

SMARTER RESILIENCE

AN INTELLIGENT APPROACH TO RISK MANAGEMENT

by Sam Greenlees



Business continuity has become far more than just a way of protecting business operations in a crisis. Drawing from IBM's recent worldwide Global IT Risk Study, **Sam Greenlees** of IBM's Business Continuity & Recovery Services explains that, these days, effective risk management is a critical ingredient essential for business growth and prosperity.

What is different today? Data and the devices which can generate data are ubiquitous - pervading from beyond the once traditional monopoly and protection of the data centre. Technical feats once considered extraordinary are now as commoditised as the numerous smart devices familiar to us all. Data is quite literally all around us. Data risk management must assume a new importance among IT and business executives alike, if we are to give due consideration to maintenance, protection and security.

Simply to assign data risk management a new level of importance may be insufficient without a holistic point of view that demands risk management as an integral part of both business strategies and enterprise-wide data policies. In today's interconnected world, information is inseparable from the operational success of the business, and a pro-active, holistic risk management strategy can offer true operational resilience and value back to the business. IT risk management can no longer be viewed as a strictly technical function, but a crucial management task that can provide direct business benefits to the entire organisation.

It is a trend reinforced by the recent worldwide *Global IT Risk Study* conducted by IBM's Institute of Business Value and the Economist Intelligence Unit. More than 550 managers and CIOs involved in their companies' IT operations expect their risk related responsibilities to increase. The study uncovers the challenges associated with risk, and the steps senior executives and CIOs are taking to understand, confront and resolve this concern in a more effective manner. Forty-seven per cent of respondents indicated that IT risk planning is generally conducted as a discrete function by business silos. IT Risk Management and Compliance budgets have remained largely immune from budget cuts or cost reductions, but that budget must be used more effectively and, in many cases, for an increased scope of risks.

Survey respondents agreed that investing in risk management can provide significant business benefits, particularly in the areas of business continuity (74%) and safeguarding the company's reputation (32%). Yet many organisations still take a passive, rather than a proactive, approach to managing and mitigating risk.

While organisations and their IT managers may have different structures and different ways of achieving their goals, they agreed on the critical focus areas of a successful risk management programme:

- **Data is a common concern in all aspects of risk management** from security, business resilience and continuity, to availability, disaster recovery, hackers, compliance, infrastructure and data management. With this in mind, companies should take a unified, holistic approach to IT risk: taking into account all of its elements in order to aim for the overall goals of realising more returns and higher efficiencies.
- **Emerging trends:** Organisations realise they need to incorporate cloud computing, mobile technology and social networking into the existing infrastructure. Social networking tools were the biggest worry in terms of risk for 64 per cent of those surveyed, mostly having to do with the accessibility, and the use and control of data. Perhaps less obvious, but no less important, are the risk considerations that must be understood around cloud computing: who owns your data on the cloud? How is it protected? How can it be protected - and recovered - when required?

A pro-active approach to IT risk management positions companies to stay ahead of vulnerabilities

- **Within a business, risk awareness is everyone's responsibility.** Unless risk-related policies and procedures are engrained in a corporate culture, many initiatives for managing and mitigating IT risk can fall short... or fail altogether. Results of the study confirm that companies need to work harder at educating, communicating and supporting risk management and compliance initiatives across the enterprise.

When adopting emerging technologies, architectures and strategies, risk mitigation should be a primary point of discussion. Taking into account both positive risk (that which a company initiates because there is an opportunity that comes with the risk) and negative risk (potential incidents that can bring harm to the business) can add more business value and possibly increase revenues – but only if proper funding for IT risk management is included.

By taking a pro-active approach to IT risk management, companies can position themselves to stay a step ahead of vulnerabilities, and remain more secure and resilient in the face of planned or unplanned

incidents. Clearly, IT risk management is far-reaching, and can directly influence a company's competitive position, as well as its reputation with customers, partners, regulators and other stakeholders.

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