IBM OpenPages with Watson

Stay in front of fast-changing regulatory compliance and business demands

Highlights

- Drive GRC adoption as business as usual into all three lines of defense

- Reduce compliance costs and deliver results and business value from GRC

- Get end-to-end prescriptive cognitive solutions, coupled with advisory

- Configure workflows to automate GRC processes in minutes

- Shift from historical to future view with relevant, predictive data

- Use industry-leading REST APIs that integrate GRC into your organization

- Explore advanced data with embedded Cognos Analytics to drive decisions

- New features automate more of your GRC processes to cut time to value

- Give expert knowledge to your people through integrated Watson cognitive

Market challenges

In a business environment defined by sustained market volatility and ever-increasing regulations, companies need the ability to integrate enterprise-wide risk management processes and multiple regulations. Firms are witnessing a dramatic increase in active first line of defense users — sometimes tens of thousands — scattered across the organization and using tools with inconsistent capabilities. These users require solutions that integrate the power of artificial intelligence (AI) with enhanced user experience to empower the first line of defense: flexible in adapting to regulatory change, yet simple enough to use to deploy to large numbers of users without extensive training.

Manage risk, regulatory challenges and regulatory change with ease

IBM OpenPages with Watson offers businesses the market's only cognitive-driven integrated governance, risk and compliance (GRC) portfolio. It provides core services and functional components spanning operational risk, regulatory compliance, IT risk and security, internal audit, vendor risk, policy management, model risk management and financial controls management. This next-generation GRC platform features the business intelligence capabilities of IBM Cognos Analytics for self-service data exploration and insights. OpenPages with Watson is integrated with IBM Watson natural language processing and machine learning capabilities, within a UI developed with IBM Enterprise Design Thinking for optimal user interaction.

Figure 1: Watson cognitive integration spreads expertise to all users

OpenPages with Watson enables companies to manage risk, regulatory challenges and regulatory change across the organization, spanning multiple regulations. It can analyze large volumes of structured and unstructured data from emerging and pervasive sources, such as social media and security systems. This customer-validated solution is designed to be easy to use, adopt and deploy.

Designed to increase overall productivity and efficiency, OpenPages with Watson supports agile implementation for rapid time to value. Business administrators can configure workflows to automate GRC processes in minutes. And embedded guidance provides just-in-time information to the user. This enables businesses to meet deadlines and use solutions sooner to stay in front of fast-changing regulatory and business demands.

Capabilities that address the new GRC landscape

GRC systems must support a unified, cross process-view. This approach can improve governance to ensure everyone in the organization is responsible for managing risk. It also helps drive out costs while maintaining agility.

The market today demands more participation from all lines of defense, especially the first line of defense. A more holistic view of risk and compliance across the enterprise is needed, to every employee and supplier. Financial institutions are also demanding new use cases be delivered faster, and updated to reflect the volatility in their business. IBM OpenPages with Watson addresses these challenges with useful features.

- A new dashboard supports improved productivity and risk management. Administrators and users can customize views, visualizations, widgets, task tabs and personalized landing page options based on duties and responsibilities.

- Updated task views enables zero-training for all lines of defense. A task-focused user interface streamlines even complex processes and actions for users. Users can add favorites, heat-maps, sibling relationships and more, while user guidance quickly and dynamically builds key fields.

- The embedded GRC Workflow feature now covers more use cases. Assignments can leverage multiple sources and the assignee can be picked from one or more fields. New options include drag and drop functionality and workflow variables.

- Common risk library and single data model ensures consistent holistic views of risk and compliance.

A single view of risk across all domains for all users creates GRC transparency. Visual design using UI and embedded workflow drives agile collaboration between business

and IT. Pre-built and configurable content add speed and efficiency to GRC processes.

Moving from what's happened to what's coming

While using historical data can inform future decisions, emerging threats must be weighed more heavily than they have in the past and put into the context of evolving risk postures.

There is also a growing need for increased connection to related data. Greater availability of data, facilitated by real-time integrations, makes it possible for compliance experts to monitor a wide variety of sources. GRC is providing aggregate insights into systemic issues in controls, processes and compliance for dynamic areas such as cyber risk and data protection. This requires systems to have a connected library of risk and compliance items that can be viewed across different business dimensions. With OpenPages with Watson, IBM is addressing these needs, helping clients move from a what's happened mode to what's coming mode.

