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6 ways to recession-proof your business with ServiceNow risk products

Build organizational resilience so you can avoid costly business disruptions, lower existing expenditures, and accelerate recovery

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Introduction: Future in flux

Over the last several years, the only certainty has been uncertainty. We've experienced a once-in-a-century pandemic, seen existential threats to the international order, and suffered an ever-increasing number of climate and other disasters. And now we face rampant inflation, rising interest rates, and the very real threat of a recession.

For corporate leaders confronted with a future in flux, the natural instinct is to batten down the hatches and wait for the storm to pass. And clearly, financial prudence is wise. Cost-cutting and increased scrutiny of investments are needed to weather the storm. However, to continue the nautical analogy, you're not safe below decks if your hatches aren't watertight. And when skies clear, you need to quickly unfurl your sails (and sales) to catch the fair wind of economic recovery.

That's why your survival depends on investing in organizational resilience.

Now is the best time to adopt processes and technologies that reduce risk, lower costs, increase efficiency, and help you maintain top-line growth. For example, if one cost-cutting strategy is to optimize your supply chain, then you need to effectively manage third-party risk as you adjust your vendor mix. Or, when your business is already under stress, can you afford the reputational damage—and potentially monumental fines—of a major privacy violation?

Organizational resilience also delivers a profound competitive advantage.

It isn't just about riding out the tempest. Studies have shown that organizations that invest in resilience rebound more quickly when times are difficult. For example, recent research by Boston Consulting Group has found that about 30% of a company's relative total shareholder return (TSR) is driven by how it performs during a crisis. Crises widen the gap between high and low performers, and resilient organizations lower the shock of crises, recover faster, and recover to a greater extent than their less-prepared peers.

In this ebook, we examine six ways ServiceNow can help your enterprise build organizational resilience while reducing existing costs and avoiding the financial impact of noncompliance and business disruption.

1 Reduce costs by rationalizing and consolidating applications

Many risk and compliance teams struggle with siloed applications and disconnected processes. So from a hard dollars perspective, they have to license software from multiple vendors and maintain multiple systems, resulting in high ongoing expenditures. This also creates a fragmented—and often extremely poor—user experience, which reduces efficiency and drives up labor costs.

ServiceNow offers a wide range of applications—including a comprehensive risk products portfolio—that work together to address common business issues. This gives you the opportunity to reduce application costs by consolidating disparate, siloed, and costly governance, risk, and compliance (GRC) tools and point solutions—as well as other application areas such as IT and HR—on a unified platform. In addition to lowering licensing and maintenance costs, you also get an efficient, consistent, and connected user experience within your risk organization and across your business.

If you are an existing ServiceNow customer, you can leverage your ServiceNow team to rationalize your GRC applications. You can also use ServiceNow® Software Asset Management to survey your business's broader set of deployed applications and associated licensing costs, taking a risk-based approach to rationalization by understanding the business impact and criticality of the services these applications deliver.

Airline thrives with integrated risk management

This large airline recognized the need to efficiently manage a business does not stop when there is an economic downturn—or even a pandemic. Until recently, their manual IT risk and compliance program was getting in the way of doing business. The lack of coordination was crippling the privacy program, and the vendor risk management program needed room to scale. The company was increasingly dependent on technology to operate its business. Any failure, disruption, breach, or delay in implementing changes could materially and adversely affect its operations and its reputation, resulting in a loss of customers.

At the height of the pandemic, the airline found their solution in the form of integrated risk management (IRM) products from ServiceNow. By integrating risk solutions with existing ITSM, ITOM, and CMDB functionality, the organization had the backbone for data privacy teams, IT security teams, and infrastructure management teams to collaborate and properly map privacy data, assess assets and systems, and manage data privacy regulations. IRM solutions from ServiceNow not only allowed the airline to build out a comprehensive risk and compliance program, but it also included ServiceNow Vendor Risk Management for a proper end-to-end, scalable, vendor risk program.

2 Increase efficiency and lower risk with self-service

Effective GRC needs to span your entire business. It's not just about your core risk and compliance team—everyone has a critical role to play. Business owners need to take responsibility for controls. Employees need to comply with policies. And everyone needs to be aware and report new risks as they emerge. Simply put, risk needs to be embedded into your first line of defense and placed in the hands of everyday employees.

