Digitized risk management

"The world is changing very fast. Big will not beat small anymore. It will be the fast beating the slow." - Rupert Murdoch

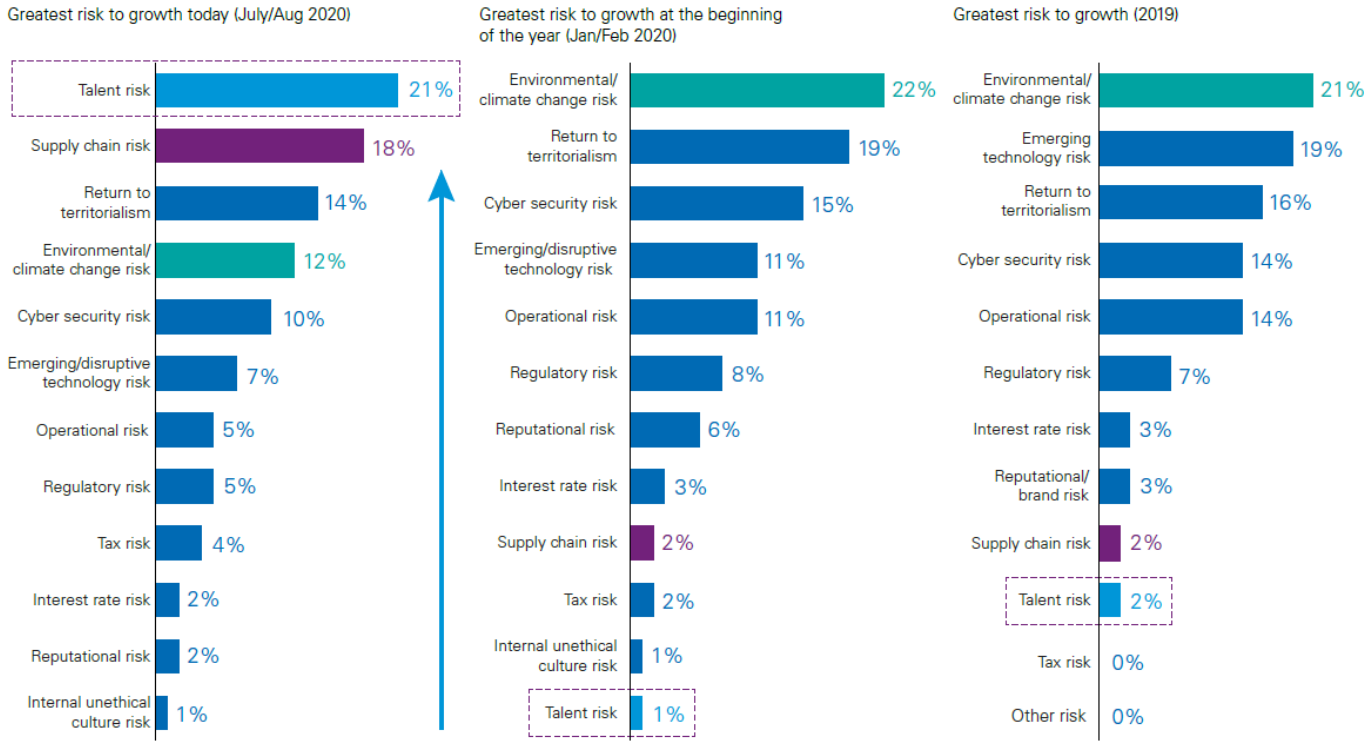
In this interconnected and dynamic world, companies must deal with evolving risks daily. Changes in the external environment bring about shifts in internal structures, processes and technologies, which may lead to blind spots. Companies need to continuously assess and re-evaluate internal and external risk profiles and mitigation strategies needed to respond to new scenarios.

Companies are increasingly adopting new technologies to bring in efficiencies, and the risk management function is no exception. Various models of automation and digitization have been adopted by organizations to take them to the next level of the maturity continuum:

- Quantification of risks through usage of extensive data analytics, modelling and AI
- Utilization of stress testing models
- Integrated IT infrastructures
- Creating key risk indicators and continuous monitoring through use of data analytics and integrated dashboards

There is a strong case for investing in data analytics and digitized risk management, as maturity risk assessment results for the region highlight a need for upskilling and investments.

Changing threats to growth



Source: KPMG 2020 CEO Outlook COVID-19 Special Edition

Automation may require careful evaluation of various factors, such as availability of resources, an organization's current priorities and challenges, as well as long-term objectives. Modular approaches have been effective where small pilot projects are introduced incrementally. This "implement and learn" approach helps to achieve objectives more effectively.