Figure 2: Business administrators automate GRC processes quickly with GRC Workflow Designer

Differentiators and business value

The platform delivers several key business value differentiators that can help radically improve decision-making and accelerate customer time to value, including:

- **Extensible solutions** that extend to sophisticated business processes across risk and compliance domains.

- **Overall regulatory compliance management** that uses IBM Watson to understand complex and overlapping regulatory requirements and map them to the internal GRC control environment.

- **Data integration and aggregation** with IBM's comprehensive REST API, enabling customers to get a holistic view of risk and its impact.

- **IBM Watson cognitive integration** understands text and recommends an object's classification, categorization or mapping based on natural language processing and expert training. For example, it can suggest Basel II event type categories or suggest which control failed and which policies that affects.

- **Business intelligence and decision support** provides insight into the state of risk across an organization with dynamic dashboards, charts and dimensional reporting. Interact for root cause analysis. Browser-based, drag-and-drop report design and self-service data exploration.
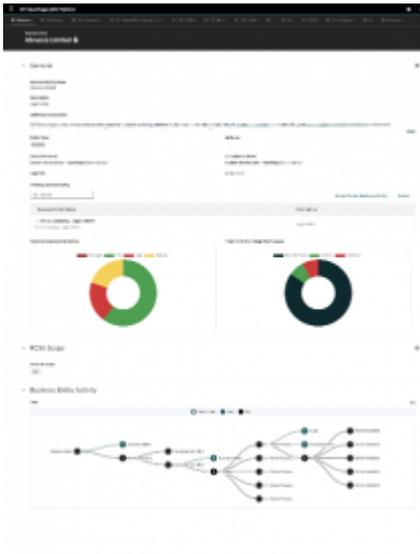
Figure 3: IBM OpenPages with Watson provides holistic data needed to perform a GRC task

Foundational GRC

OpenPages with Watson offers businesses the capability to deploy solutions as needed with a forward-looking architecture that can grow as organizations grow. The solution is scalable to tens of thousands of users. This customizable platform provides a modular set of solutions for enterprise GRC that support:

- Operational risk management

- Regulatory compliance management

- Regulatory change management

- Policy management

- IT risk and security

- Internal audit management

- Model risk governance

- Business continuity management

- Vendor risk management

- Financial controls management

Functionality

Use Watson cognitive classifier on any of your GRC data, and configure the classifier for up to three category levels.

- Uses Watson Natural Language Classifier Service directly from the IBM Cloud platform

- Exports usage information to further train the classifier

Benefits

The solution saves time, because users can select from suggestions on the interface and no longer need to understand all available options.

- Improves data quality. Users can choose one or more relevant classifications based upon the knowledge of experts, rather than their own training.

- Reduces the knowledge gap. The expert can train the classifier so that users can benefit from a seamless approach.

Multiple, targeted GRC solutions within a single, highly integrated platform and data model

OpenPages with Watson offers customers targeted solutions to meet specific GRC challenges, with the option to buy only needed solutions within a unified, highly integrated platform. This single data repository provides businesses with a single source of truth — an always-current single

source of data for virtually all solution areas. It helps prevent human error and data inconsistencies and is delivered with speed and capabilities that scale to support even the largest organizations. Forward-looking design and technology define OpenPages with Watson with extendable solutions, data integration and aggregation, and advanced analytics and cognitive capabilities.

IBM OpenPages Operational Risk Management (ORM) is a software solution that automates the process of identifying, measuring, monitoring, analyzing and managing operational risk. The solution enables businesses to integrate risk data within a single environment. Examples of risk data include risk and control assessments, internal and external loss events, key risk indicators, and issue and action plan management. Key solution features include:

- **Risk and control self-assessments (RCSA)**. Automate end-to-end process for identifying, analyzing, mitigating, managing and monitoring operational risk.

- **Key risk and performance indicator tracking.** Create and monitor performance indicators for all key risks and controls. Track risk metrics and thresholds, with automated notification when thresholds are breached.

- **Loss event management.** Enables risk managers to track loss incidents and near misses, record amounts, and determine root causes and ownership. Statistical and trend analysis capabilities enable users to track remedies and action plans.

