

E-BOOK

# A broken formula: The hidden limits of spreadsheets in risk and compliance.

Spreadsheets helped risk and compliance teams get started, but they weren't built for the scale, speed and scrutiny of modern GRC. How can you turn manual processes into a scalable strategy?

# Executive summary.

Spreadsheets became the default tool for managing risk and compliance because they are flexible, accessible, and familiar. But they struggle with complex interconnected data, multiple regulatory frameworks and cross-functional ownership. Here's why:

**85%**

of risk and compliance professionals say that compliance complexity has accelerated during the past three years

*(PwC Global Compliance Survey)*

**61%**

of risk and compliance professionals expect to see a significant increase in the level of risk they will be responsible for in the next three to five years

*(KPMG Future of Risk Report)*

**65%**

of risk and compliance professionals say streamlining or automating manual processes would reduce complexity and associated costs

*(Thomson Reuters Risk & Compliance Report)*

**80%**

of risk teams can spend over 80% of their time managing and maintaining risk registers when they rely on spreadsheet-based processes

*(Forrester TEI Study)*

**Board packs** take weeks to pull together and inspire little confidence. Repeated delays in delivering insight erode confidence.

**AI is cranking up** the pressure on spreadsheet-based risk management and adding new risks to the mix.

**Existing challenges** and future threats are encouraging more organizations to move from spreadsheet-based risk and compliance management to connected GRC platforms.

>> This eBook looks at how risk and compliance management have outgrown spreadsheets, the cost of sticking with manual processes, and the benefits of switching to more structured approaches.

# Contents.

Executive summary.	i
01. Introduction.	1
02. When GRC programs outgrow spreadsheets.	2
03. Five signs that your spreadsheet process is failing.	3
04. The operational cost of manual processes.	4
05. What modern risk and compliance management requires.	5
06. Taking the next step.	7
About Protecht.	8

# 1 Introduction.

GRC (governance, risk and compliance) has evolved into a strategic discipline as technology enabled a more proactive, real-time approach to managing organizational threats, obligations and change. It's no longer acceptable to rely on what can be seen in the rearview mirror, and yet many GRC teams are still using the humble spreadsheet as their primary tool for managing risks, controls and obligations.

Spreadsheets became the default tool for managing risk and compliance because they are flexible, accessible, and familiar. They worked just fine when risk and compliance programs were smaller and less complex.

But the world in which GRC teams operate has changed dramatically. Organizations must manage larger volumes of data across multiple regulatory frameworks, while balancing the demands of cross-functional ownership. In this increasingly complex operating environment, spreadsheet-based approaches soon begin to struggle.

This is a challenge facing many risk and compliance teams today as the scale of data they work with continues to grow. It leads to reduced visibility, slower decision-making and increased operational risk. This eBook looks at how risk and compliance management have outgrown spreadsheets, the cost of sticking with manual processes, and the benefits of switching to more structured approaches.

## Why spreadsheets became the default risk and compliance tool

Much has changed since the first spreadsheet tools launched over 40 years ago, but it's fair to say that the concept of capturing and analyzing different aspects of business performance through columns and rows filled with numbers has stood the test of time. Microsoft Excel is still one of the most widely used analytics tools in business workflows.<sup>1</sup>

The main reasons why spreadsheets became the de facto tool for managing business operations across organizational functions are because they were so easy to use and almost universally available.

Just about everybody had access through standard enterprise software packages and was familiar with how they worked, which meant there were no additional costs or training requirements.

Risk teams loved them because they could build tables with customized formulas and macros to support their risk assessment models without going through procurement processes, requesting scarce engineering resources, or configuring complex enterprise software. Data modeling could be done quickly and cost-effectively with minimal process design.

Compliance teams loved them for many of the same reasons: they provided a simple, low-cost way to track obligations, assign actions, record attestations and maintain evidence without needing a dedicated compliance system.

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1. BBC, [Excel: The software that's hard to quit](#).

## 2 When GRC programs outgrow spreadsheets.

Scale pressure is the most obvious indicator that spreadsheets are no longer suitable for managing organizational risk and compliance. They simply weren't designed to manage the speed and complexity of modern reporting and regulatory environments.

As volumes continue to grow and grow, data that should be among your most valuable strategic assets become an operational burden. Critical information is spread across disconnected systems, making it almost impossible to maintain visibility.

Board reporting is one of the first areas where this problem shows up, with risk and compliance teams finding it increasingly difficult to provide quick, clear and accurate answers to relatively simple questions.

This is a growing issue for many organizations.

**85%** of risk and compliance professionals told PwC's Global Compliance Survey 2025 that compliance complexity has accelerated during the past three years.<sup>2</sup>

A majority of executives believe this issue is only going to get worse, with **61%** expecting to see a significant increase in the level of risk they will be responsible for in the next three to five years.<sup>3</sup>

Cross-functional ownership makes spreadsheet-based risk and compliance management more difficult because these tools are not good at enabling real-time, collaborative data input. Critical data becomes fragmented, outdated and susceptible to input errors.

