

Ncontracts Risk Performance Management Suite Case Study

Efficiently Building a Risk & Compliance Culture—While Setting the Stage for Growth



About the Credit Union

- **Size:** More than \$6 billion in assets
- **Location:** Southeast
- **Customer since:** 2018
- **Primary examiner:** NCUA



Featured Products:

Ncontracts Risk Performance Management Suite

- Nrisk
- Nvendor
- Ncomply
- Nfindings



Challenges:

- One-person department to start
- Fledgling risk management culture
- Overreliance on spreadsheets
- Scattered risk management
- Blackbox risk assessments



Results:

- Increased efficiencies & cost savings
- Stronger risk management culture
- Better understand and communicate risk

The Challenge

The newly minted senior vice president of integrated risk at this large credit union was a master of Excel spreadsheets. Yet even her advanced skills were no match for the risk, compliance, and vendor management needs of her growing institution—one that doubled in size between 2018 and 2022.

“I built my career in the financial industry on Google and Excel, but as I transitioned from a small financial institution to a medium financial institution finally to a larger financial institution, my ability to be a strategic partner that helps mitigate risk exposure was diminished,” says the SVP. “When I was tasked with building out our risk program, I was a fledgling department of one and I needed a lot of help with software.”

Risk and vendor management and compliance at the credit union were all kept on different spreadsheets and solutions, and the risk officer didn’t have a holistic view of the organization.

“ERM is supposed to bring together risk across multiple categories in an organization, but there were too many silos. There was no transparency into the interdependencies and synergies.”

Meanwhile, the software solutions the credit union used for risk and vendor management weren’t effective. The risk management tool was a black box when it came to calculating risk and the vendor suite was hard to use. Due diligence was outsourced. Compliance and findings were all managed via spreadsheet.

“When calculating inherent risk and residual risk, you need to be able to walk through the math and each piece of the risk puzzle: risk likelihood, risk impact, control effectiveness, control importance, etc. It’s really important to understand how you arrive at those numbers and your risk exposure.

“It just didn’t fit the bill for what we needed.”

The Solutions

With major growth plans in the works, the credit union’s board and management knew risk management was critical to understanding the path forward. The SVP used that foresight to make the case for Ncontracts Risk Performance Management Suite of risk management and compliance solutions, including Nrisk, Nvendor, Ncomply, and Nfindings.

“We know that the regulators say this is important. All the hot buttons they talk about—compliance, vendor management, risk assessments, and following up on findings—live in the suite,” the SVP says. “Before you can engage in and accept risk, you need to have all the pieces of the puzzle so you can define your risk culture.”

I came to the table and said ‘This is what we want our risk narrative and our compliance narrative to be. This is how we want to shape the culture of our organization, and here’s how we’re going to do this with this suite of products. It will us to form a partnership between the first, second, and third lines and help our organization protect itself from risk. “It’s easier to create a vision, share a narrative, and get buy-in when you are drawing efficiencies across multiple areas.”

Risk can be a cost center, so the risk officer had to show that the Ncontracts Risk Performance Management Suite would help the institution run leaner and more efficiently—including extending the credit union’s access to regulatory compliance and risk management expertise at a fraction of the cost of hiring staff.

“When you pick a partner yes, there’s software and what it brings to the table, but also what resources do they have as far as knowledge as far as subject matter experts and professional services that you can leverage to strengthen your team and your position and do so in a way that lets you run as lean as you need to for your organization.”

The Results

Doing the work of at least 10 employees with just four. “When I started with the software, I was a department of one. Five years later, I was a department of four, but we were managing the risk of 30 departments and business lines plus 500 vendors. We can’t do the job that we do without the software and without the professional services from Ncontracts. Hands down, it would not work.” Expert knowledge without the headcount. “When you look at the cost associated with the talent pool that Ncontracts brought to the table in having experts with knowledge, experience, and certifications, my budget could not support the team that would be needed.”

A stronger risk management culture. “Ncomply and Nrisk both serve as second line functions. They are incredibly important for forging a full risk management culture at our organization. Ncomply really outlines what’s required by regulation and helps define compliance risk, which makes it a very easy lift to facilitate those conversations between the compliance and risk teams.” Ability to effectively measure and communicate risk across the organization. “This suite offers things like key risk indicator (KRI) and key performance indicator (KPI) tracking, which can be tracked from an organizational risk standpoint and used by different teams to reduce risk across the organization. These are the types of tools in the software that allow different departments to engage with one another.”

Bridging the gap between financial and non-financial risk. “The call report functionality in Nrisk lets the risk department engage the accounting department in a strategic way by giving them the tools to understand it in terms of credit and liquidity risk when before that seemed a little out of reach because risk managers are not CPAs.” Exam-ready documentation and findings. “Nfindings is a pillar. We have an easy-to-use tool that provides historical record tracking. It really enhances the overall efficiency and transparency of the organization. Having Nfindings integrated in Nvendor helps us with the pieces that are outstanding.”

Better insight into the regulations driving risk decisions. “Compliance risk is one of the biggest risks we face. Being able to tie regulations directly to risk assessments to say, ‘This is the risk we’re looking at; this is regulation we’re looking at.’ Ncontracts shows us exactly which regulations should be driving the decision.” Cost savings. “No one is more cost effective than Ncontracts. We have a bidding process where we must get pricing from competitors before renewing. Especially when you talk about Nvendor and the professional services it brings to the table, there’s just nothing that matches it out there in the industry.”

Ease of use. “The software is fantastic! I love Ncontracts software. It’s really easy to use.”