- **External loss events.** Integration with IBM FIRST Risk Case Studies external loss event database makes sure that you are not inwardly focused and consider what has happened to other organizations.

- **Scenario analysis.** Use all of the relevant data in the system to inform scenario workshops and determine scenarios that require additional risk treatment.

- **Issue management and remediation.** Create and track issues with automation thru their entire life cycle. With the single source of truth, repository issues can be raised by any line of defense or risk and compliance function, and can optionally be visible and actionable by all.

Benefits

ORM mitigates risk through proactive management of key risks, helping to improve top-line and bottom-line corporate performance.

- Enables identification and treatment of high risk and emerging risk areas.

- Delivers on-demand, actionable reporting on the current state of operational risk across an entire organization.

- Helps manage risk, improve risk measurement and minimize losses.

IBM OpenPages with Watson Regulatory Compliance Management helps financial institutions reduce time and costs to understand their regulatory requirements. The solution helps reduce risks, such as sanctions and fines, associated with a lack of

adherence to regulations. It supports organizations in breaking down regulations into a catalog of requirements, evaluating its impact to the business, and creating actionable tasks. OpenPages with Watson Regulatory Compliance Management offers a diverse array of features and capabilities. The software is designed to:

- **Consolidate regulatory requirements in a central repository.** A single repository can disaggregate and classify complex regulations and enable stakeholders across the enterprise to more rapidly and efficiently process large volumes of regulatory data.

- **Map regulatory requirements to internal taxonomies and business structures.** The tool provides the ability to map regulatory requirements to internal GRC data—connecting regulatory data to key risks, controls and policies, and linking that data to an overall business strategy. Complex regulations are now organized, visible and measurable in firm-specific terminology.

- **Distribute regulatory data to relevant stakeholders and owners.** Regulatory requirements can be organized into logical groupings and assigned to owners across the organization.

- **Ingest feeds from Thomson Reuters Regulatory Intelligence connector.** This object enables the direct ingestion of regulatory event feeds from Thomson Reuters into OpenPages Regulatory Compliance Management. It also auto-generates workflows assigned to users based on supplied data points, as well as documents impacted by regulatory change management.

- **Load regulatory feeds from Wolters Kluwer into RCM.** Wolters Kluwer data feed integration. Rules-based set up automatically processes incoming regulatory data. OpenPages with Watson checks for any Wolters Kluwer taxonomy changes and updates the relevant taxonomy fields.

Benefits

IBM OpenPages with Watson Regulatory Compliance Management assists in reducing time and costs associated with understanding regulatory compliance requirements and their related controls. This solution:

- Helps reduce risks associated with non-compliance with regulations.

- Allows understanding and management of changes to regulations, and management of interactions with regulators.

- Enables the complex web of regulatory obligations to be organized, transparent, measurable and actionable.

- Improves efficiency by eliminating duplicative or overlapping controls.

IBM OpenPages Policy Management is a policy and compliance management solution that reduces the complexity and cumbersome nature of complying with numerous industries, ethics, privacy and government regulatory mandates. Using core, shared services and open architecture, OpenPages Policy Management automates the ongoing test, review, attestation and remediation process. It also helps identify

similarities between regulations to reduce redundancy and duplication of effort. Key solution features include:

- **Manages the full lifecycle of policies and procedures.** Simplifies and manages creation, review, approval, attestation and exception management. Maps the policies to the regulatory library.

- **Regulatory library management.** Maintains a centralized library of laws, regulations and best practices. Tracks and monitors external changes to regulations and uses robust version control and audit trails to evolve libraries over time.

- **Maps policies to regulatory obligations.** Uses Watson cognitive suggestions to map. Understand required changes to policies and procedures as regulations and obligations change.

- **Multiple views of state of compliance.** Users and administrators can gain a quick summary of regulatory compliance from multiple angles, including functional areas, business units, regions or individual mandates.

- **Manages regulator interactions.** Monitor and manage regulatory inquiries and your responses.

Benefits

IBM OpenPages Policy Management reduces the complexity of complying with numerous industry, ethics, privacy and government regulations. The solution:

- Delivers on-demand, actionable

reporting that can be used to ensure compliance risks are understood and guarantee that issues are remediated quickly.