Many resilient organizations already have businesswide processes that address these needs, but the processes are often costly because they're manual and highly inefficient. Other less resilient organizations still treat risk and compliance as a siloed business function, which leaves yawning gaps in their defenses. And as businesses look to lower costs by outsourcing business functions and expanding reliance on third parties, the inability to manage risk at scale is becoming an even more pressing issue.

Strengthen your risk posture and reduce costs by embedding risk into everyday work using intuitive self-service capabilities from ServiceNow:

- Push responsibility for controls to business owners, giving them the tools they need to create, manage, monitor, and attest to controls.

- Make policies highly visible by publishing them on the ServiceNow Employee Center and other portals, and efficiently enforce these policies with role-based interfaces and automated approval workflows.

- Include every employee in the front line of defense by giving them self-service tools to report risks, increasing visibility while avoiding costly manual risk reporting processes.

- Strengthen and reduce the cost of vendor assessments with dedicated portals that automate assessments; streamline collaboration between vendors, vendor risk teams, and business stakeholders; and automatically track issues to resolution.

- Deliver self-service anytime and anywhere with streamlined experiences built for the end user—available on the web and mobile devices. Make it easy for employees to do their day-to-day work while helping mitigate risks for your company, such as requesting policy exceptions, reporting risk events, requesting vendor assessments, and more.
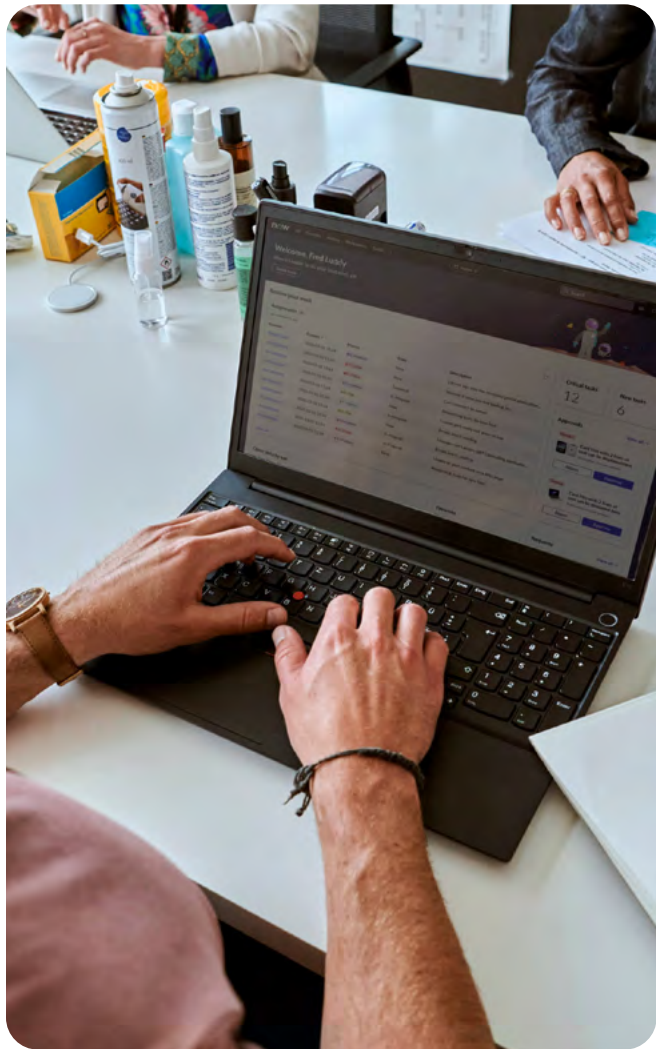
3 Increase visibility, respond faster, and avoid financial penalties with continuous monitoring

To reduce the impact of risk and noncompliance, you need to quickly detect issues and respond right away. However, many organizations rely on periodic internal and third-party audits to drive their responses. While audits are a crucial part of a resilient organization, relying on them to trigger responses leaves you acutely exposed to massive financial impacts. Consider the following:

- Costs for failed compliance can be steep, particularly if that compliance is regulated. For example, Meta (Facebook) was fined more than $900 million for General Data Protection Regulation (GDPR) privacy violations.[2] And even if a control isn't regulated, compliance violations can have a huge direct financial impact. For instance, if noncompliance leaves you open to a cyberattack, the cost of downtime can run into hundreds of thousands of dollars an hour.

