VENDOR SPOTLIGHT

Integrated GRC Solutions, 2024

MEGA International

Executive Summary

In a crowded governance, risk management and compliance (GRC) ecosystem, MEGA has distinguished itself with an offering and approach supported by comprehensive data management and workflow offerings. Chartis ranks the company as a category leader in its RiskTech Quadrants® for Enterprise GRC Solutions and Operational Risk Solutions.

Key Considerations

- GRC solutions are increasingly driven by technology, as workflow solutions become more sophisticated.
- Category leading vendors are stepping up to be a powerful force, as the rapid evolution of technology brings new possibilities, options and choices.

Overview and Market Context

GRC is no longer just about audits and controls. It's become a core operational function, driven by technology, and embedded across the organization. The front office, control teams and risk teams all play a crucial role. This evolution is creating demand for new GRC solutions and vendors.

The modern GRC ecosystem places technology at the center, with advanced tools for workflow, analytics and control. The vendor landscape is vast and constantly evolving, offering a variety of solutions powered by artificial intelligence (AI), process mining and advanced databases.

> **MEGA has emerged as a credible competitor in the GRC space, a development reflected in our quadrant ratings. It has achieved this largely by leveraging its strong foundational capabilities in key sections of the GRC ecosystem, notably IT risk and related areas.**
>
> **— Sidhartha Dash, Chartis Research**

- **Expanding role of control functions**. The control function is no longer solely focused on audits and organizational control. It now plays a strategic role in business optimization, working closely with the front office to develop and manage processes. This strategic shift is reflected in the rise of the Chief Control Officer (CCO) position.
- **Integration of technology and risk**. Advanced technology is enabling a new operational and quantitative framework for GRC. This framework allows for dynamic, real-time and automated process control, facilitating business optimization. The risk function is also undergoing a transformation, taking on a deeper role in managing and quantifying operational risk across the organization. Technology risk and operational resilience are becoming increasingly intertwined, demanding a centralized and strategic approach from organizations.
- **Emergence of new tools and technologies**. The development of new digital tools empowers firms to monitor and manage operations and processes at a granular level. Technologies like statistical and linguistic AI, process mining and advanced database systems are transforming GRC across various areas like IT risk, third-party risk and operational risk.

Methodology

Chartis Research ('Chartis') is a research and advisory firm that provides technology and business advice to the global risk management industry. Chartis assesses risk technology vendors using consistent, objective methodology, regardless of business relationships.

Chartis' RiskTech Quadrant® has been used to explain the structure of the market. It employs a comprehensive methodology of in-depth independent research and a clear scoring system to explain which technology solutions meet an organization's needs. The RiskTech Quadrant® does not simply describe one technology solution as the best; rather, it has a sophisticated ranking methodology to explain which solutions would be most suitable for buyers, depending on their implementation strategies.

Chartis evaluates vendors on both current and future dimensions: completeness of offering and market potential.

- **Completeness of offering** criteria include content and data management, prepackaged content, tools, workflow and regulatory support.
- **Market potential** considers business model, market penetration, financials, customer satisfaction and growth strategy.

Chartis uses detailed evaluation forms, customer surveys, expert interviews, vendor briefings and other research sources to assess solutions. This rigorous methodology provides an independent view of solutions and vendors.

Market Context

Enterprise GRC Solutions

Enterprise GRC (EGRC) integrates risk management, compliance and governance into a cohesive framework, with tools and methodologies designed to manage risk, ensure regulatory compliance and establish effective governance practices. A significant aspect of EGRC is its reliance on structured and unstructured data. This necessitates sophisticated data management tools that can ingest, process and convert diverse data types into actionable insights. Effective EGRC solutions must handle large volumes of data and transform them into easily interpretable formats for risk assessment and compliance monitoring.

Leading vendors in the EGRC space offer tools for risk quantification, compliance tracking and support for advanced data analytics and visualization. These tools feature components that are essential for proactive risk management and decision-making, including workflow automation, real-time reporting and dashboarding. Benefiting from the trend toward customizable and scalable GRC solutions, including low-code/no-code platforms, users can extend and adapt their GRC environments without extensive programming knowledge to meet specific organizational needs and enhance the overall effectiveness of GRC approaches.

Operational Risk Solutions

Operational risk management solutions are crucial for maintaining operational resilience and ensuring business continuity. They focus on identifying, assessing and mitigating risks from day-to-day operations, including risks from internal processes and systems, human error and external events. Advanced OpRisk tools provide comprehensive regulatory support, helping organizations to stay compliant with evolving regulations and standards with features such as automated compliance monitoring, regulatory reporting and risk assessment aligned with specific regulatory frameworks.

Data management is critical in addressing OpRisk, and advanced solutions can collect, store and analyze operational risk data efficiently and effectively. Integrating data from multiple sources, these solutions provide mechanisms for data validation, cleansing and transformation. Available OpRisk tools also offer comprehensive risk assessment and mitigation functionalities, including risk identification, scenario analysis and incident management. Advanced tools also feature risk visualization capabilities with interactive charts, graphs and dashboards, enhancing organizations' ability to monitor and communicate risk effectively.