- Harmonizes compliance programs between departments to promote a standardized and efficient compliance approach.

- Provides confidence so you can quickly and accurately respond to regulator inquiries.

- Ensures your policies and procedures are up to date with your internal and external obligations.

- Allows appropriate employees to easily find, understand and attest to your policies and procedures.

IBM OpenPages IT Governance reduces the complexity of IT risk management by aligning IT operations management with corporate business initiatives, strategy and regulatory requirements. Using a core, shared services and open architecture, OpenPages IT Governance enables organizations to sustain compliance across multiple best- practice frameworks.

Examples include the Committee of Sponsoring Organizations (COSO), the IT Infrastructure Library (ITIL) and the International Standards Organization (ISO), and regulations. During this process, OpenPages IT Governance manages internal IT control and risk according to supported business processes. It also integrates multiple silos of IT governance to improve transparency, decision support, business performance and valuation. Key solution features include:

- **Comprehensive workflow.** Automatic notification and routing of IT-related activities. Tracks and documents all relevant IT incidents and facilitates root cause analysis. Initiates investigative workflows driven by top-down planning and business risk.

- **Interoperability.** Provides interoperability with third-party technologies and enterprise infrastructure management applications including: network, systems and security management tools, continuous controls monitoring systems, and configuration management databases.

- **Integration with Network Frontiers' Unified Compliance Framework (UCF)**. Maps IT controls across international regulatory and compliance requirements, to gain access to the industry's most comprehensive set of IT policies and controls.

Benefits

IBM OpenPages IT Governance delivers on-demand, actionable reporting that can be utilized to monitor IT risks.

- Helps ensure that issues are remediated quickly.

- Identifies and remediates problems quickly and leads to effective enforcement of corporate IT governance policies.

- Supports best practices frameworks (COCO, COBIT, ITIL and ISO) and regulations.

IBM OpenPages Internal Audit Management provides internal auditors with a uniquely configured, cross- departmental view into organizational GRC. The solution affords the chance to supplement and coexist with broader risk and compliance management activities. Using core shared services and open architecture, OpenPages Internal Audit Management automates auditing procedures and adds new efficiencies and standardization to the independent assessment of risk and compliance performance.

OpenPages Internal Audit Management is completely integrated with all of the other risk domains such as financial controls management, IT governance, policy and compliance, vendor and model risk, and operational risk management programs. The tool gives auditors a holistic view of enterprise-wide compliance across disparate policies and procedures. Key solution features include:

- **Annual planning.** Supports top-down and bottom-up approaches to creation and risk assessment of the audit universe and creation of multiyear audit plans.

- **Engagement planning.** Facilitates creating and maintaining the audit scope and objectives, and creating the workpapers to be executed.

- **Workpaper execution.** Maintains a centralized library of electronic workpapers and provides the capability to automate workpaper review and approval.

- **Reporting.** Provides a one-click audit report pulling all of the appropriate data

from the central repository.

- **Audit and resource management**. Provides the ability to monitor and manage the execution of the audit and the assignment and tracking of resources.

Benefits

IBM OpenPages Internal Audit Management provides transparency and assurance of audit coverage.

- Facilitates collaborative work with the business

- Streamlines review and approval processes to help drive down costs, increase efficiency and allow auditors to focus on the audit content

- Facilitates collaborative workpaper authoring and management, resulting in higher quality and consistency

- Provides information which feeds into audit continuous improvement

IBM OpenPages Model Risk Governance solution allows organizations to meet the challenges of management of model risk. The solution brings together all key stakeholders that can often be working independently on siloed and duplicate data. From the model developer, owner, validator, and business unit executive, OpenPages Model Risk Governance combines a flexible data model with overall document management, powerful workflow capabilities, and business intelligence. It helps ensure a greater level of engagement and transparency in model risk management processes.

OpenPages Model Risk Governance provides a configurable and customizable platform with key solution features that include:

- **Comprehensive model inventory.** Creates and maintains a comprehensive model inventory. Organizes, documents, and maintains an enterprise-wide record of models and their usages.

- **Model metrics.** Documents and track issues and metrics associated with models.

- **Workflow management.** Enables workflow management of the model and validation life cycles.