- Risks in your third-party network can cause major financial impacts. For instance, if a vendor loses financial standing, faces challenges in its labor force or supply chain, or is vulnerable to a ransomware attack, this can affect its ability to deliver the goods and services you need to keep your business running. There's no use finding out once your revenue streams are disrupted.

ServiceNow gives you the proactive visibility you need to avoid these significant costs. We embed risks and controls into everyday workflows on the Now Platform®, so these risks and controls are continuously monitored in real time—and you're alerted right away when there's a problem. Additional platform benefits include automatic information retrieval from other internal and external systems to give you instant visibility across your entire risk landscape. This includes ingesting feeds from a wide range of third-party risk intelligence providers.

4 Minimize the financial impact of disasters and other business disruptions

When a disaster strikes, it can cost your business dearly. There's not just the downtime cost but also the cost of lost business. For instance, what would be the impact if your e-commerce systems were offline for a week? How many orders would you lose, and how many customers would switch to your competitors?

Organizations face many potential disasters and other business disruptions: ransomware attacks, data center outages, hurricanes and floods, supply chain disruptions, pandemics, wars and civil unrest, and more. When any of these events happen, you need an airtight plan that ensures you get up and running again before losses rise to unacceptable levels.

ServiceNow Business Continuity Management (BCM) provides a comprehensive set of capabilities so you can respond effectively when disasters and disruptions strike. With BCM, you and your business stakeholders can identify and assess the impact of every type of disaster or disruption.

For example, if you're a large insurance company, you can model the expected financial impact and losses of financial market crashes, regional conflicts, catastrophic weather events, and other crises. You can prioritize these scenarios to know where to concentrate your business continuity efforts. Some ServiceNow customers take a sophisticated approach and use these analyses to proactively mitigate the impact of critical scenarios, including taking out insurance to cover potential losses.

BCM also helps you respond effectively when disasters and disruptions actually do hit. You can create businesswide recovery plans for each scenario, identifying the actions your IT, facilities, legal, HR, vendor, and other teams need to take and how quickly they need to act. You can then regularly test these plans in a real-world environment using enterprisewide ServiceNow workflows. And you get the confidence that during a real crisis your plans will deliver the expected results—whether that's meeting regulatory requirements, quickly restoring your operational capabilities, or continuing to serve your customers.

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5 Protect digital data and services from costly cyberattacks

Your digital assets are critical for business operations. A large-scale cyberattack can bring your company to its knees. In addition to the huge direct cost and disruption of a breach due to downtime and loss of revenue, there's also severe reputational damage if customer data is stolen. This can lead to a loss of customer trust, decreased sales, and plummeting stock prices.

Cyberattacks are a rapidly growing problem. Between 2020 and 2021, the average number of attempted cyberattacks rose 31%.[3] This makes cybersecurity a top-of-mind issue for corporate leaders, with most boards now requiring someone with a background in cyber.

With ServiceNow, you can significantly lower the likelihood of a catastrophic breach and respond faster if a breach does occur:

- ServiceNow® Vulnerability Response lets you identify software vulnerabilities and efficiently coordinate patching activities across your security operations and IT operations teams. And with continuous monitoring, you can automatically identify when a vulnerability has not been addressed within an established service level agreement period. So you're able to shorten your window of exposure and lower the chance that an attacker will exploit a vulnerability.

- ServiceNow® Security Operations allows your security operations team to respond faster to breaches when they happen, integrating information from multiple sources to make it easier to diagnose breaches and shut them down. And again, it automatically coordinates activities across your security and IT teams, further accelerating your response to security incidents.