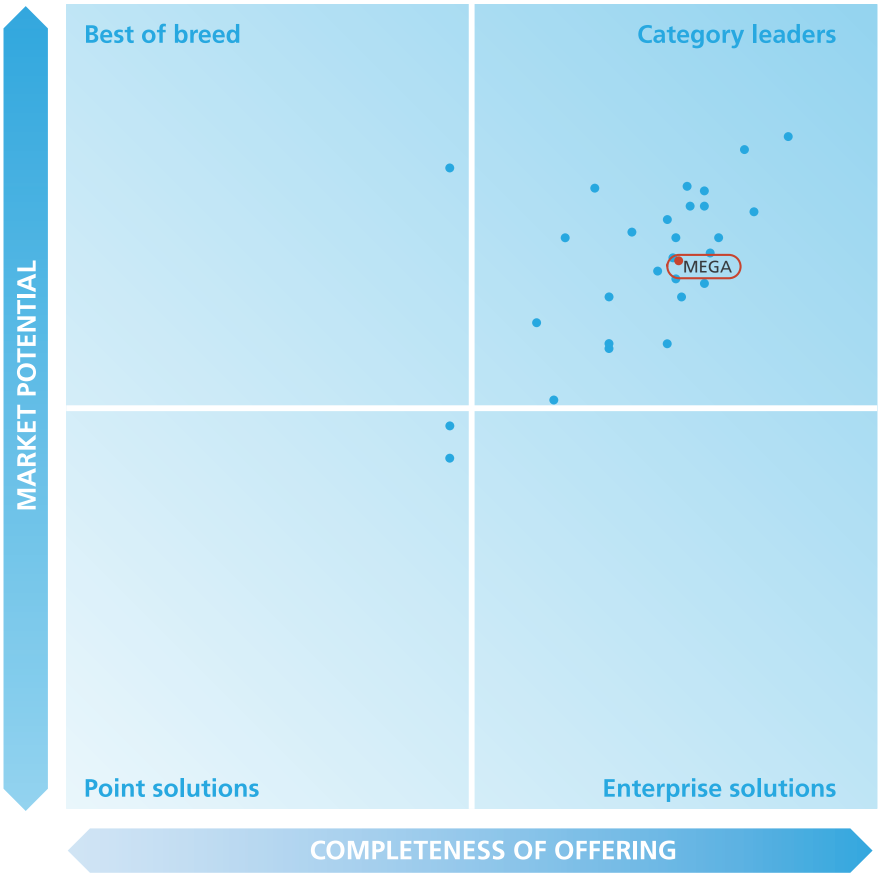
MEGA – Category Leader

Our analysis of MEGA is included in the Chartis report Integrated GRC Solutions, 2024: Market Update and Vendor Landscape, published in April 2024. The report also includes other providers of GRC solutions; specifically: Acin, Aravo, Archer, AuditBoard, BCT Digital, Brainwave GRC/Radiant Logic, CALPANA (CRISAM), Camms, CareEdge, Certa, CIMCON Software, ComplianceCow, Datricks, Diligent, Dun & Bradstreet, Fintellix, Fusion Risk Management, Hyperproof, IBM, KPMG, LexisNexis Risk Solutions, LogicGate, MetricStream, Mitratech, MyComplianceOffice, NAVEX, OneTrust, Onspring, Owlin, Prevalent, Protecht, PwC, RadarFirst, ReadiNow, RiskLogix, RiskXchange, S&P Global, SAI360, SAP, Secureframe, ServiceNow, Star Compliance, SureCloud, TCS, The Analytics Boutique, Venminder, Wolters Kluwer and Workiva.

Chartis has named MEGA as a category leader in the 2024 RiskTech Quadrants® for Enterprise GRC Solutions (see Figure 1 on page 4) and Operational Risk Solutions (see Figure 2 on page 6). Other subsegments analyzed in the report are GRC Analytics Solutions, Third-Party Risk Solutions, Internal Audit Solutions, IT Risk Solutions and Conduct Risk and Control Solutions.

MEGA's competitiveness in the overarching GRC category can be traced to its meeting the necessary requirements for completeness of offering and market potential. It distinguishes itself in the EGRC category with industry-leading workflow and data management, while for OpRisk it stands out for its advanced capabilities in regulatory support, data management, tools and visualization.

Figure 1: MEGA's positioning; EGRC solutions, 2024



Enterprise GRC Solutions

Data management (4 stars: industry-leading)

MEGA's solution offers highly effective handling of complex risk and compliance data across a variety of processes and technologies – highlighted by its ability to integrate data from different sources, such as client-specific information and regulatory requirements. Its approach to using a comprehensive solution for managing cyber resilience, as with its Digital Operational Resilience Act (DORA) compliance, illustrates its strength in leveraging its enterprise architecture expertise, aligning it with internal risk and control data, and effectively managing large volumes of regulatory information. MEGA's proactive approach to data management is highlighted by the platform's planned AI capabilities, such as identifying and merging duplicate controls. As well as reducing redundancies, this also optimizes resource allocation by ensuring that data is accurate and actionable.