- **Model risk assessments.** Conduct periodic model attestations and model risk assessments.

- **Relationship views.** Provides view of relationships between model inventory and the relevant aspects of policy and compliance obligations.

- **Roles and responsibility assignments.** Improves model risk management efficiency by assigning appropriate roles and responsibilities for model ownership.

- **Executive transparency.** Provides executive management with transparency into the state of model risk across the enterprise with rich, interactive dashboards and dynamic reports.

Benefits

IBM OpenPages Model Risk Governance is configurable to support varied methodologies across multiple organization structures, model types and risk tiers.

- Promotes the standardization of model taxonomy and documentation across the enterprise

- Streamlines review and approval processes to help drive down costs and increase efficiency

- Facilitates collaborative transition of activities between the multiple stakeholders engaged in model management and validation, resulting in higher quality and consistency

- Provides greater visibility of model interdependency and model related performance metrics

IBM OpenPages Vendor Risk Management assists in efficiently managing third-party relationships and engagements to improve business performance. It helps reduce disruption and possible negative impacts to the organization's compliance, brand and/or operations stemming from a vendor's inability to deliver. IBM OpenPages Vendor Risk Management enables an organization to protect private information shared with vendors and prevent misuse of direct access to network resources. Key features include:

- **Reduces complexity.** Offers a range of capabilities that support third-party risk management and helps cut the complexity in vendor-client relationships.

- **Mitigates vendor-related risk.** Helps address the risks associated with vendors and the delivery of their products and services.

- **Measures mitigation effectiveness.** Enables organizations to monitor and measure the effectiveness of vendor risk

mitigation and controls.

- **Streamlines assessments.** Provides vendor risk assessment surveys, management reporting and dynamic workflow for review and approval of assessments.

Benefits

IBM OpenPages Vendor Risk Management helps you understand the risks and improve the results of doing business with each of your vendors.

- Relates each vendor to the importance of the work they do for you

- Manages and monitor the mitigation of identified risks

IBM OpenPages Financial Controls Management is a financial controls management solution that reduces the costs and complexity of complying with the Sarbanes-Oxley Act and similar global financial reporting regulations. With a core, shared services and open architecture, OpenPages Financial Controls Management automates the ongoing test, review, attestation and remediation process, while helping to ensure that organizations are meeting their financial compliance obligations. OpenPages Financial Controls Management combines overall document management, powerful workflow capabilities, and business intelligence and decision support tools – in the form of interactive dashboards and dimensional reporting.

The solution helps make compliance procedures more effective and efficient,

providing key decision makers with transparency into the state of financial controls. It also helps assure that financial compliance demands are addressed. Key solution features include:

- **Simplifies regulatory compliance.** Helps reduce the costs and complexity of complying with global financial reporting regulations.

- **Automates compliance process.** Automates the ongoing test, review, attestation and remediation process to help organizations meet their financial compliance obligations.

- **Automates workflow.** Routes tasks to key stakeholders throughout the enterprise with workflow automation.

- **Provides executive transparency.** Gives executive management transparency into the state of compliance with rich, interactive dashboards and dynamic reports.

About IBM Watson

IBM is working with organizations across the financial services industry to use IBM Cloud, cognitive, big data, RegTech and blockchain technology to address their business challenges. IBM Watson merges the cognitive capabilities of Watson and the expertise of Promontory Financial Group to help risk and compliance professionals make better informed decisions to manage risk and compliance processes. These processes range from regulatory change management to specific compliance processes, such as anti-money laundering, know your customer, conduct surveillance and stress testing.

IBM

Why IBM?

IBM OpenPages with Watson transforms the way risk and compliance professionals work. By providing core services and functional components on a scalable platform that spans operational risk, regulatory compliance, IT governance, internal audit and financial controls management, IBM OpenPages with Watson delivers a holistic view of risk and regulatory responsibilities across the enterprise. It delivers on the clear and present need in the marketplace for an integrated end-to-end solution that enables organizations to connect internal GRC policies and practices to the external regulatory environment. To learn more, visit our product page at ibm.com/us-en/marketplace/governance-risk-and-compliance

For more information

To learn more about IBM solutions for regulatory compliance, visit: ibm.com/RegTech