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Overview

How to build better KRIs with business data

Compliance leaders must unlock business data to build better risk indicators

Compliance teams need reliable, actionable risk indicators to detect and mitigate noncompliance. Yet most indicators rely solely on compliance-owned data, missing the operational insights that business units hold. Business leaders believe in the importance of compliance, but belief alone doesn't drive contribution. To build high-quality key risk indicators (KRIs), compliance leaders must make it easier for business teams to participate and show business leaders how their involvement creates value.

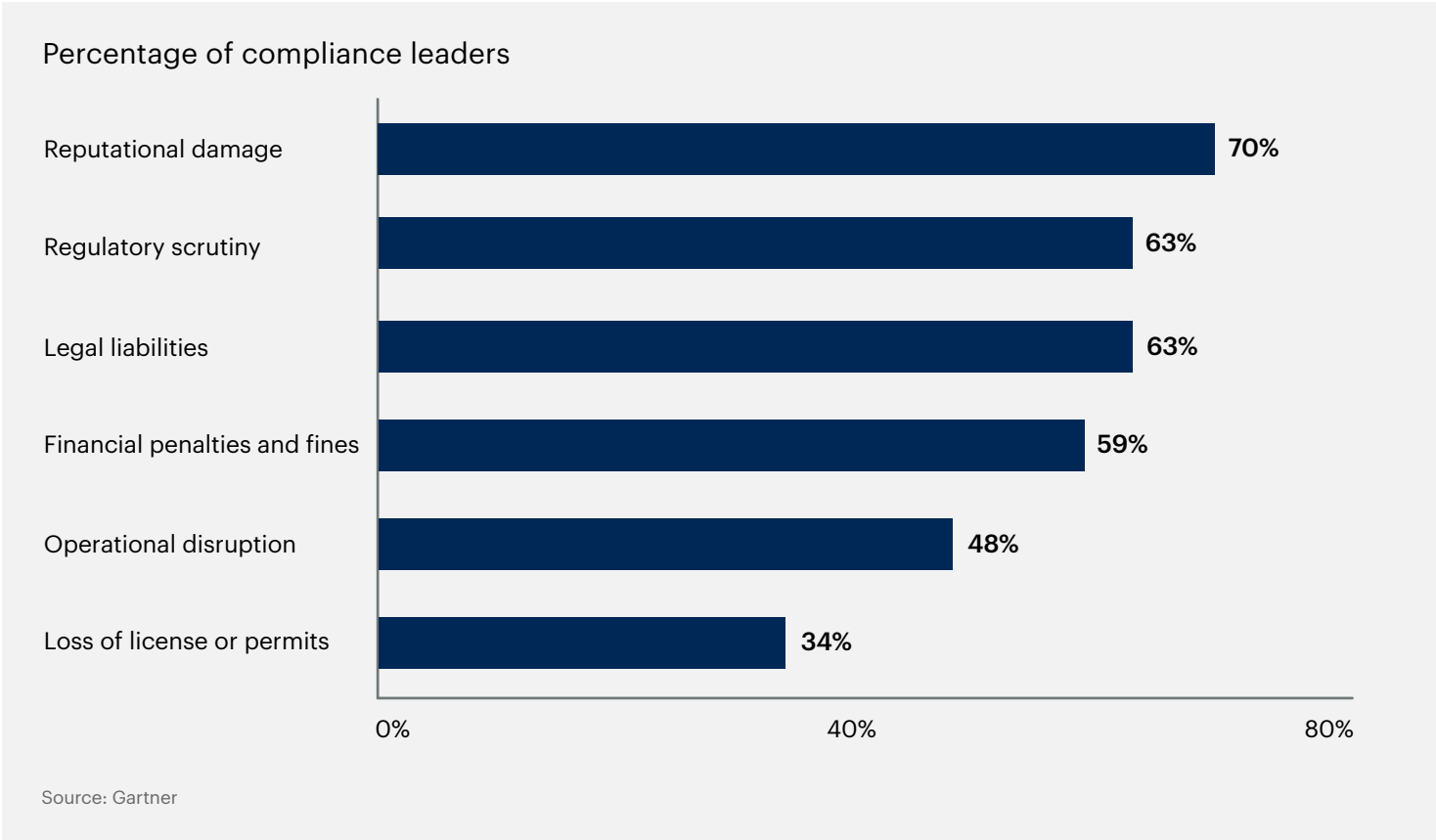


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Compliance risk indicators underperform

Most compliance risk indicators are developed, monitored and reported within compliance functions. As a result, they fail to reflect operational realities. Without business data, compliance teams struggle to identify where to focus and how to assess exposure. This disconnect weakens the organization’s ability to uncover and remediate risk before it escalates.