Workflow and automation (4 stars: industry-leading)

With its excellent capabilities in workflow and automation, MEGA has positioned itself as a leader in the EGRC space. Its platform offers a sophisticated capability to map from company objectives to underlying technologies, incorporating critical processes, risks, controls, applications and incidents into a seamless workflow. This is enhanced by the integration of HEXA, an AI assistant, which automates the generation of risk descriptions and the creation of process diagrams. These automated workflows streamline risk assessments and control evaluations and enable real-time adjustments based on AI insights. Furthermore, the flexibility of the solution (available in a standard 'vanilla' version with customizable options) ensures that users can meet diverse client needs. Planned enhancements to the solution's risk and control self-assessment (RCSA) console enable clients to configure risk and control self-assessments without professional services. This underscores MEGA's commitment to providing leading-edge workflow and automation tools to enhance operational efficiency and compliance management.

Content management (3 stars: advanced)

MEGA's platform supports comprehensive documentation of processes, risks and controls, all of which can be enhanced by the HEXA AI assistant. HEXA can generate detailed risk descriptions and control measures, for example, which users can selectively incorporate into their documentation. In addition, MEGA's offering can visualize processes and controls with diagrams enriched by risk indicators and application links. The content management system could further benefit from enhancements that facilitate even greater ease of use and integration with external content repositories.

Tools and UX (3 stars: advanced)

MEGA's solution interface is designed to support comprehensive risk and compliance workflows, from risk identification and assessment to control implementation and monitoring. Upcoming enhancements to the UX/UI, aimed at improving the usability and aggregation of risk indicators on process diagrams, demonstrate MEGA's commitment to continuous improvement. The integration of AI-driven functionality, such as HEXA, further enhances the user experience by automating complex tasks and providing intelligent insights. The overall user experience could benefit further from more intuitive design improvements and streamlined workflows that reduce the learning curve for new users. A planned AI-powered action plan and improvements to configurability also indicate that MEGA is set to further advance its tools and user experience.

Prepackaged content (2 stars: meets industry requirements)

MEGA provides essential templates and frameworks for compliance and risk management. The platform allows significant customization to enable users to tailor solutions to specific client needs, although users seeking ready to use content with minimal configuration could find the offering comparatively narrow. There is therefore potential to enhance this area by developing more prepackaged content that can be deployed rapidly and with minimal customization across a wider range of use cases.

Operational Risk Solutions

Data management (3 stars: advanced)

MEGA's data management capabilities provide a solid foundation for effective operational risk management. The platform excels in integrating and managing diverse datasets from various sources, enabling firms to conduct comprehensive risk assessments and control implementations. The inclusion of AI functions, such as the ability to identify and merge duplicate controls, enhances data integrity and reduces redundancies, streamlining data management processes. Additionally, MEGA's ability to document and visualize processes, risks and controls in an integrated way supports thorough data analysis and decision-making. The platform also offers considerable flexibility in handling large volumes of data and aligning them with regulatory requirements. There is potential to further enhance data management by incorporating more automated data analytics and predictive modeling tools to help firms anticipate and mitigate risk.

Regulatory support (3 stars: advanced)

MEGA's platform is designed to handle complex regulatory frameworks (as in its use for DORA compliance), and clients can leverage its tools to efficiently consolidate and manage regulatory information and ensure they meet stringent compliance requirements. MEGA's proactive engagement with advisory firms to enhance their regulatory solutions further underscores its commitment to providing strong support in this area. Moreover, the flexibility of MEGA's solutions, which can be tailored or used as standard offerings, allows clients to adapt quickly to evolving regulatory landscapes. While MEGA meets the advanced criteria for regulatory support, there are growth opportunities in providing more pre-built regulatory content and automated updates to help it maintain a competitive edge against platforms that offer more comprehensive out-of-the-box regulatory solutions.

Figure 2: MEGA's positioning; operational risk solutions, 2024

Tools (3 stars: advanced)

The platform's tools support end-to-end risk and compliance workflows, from initial risk identification and assessment to ongoing monitoring and control implementation. The introduction of the AI assistant represents a significant advance, automating tasks such as the generation of risk descriptions and process diagrams, to ensure consistency across risk management practices. Planned enhancements to the RCSA console will allow clients to configure their risk and control self-assessments without the need for professional services. There is also an opportunity to make the tools more intuitive and user-friendly, reducing the learning curve for new users and increasing overall adoption and satisfaction.

Visualization (3 stars: advanced)

MEGA's platform allows users to create detailed process diagrams that integrate risks, controls and applications to provide a clear and comprehensive view of the organization's risk landscape. These can be enhanced by risk indicators, as well as an ability to illustrate the impact of controls on processes. Upcoming enhancements to the UX/UI aim to improve the clarity and usability of these visualizations. In addition, MEGA's AI assistant can automate the creation of these diagrams, significantly reducing the time and effort required to document processes visually. MEGA's visualization tools could be enhanced by incorporating more dynamic and interactive elements, allowing users to drill down into specific data points and customize their views.