- ServiceNow helps you quickly identify misconfigured hardware by continuously monitoring for configuration errors and automating your response. This closes a major loophole that attackers often exploit—one that otherwise is often hard to detect and can be incredibly costly. For instance, according to a recent study misconfigurations can cost an average of 9% of a company's annual revenue.[4]

- Automatically relay security data to your risk and controls teams to let them know if there is a catastrophic risk event they need to mitigate or if a security control is failing. For example, if a critical vulnerability hasn't been patched within a certain time period.
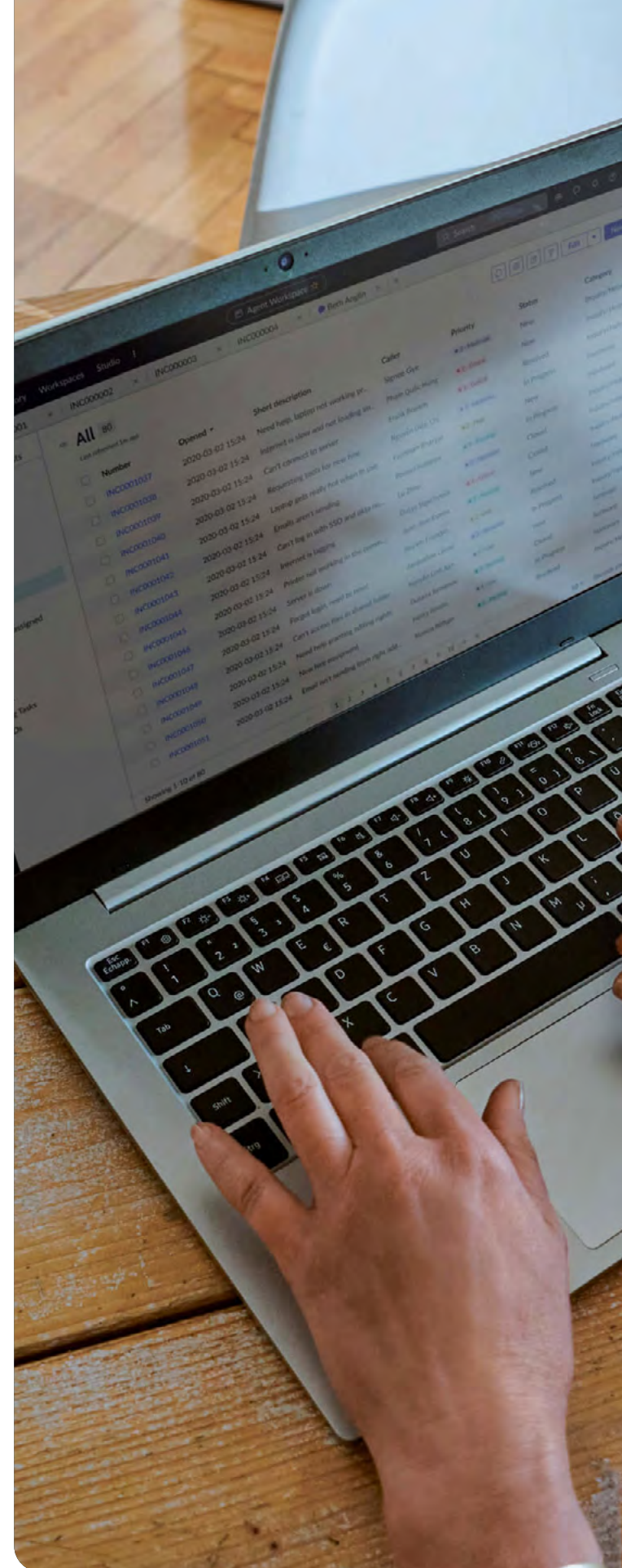
6 Increase productivity and lower costs through automation and AI

There's a common thread running through all of the examples we've discussed: automation. Not only does automation help you respond faster and more effectively to risks but also dramatically boosts productivity. You can reduce costs and make the best use of limited resources when times are tight. For instance:

By rationalizing and consolidating applications on the Now Platform, you enable seamless end-to-end workflows that accelerate work, eliminating the need for multiple tools, by automating repetitive, time-consuming manual processes. For example, ServiceNow uses advanced AI to automatically route issues to the right team, accelerating responses and reducing costs by preventing issues from bouncing from team to team.

- Self-service not only strengthens your risk posture but also reduces the burden on your risk team by automating processes such as third-party assessments and control attestations. And because self-service empowers your business stakeholders—for example, by letting them create and manage controls—it also helps them work more effectively and efficiently.