The regulatory environment has also seen significant change, with corporate watchdogs now expecting demonstrable operational resilience rather than static compliance. Your focus needs to be on delivering fast and accurate responses in a continually shifting environment, so annual box-checking just isn't going to cut it anymore.

Despite this complex set of ongoing challenges, your board and executive leadership expect GRC teams to move quickly in line with the pace of business. Delayed insights will see them start to question your ability to support decision-making processes. Confidence will be completely lost if these delays happen repeatedly.

2. PwC, [Global Compliance Survey 2025](#).

3. KPMG, [Future of Risk 2024](#).

# 3 Five signs that your spreadsheet process is failing.

As your GRC program scales, there are five signs that spreadsheets are no longer fit for purpose. If one of them is true of your organization, you will almost certainly recognize some of the others:

1.

## Multiple versions of the same register

A single source of truth is an unattainable goal when different teams are using separate versions. Some will contain outdated information, risk ratings will vary from one version to another, obligation status may be inconsistent, and it's more difficult to spot gaps across multiple projects.

2.

## Critical information spread across teams and files

This means that evidence is fragmented, duplicated, and hard to trace. So, it's little wonder that 63% of executives say fragmented data makes compliance more difficult.<sup>4</sup>

3.

## Manual consolidation for reporting

Managing risk and compliance via spreadsheets requires lots of manual input, and up to 94% of spreadsheets contain errors.<sup>5</sup> This problem is amplified by the growing need for faster insights.

4.

## Version control problems and audit trail gaps

Committees are forced into debating the quality of data instead of using it to support a risk appetite position, assess compliance exposure or agree on remediation priorities.

5.

## Reporting cycles taking weeks rather than days

Risk and compliance teams typically spend a couple of weeks reconciling and negotiating. The board eventually gets a polished pack, but everyone knows that it's a stitched-together snapshot.

4. PwC, [Global Compliance Survey 2025](#).

5. Phys.org, [Study finds 94% of business spreadsheets contain critical errors](#).

# 4 The operational cost of manual processes.

As well as creating a false sense of security where risks, issues and obligations can be missed, spreadsheet-based GRC processes also come with a hidden productivity drain. This is because they rely heavily on manual administration, rather than structured workflows and connected data.

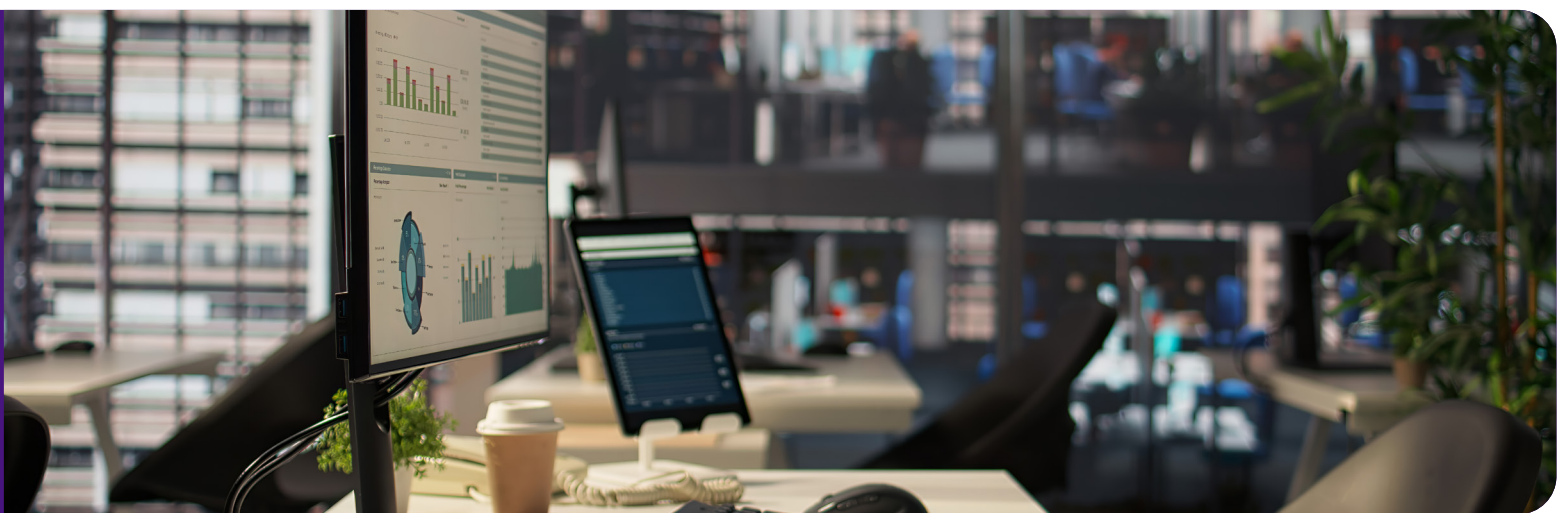
Instead of focusing on analysis, advice and oversight, teams spend much of their time:



To put this into perspective, a Forrester study commissioned by Protecht found that risk teams spend 80–90% of their time managing and maintaining risk registers when they rely on spreadsheet-based processes.<sup>6</sup>

Compliance teams face a similar burden. Time that could be spent interpreting regulatory change, strengthening oversight or improving assurance is instead absorbed by manually tracking obligations, following up actions, maintaining evidence and preparing reports.