Likely consequences of low-quality risk indicators



Compliance needs but can't get business units to contribute

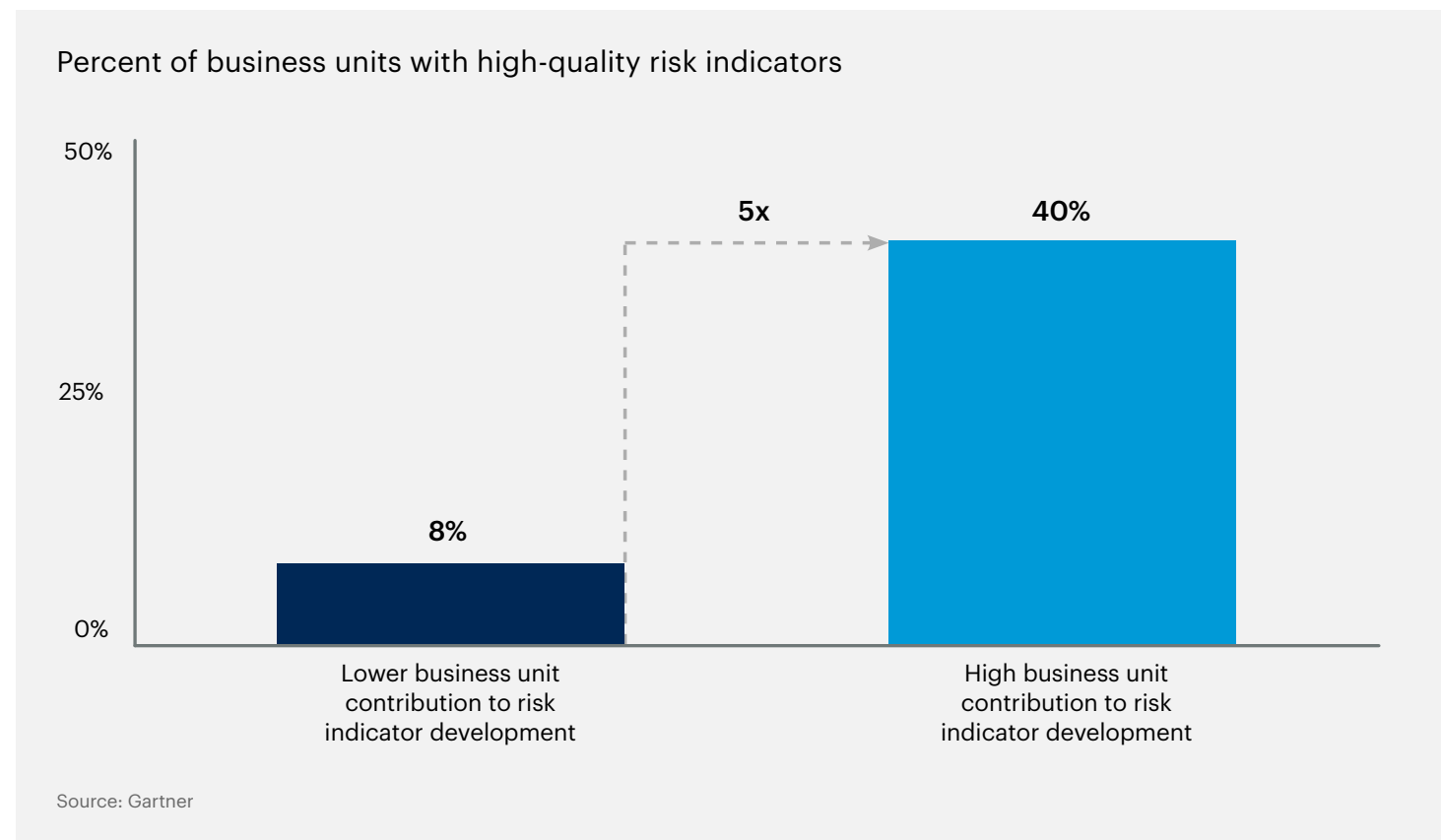
Business units possess the operational data needed to build effective risk indicators. Their contribution brings context, access and analytical depth. Yet most teams don't participate, with only 16% of business units contributing significantly.

