Risk Quantification

You are what you measure

OneTrust GRC
INTEGRATED RISK MANAGEMENT
Scott Bridgen
Global Offering Manager GRC/IRM
OneTrust GRC
<table>
<thead>
<tr>
<th>01</th>
<th>Risk 101</th>
<th>04</th>
<th>Context is Everything</th>
</tr>
</thead>
<tbody>
<tr>
<td>02</td>
<td>Concepts of Risk</td>
<td>05</td>
<td>Accounting for “the Human Factor”</td>
</tr>
<tr>
<td>03</td>
<td>Diagnosing the Problem</td>
<td>06</td>
<td>A 5 Step Methodology</td>
</tr>
</tbody>
</table>
Welcome to Class
Risk 101
Ancient Concepts & Evolutions
An ancient concept

In Chinese, the concept of risk is represented by two characters, which ‘translate’ as danger and opportunity.

The characters for ‘crisis’ (rather than danger) are wei ji

The characters for ‘opportunity’ are ji hui

The character ji forms part of the concepts for crisis and opportunity.

Conceptually, the Chinese understood the twin sides of risk many centuries ago!
Essence of Risk

We take and manage risk to achieve objectives
A (very) Brief History of Time

**PAST**

OVER

**PRESENT**

TODAY’S TASKS
A B C D E

**FUTURE**

PLANS FOR JAN

**BEYOND**

WORRIES FOR FEB

ECT.
A (very) Use of Time

- 5 Years
- 5 – 20 Years
- > 20 Years
Concepts of Risk

Understanding and Misconceptions
DANGER!
Pre-programmed for speed of decision making
Are you getting the whole picture?
Familiar?

<table>
<thead>
<tr>
<th>Severity</th>
<th>Higher</th>
<th>Lower</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Likelihood</td>
<td></td>
<td></td>
</tr>
<tr>
<td>More</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

OneTrust GRC
INTEGRATED RISK MANAGEMENT

ISACA
London Chapter
Risk is...
Risk is...
The whole picture?
Diagnosing the Problem

99 Problems and a Risk is…
What?
Context is Everything

What’s Missing?
Context...

- Is four a lot?
- Depends on the context
- Instagram followers? No
- Reddit followers? Yes
CONTEXT*

We take and manage risk to achieve objectives

*And a bit of math, but we’re not here to talk about that
Accounting for the Human Factor

And reason for decision-tree or simulation
- Emotions
- Feelings
- Moods

- Gravity of events
- Media coverage
- Risk mitigating measures

- Framing of Risk Information
- Availability of Alternate Information Sources

- Personality Traits
- Previous experience
- Demographics (age, gender)
Responding to the “New Normal”

AUDIT, AUDIT, AUDIT.....EVERYDAY IS AUDIT.......
Your Pandemic Line of Business….

**DEALING WITH UNCERTAINTY**
Lack of insights into company decisions and circumstance

**WFH DISTRACTIONS**
Cutting corners to “Project” Efficiencies
Work distractions vs. Home distractions

**FATIGUE**
Stressful jobs,
Lack of support and resources,
Tight deadlines

**OVERWORKING**
On average, working time climbed from eight to 11 hours

**TRADITIONAL**
People are highly variable in consistency from one to the next as well as over time

OneTrust GRC
INTEGRATED RISK MANAGEMENT
Optimism
Consistently pitching probabilities too high

Pessimism
Consistently pitching probabilities too low

Polarization
If it’s good, it’s amazingly good, if it’s bad it’s the absolute worst.

Vagueness

OneTrust GRC
INTEGRATED RISK MANAGEMENT
A 5 Step Methodology
5 Step Example

IDENTIFY THE SCOPE
Scenario
Threat/Opportunity
Loss Event
Magnitude

DON’T GUESS
Decision-Tree
Analysis
Simulation
Know your
audience

WORK IN LANGUAGE OF THE BUSINESS
Money
Time
Reputation
Resilience
Compliance

ALIGN TO OBJECTIVES
Go beyond
Impact

REFINE
Change is ok!

OneTrust GRC
INTEGRATED RISK MANAGEMENT

ISACA
London Chapter
You Are What You Measure
Understand what data you need to quantify your risk

QUANTITY ≠ QUALITY

Collect Data to Reduce Uncertainty

Prioritize Data Related to Business Objectives
Finally

危機

Danger  Opportunity

We take and manage risk to achieve objectives
Questions?
Learn more about OneTrust GRC Solutions

1. Visit our Website! OneTrustGRC.com
2. Request a demo!