- Continuous monitoring doesn't just let you proactively address issues. It also automates the process of gathering information for audits, reducing the huge effort and cost of manually collecting and verifying data.

- ServiceNow Business Continuity Management helps you recover faster and more effectively from disasters and disruptions. And it also uses automation to reduce the effort of business continuity planning—for example, by automatically gathering relevant information from the Now Platform, such as the applications and digital infrastructure that need to be restored when a business service is affected by a disaster.

Don't just take our word for it

In February 2022, Forrester Consulting validated the business value of ServiceNow integrated risk products using Total Economic Impact™ (TEI) assessment data. Here are some of the productivity gains Forrester found.

60%
improvement in productivity for GRC staff handling risk assessments

40%
improvement in productivity for GRC staff handling risk-related issues

70%
improvement in productivity for GRC staff responsible for reporting

55%
improvement in productivity from reduced time with external auditors

40%
improvement in productivity for GRC staff handling vendor assessments

80%
improvement in productivity for GRC staff responsible for vendor risk reporting

39%
reduction in cost of responding to business function or application recovery issues

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Get fast time to value with ServiceNow

When you're facing an economic downturn or other uncertainties, you can't wait years for your investments to pay off. With ServiceNow, you get fast time to value and see results in just months.

These ServiceNow customers have quickly implemented IRM solutions from ServiceNow:

- AltaGas, a North American energy infrastructure business, implemented an out-of-the-box solution in just 45 days, including supporting 17 security standards and 120 controls. And when the company expanded the solution to include control testing, it achieved its goal of 80% compliance on all controls in just three months.[5]

- Working with a ServiceNow partner, Adecco IT Services launched a compliance management solution in only three months, including more than 8,200 controls and continuous monitoring, creating complete compliance coverage across all regions. Before using ServiceNow, the company had only achieved 30% compliance.

- The city and county of Denver transformed its entire vendor risk management process in four months. Among its business outcomes, Denver reduced the time to screen a vendor—from six to eight weeks to just one to three weeks.[6]

Let's recap: Organizational resilience is a win-win

As organizations face uncertainty, they are cutting costs and increasing scrutiny of their investments. This is a natural and necessary response, but it needs to be accompanied by an investment in organizational resilience.

Organizational resilience is a win-win opportunity. It allows you to reduce risk so you can weather the storm and recover faster to gain a competitive advantage when the skies clear. And it's also a key way to contain costs. You reduce existing costs by increasing productivity and efficiency, avoiding the massive costs of business disruptions and financial penalties due to noncompliance.