Compliance leaders cite two key barriers:

- **80%** say business staff prioritize other work
- **60%** say business leaders assume compliance will handle it alone

Without operational data, compliance teams can't build indicators that reflect real risk.

Impact of business unit contribution on risk indicator quality

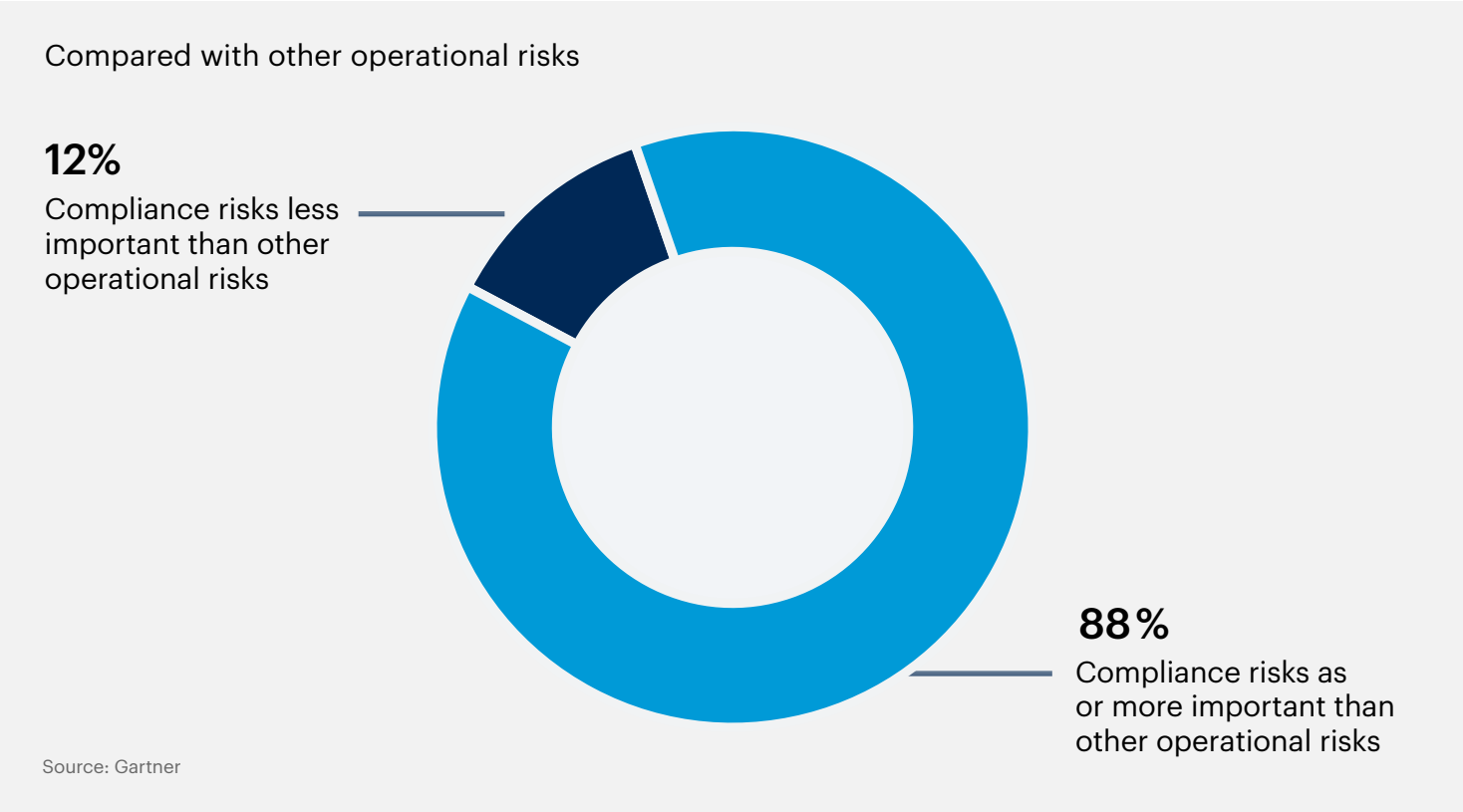


Business leader belief in compliance importance does not move the needle

Compliance leaders have tried to engage business units by emphasizing compliance’s strategic relevance. The assumption is clear: if leaders believe compliance matters, they’ll ensure their teams contribute, but most already do.

