

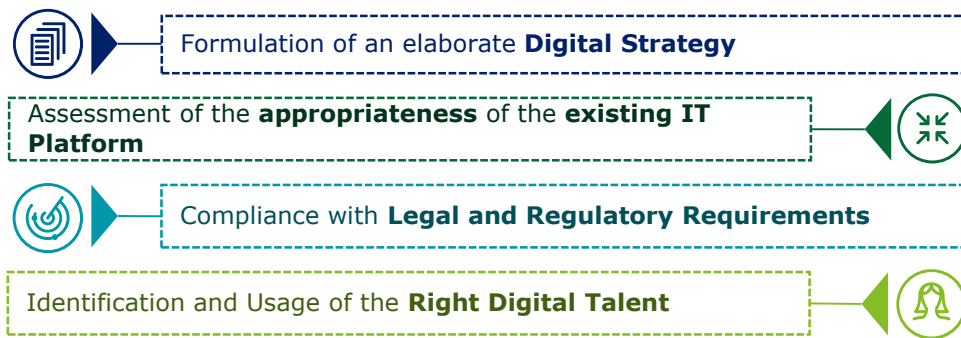


Digital Risk

Digital Transformation, across industries, has led the business environment to change rapidly. This offers exponentially augmented opportunities for new capabilities and initiatives. One of the most critical success factors to win in this digital era is organizational agility. Digital Technology is now recognized as an important enabler of innovations. However, none of the opportunities can be realized without being mindful of and managing the associated risks.

Managing Risks in the changing era is critical to an organization's sustainability.

Key Challenges Observed in a Digital Environment

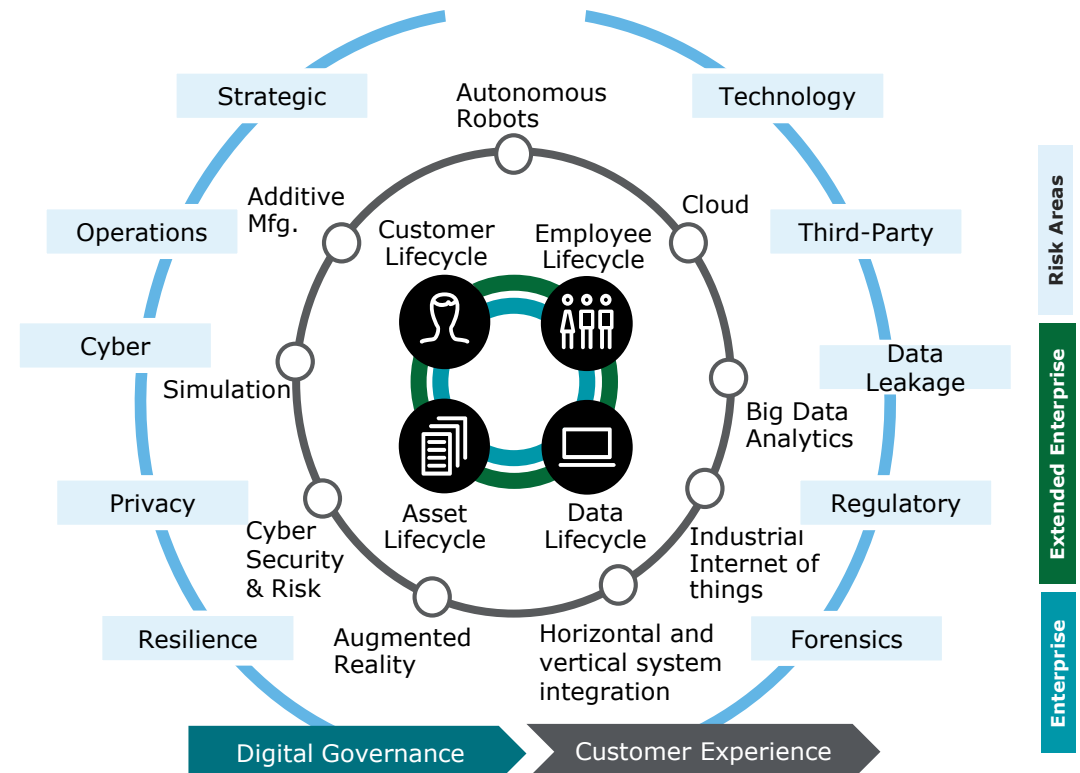


Digitalization means different things for different stakeholders

Enterprise View	Risk View
<p>Strategy & Vision</p> <ul style="list-style-type: none"> Define a digital vision and strategy 	<p>Contextual Risk</p> <p>Adequacy of selection of digital enablers of the digital program, in the context of business objectives</p>
<p>Implementation</p> <ul style="list-style-type: none"> Transforming the tools and capabilities used to deliver services 	<p>Implementation Risk</p> <p>Risk-based architecture for the digital enablers, w.r.t. technology, operations, vendors, compliance, security and resiliency</p>
<p>Program Management</p> <ul style="list-style-type: none"> Focus on timely and cost-effective implementation of the digital initiative, for the respective business teams 	<p>Governance Risk</p> <p>Effective governance around the Digital transformations to ensure cross functional synergies and eliminate risks arising due to inter dependent processes</p>

Digital Risk Framework

We have considered ten risk areas– Strategic, Technology, Operations, Third Party, Regulatory, Forensics, Cyber, Resilience, Data Leakage, and Privacy–as elements of the risk landscape in any digital ecosystem. Based on the applicable risk areas for the digital initiatives, different control measures need to be designed in line with the leading standards and industry practices. The critical aspect in defining the controls is to take into consideration the nature and level of digitization in the operations, as most of these areas are at a nascent stage and are tightly coupled with systems or manual processes. This might lead to constraints in the implementation of the controls.

