy

[strat-i-jee]

---

*Noun, plural **strat-e-gies***

- a plan, method, or **series of maneuvers** or stratagems for obtaining a specific goal or result
- a plan of **action or policy** designed to achieve a major or overall aim.



The New York Times

## ‘Making the Cut’ Is New, but the Pattern Is Familiar

The Amazon reality series starring Heidi Klum and Tim Gunn is the latest riff on “Project Runway.”



1

Support the business with three pillars of risk management.

2

Master the not-so-subtle art of keeping multiple balls in the air.



3

Leverage ERM as your GPS; GRC as your car.



4

Embrace digitalization not only for efficiency,  
but also for value creation.





5

Continue investments in innovation to emerge with a competitive advantage.

*RISKS*

*RISK  
MANAGEMENT*

~~"Fashions fade, style is eternal."~~

—Yves Saint Laurent

# Thank You.

---



@AllaValente



allavalente

**Alla Valente**  
*Senior Analyst*  
*Forrester*

BOLD

AT

WORK