Business leaders recognize that compliance risks are as important as operational risks. But belief alone doesn’t change behavior. Even when leaders view compliance risks as relevant to operations and strategy, it doesn’t lead to action. Since belief is already high, increasing it further won’t move the needle.

Relative importance of select compliance risks



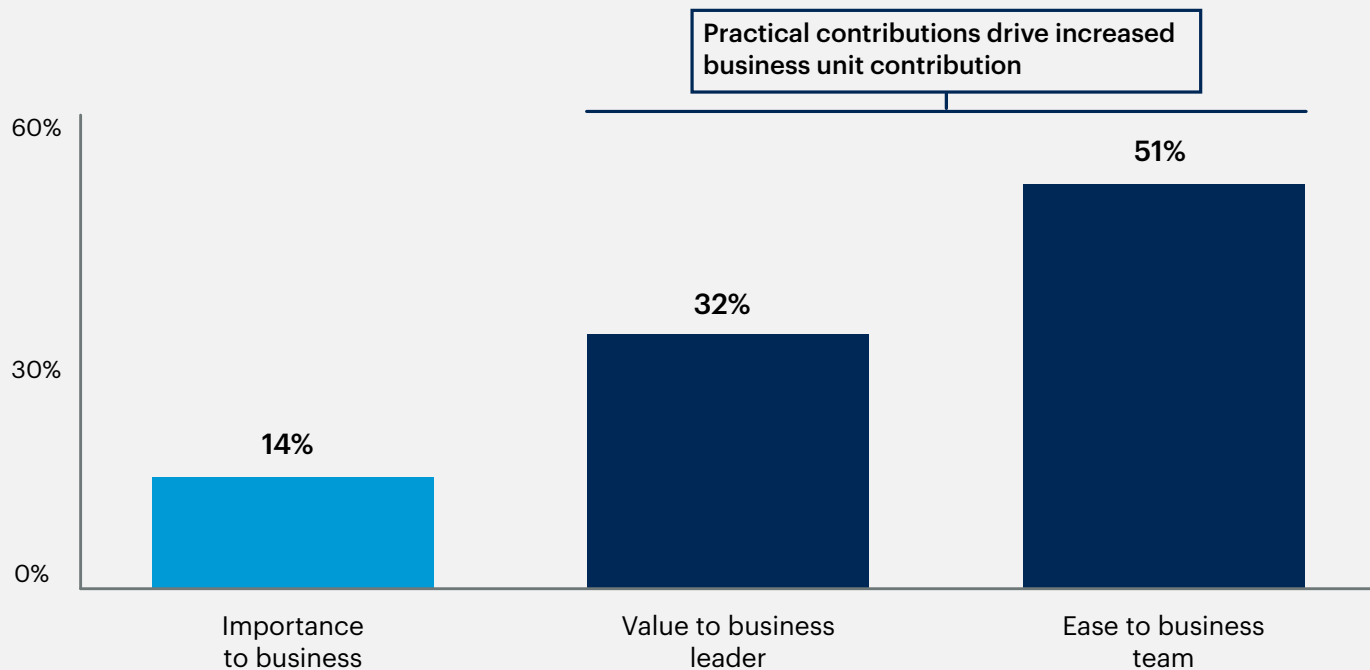
Pragmatic considerations make the difference

Business units are far more likely to contribute to risk indicator development when leaders believe the work offers personal value and their teams can participate without friction. Value influences engagement, but ease has even greater impact.

If leaders think their teams will struggle or won't be recognized, they shift focus to tasks that feel more rewarding and manageable. Today, most business leaders don't see compliance risk monitoring as valuable or easy — leaving compliance teams without the support they need.