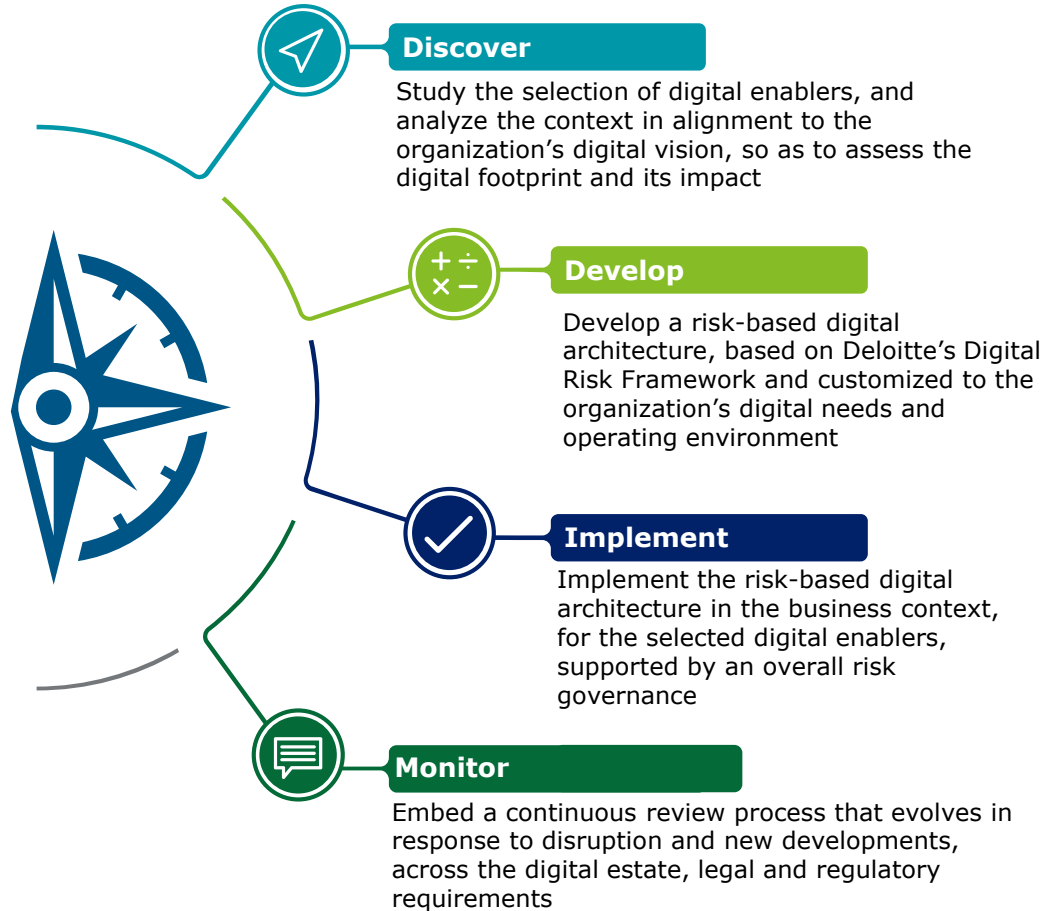


An approach to Digital Risk Management should begin with an understanding of the organization's digital foot print and creation of a register for Digital Risks.












NAVIGATING DIGITAL RISKS

Effective Risk Management in a digital environment can be established and maintained by implementing the following approach



DIGITAL RISK PORTFOLIO

- 
Digital Risk Strategy
 Establishing a governance framework to address the risks in implementation of Digital Programs
- 
Digital Identity
 Having an effective authentication & authorization mechanism across all digital enablers
- 
Cyber Analytics
 Monitoring analytics-based risk and compliance supported by advanced technologies
- 
IoT
 Designing a risk-based IoT architecture for data collection and management of remote systems
- 
RPA
 Enabling a secure RPA implementation and leveraging of RPA for Cybersecurity & Risk management
- 
Blockchain
 Leveraging Blockchain architecture to secure against internal and external threats
- 
Digitalization of RM
 Enabling the risk management leveraging digital technologies
- 
OT (SCADA)
 Protecting the OT infrastructure by secure integration with enterprise technology eco-system
- 
Digital Payments
 Securing digital payment offerings using a structured risk based approach

Digitalization has become the need of the hour. It is also recognized as the most effective enabler for creating a differential and unique competitive advantage for organizations. A 'digital mindset' and the requisite 'investment of capital', are critical enablers for a successful transformation exercise.

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