In this ebook, we've shown you how ServiceNow risk products and other ServiceNow solutions can help you build resilience while optimizing your business operations to lower and avoid costs. If you're already a ServiceNow customer, you can leverage your existing investment to strengthen your business and build momentum—even during dark times. And if you're not yet a customer, there's no better time to start transforming your organizational resilience with ServiceNow.
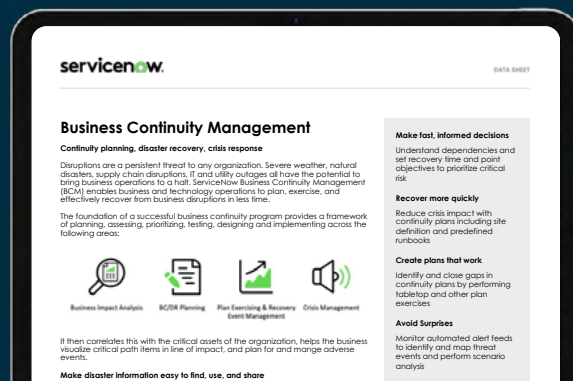
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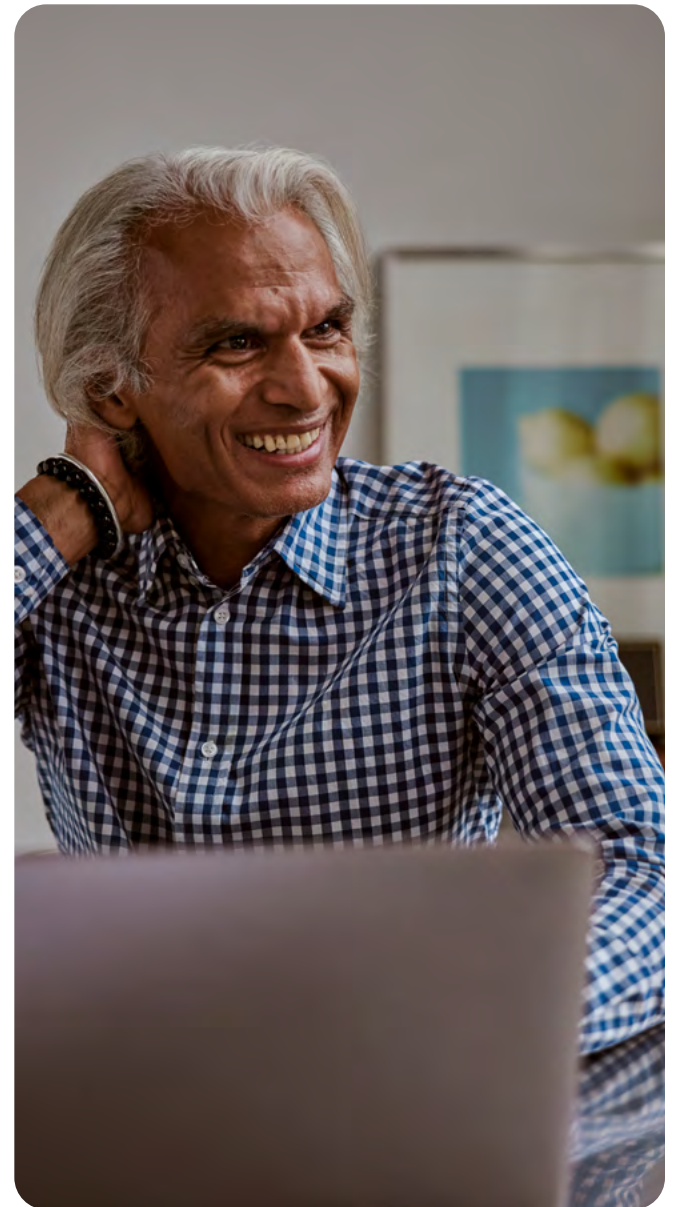
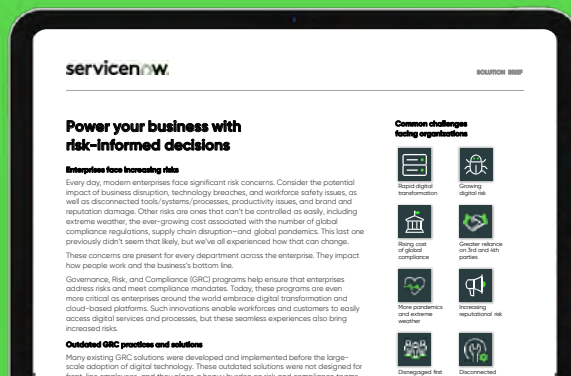## Business continuity management solution brief

Get Brief

Fast, smart, and connected vendor risk management solution brief

Get Brief

Power your business with risk-informed decisions solution brief

Get Brief

Total business value of ServiceNow's integrated risk products white paper

Get Whitepaper

Notes

1 Boston Consulting Group, "How resilient businesses created advantage in adversity during COVID-19," November 4, 2021

2 The New York Times, "Meta fined $275 million for breaking EU data privacy law," November 28, 2022

3 Fortune, "Why cybersecurity is the ultimate recession-proof industry," August 22, 2022

4 Titania Ltd., "The impact of exploitable misconfigurations on network security," 2021

5 ServiceNow Blog, "Out-of-the-box GRC processes—how two companies prospered," February 24, 2021

6 ServiceNow Blog, "How Denver replaced spreadsheets with Vendor Risk Management," July 24, 2019

About ServiceNow

ServiceNow (NYSE: NOW) makes the world work better for everyone. Our cloud based platform and solutions help digitize and unify organizations so that they can find smarter, faster, better ways to make work flow. So employees and customers can be more connected, more innovative, and more agile. And we can all create the future we imagine. The world works with ServiceNow™. For more information, visit: www.servicenow.com.