Impact of factors on business unit contribution to risk indicator development

Percent of maximum improvement in business unit contribution moving from 10th to 90th percentile in each factor



Source: Gartner

Compliance can drive progress on value and ease

Many compliance leaders assume they can't improve how business units perceive the value or ease of contributing to risk indicator development. They point to solutions like tying contributions to business goals, offering incentives or increasing resources — options often outside their control. But there are practical steps within reach.

Compliance can make contributions easier by:

- Enhancing the quality of operational data within business units
- Improving data access and integration across the organization
- Providing data analytics expertise to business units

These actions help business teams participate without friction and make risk monitoring feel more achievable.

Create ease by guiding business teams through risk indicator development

Compliance doesn't need to solve every data challenge to help business teams contribute. By working within existing systems, it can uncover meaningful risk indicators. Many operational metrics already in use can be repurposed with no development time. Where new metrics are needed, AI can spark ideas and structured frameworks can guide the process.

To improve future efforts, compliance should evaluate indicators based on:

- Which risk indicators create the most false positives
- Which risk indicators underperform in identifying material noncompliance

This approach helps business leaders see that their contributions lead to targeted improvements — making future engagement more likely.

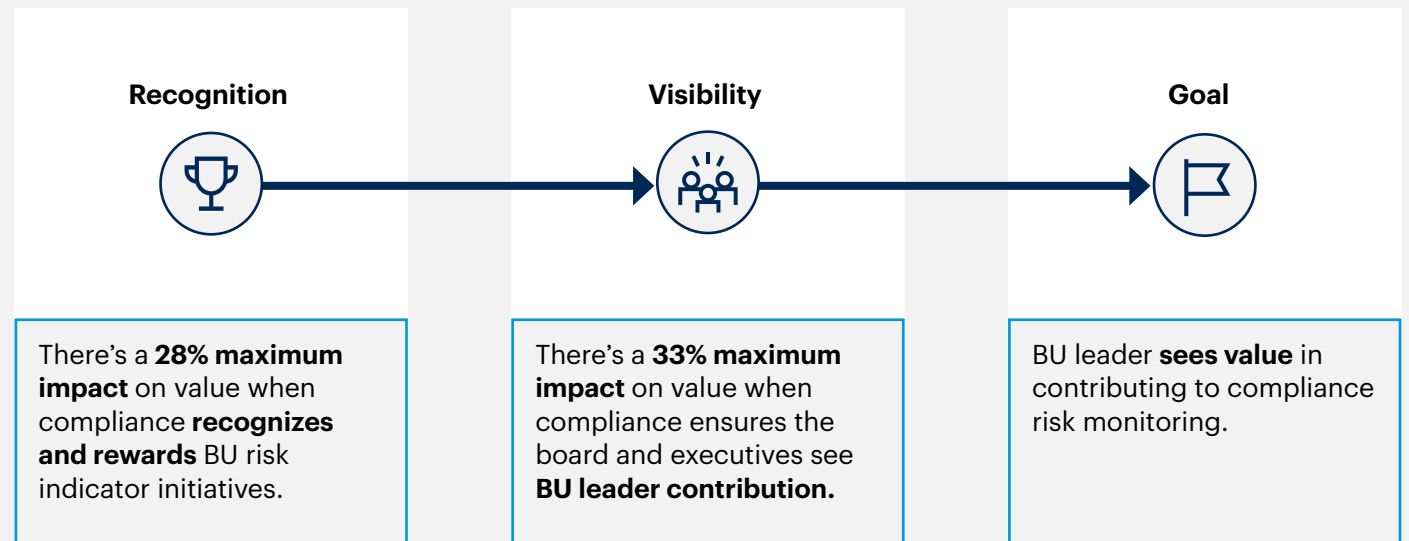
Increase value by connecting business leaders to what they need

Boosting the value of business unit contributions starts with recognition. Many compliance leaders struggle to create visibility because it often requires changes outside their control. But one effective approach is to establish forums where business leaders can showcase their compliance efforts and receive feedback from senior leadership. These settings validate their work, elevate their visibility and reinforce the importance of their role in risk monitoring. When leaders feel seen, they're more likely to stay engaged and contribute meaningfully.

Recognition and visibility lead to value

Impact of recognition and visibility on value

Improvement in value when business leaders feel recognised and visible



Source: Gartner

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