If this sounds familiar, then you'll understand the opportunity cost associated with this weekly drudgery. It isn't just about the inconvenience, or the lack of job satisfaction and associated flight risk that comes with these repetitive tasks. It's about the huge drain on strategic capacity.

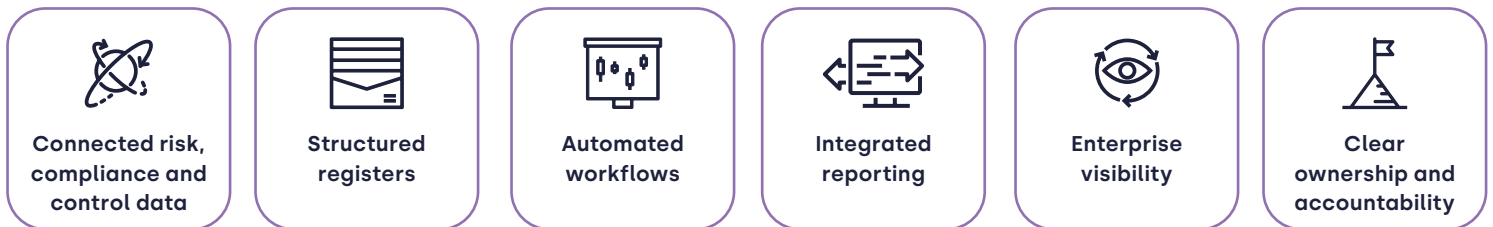


6. Forrester, [The Total Economic Impact™ Of Protecht ERM](#).

# 5 What modern risk and compliance management requires.

Regulatory frameworks increasingly reinforce the importance of strong enterprise data aggregation, reporting and oversight capabilities. For risk and compliance teams, this means being able to connect the dots between risks, controls, obligations, issues, actions and assurance activity.

Modern risk and compliance management requires:



When it comes to helping leaders trust the numbers, it's important to understand the difference between producing reports and instilling confidence. Effective reporting is much easier when it's based on solid, traceable work. If the board and executive team don't trust your definitions and lineage, your report feels more like a sales pitch than a clear analysis of the facts.

Let's say a regulator asks how introducing a new regulated product affects operational risk exposure. In a traceable model, you can identify the obligation, see mapped controls, review test results, and confirm ownership and remediation status. The same connected view helps

compliance teams demonstrate how obligations are being managed, monitored and evidenced.

If you're still relying on spreadsheets, the answer requires extracts from multiple sources, cross-checks, and interpretation meetings. By the time the picture is assembled, leaders may have the report they asked for, but not necessarily the confidence they need.

A growing number of GRC teams understand the benefits of streamlining or automating manual processes, with 65% of respondents telling Thomson Reuters that this would reduce complexity and associated costs.<sup>7</sup>

7. Thomson Reuters, [2023 Risk & Compliance Report](#).

### Why AI and analytics demand structured GRC data

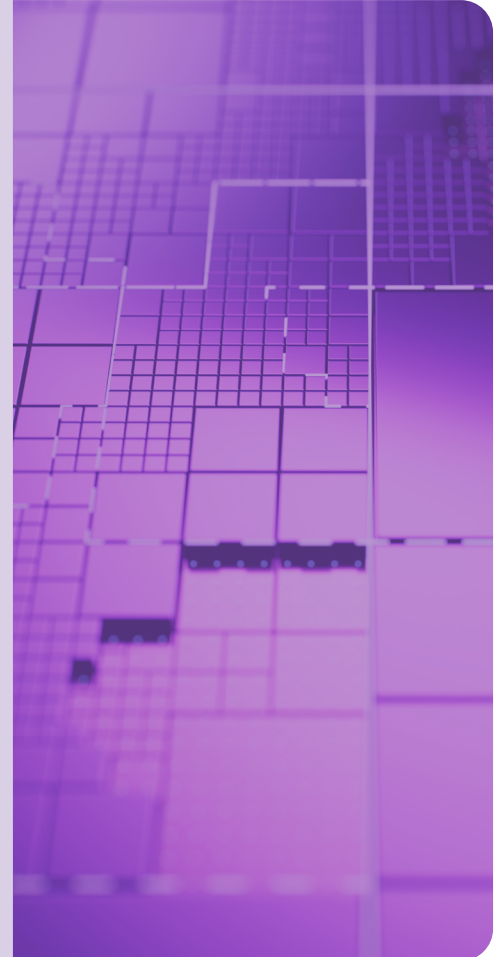
Modern expectations around GRC data are built around clean, actionable and machine-readable information that supports proactive decision-making. This is set against a backdrop of increased regulatory scrutiny, rising reporting expectations and growing pressure to demonstrate that risks, controls and obligations are being actively managed.

Artificial intelligence is adding new risks to the mix as business units experiment with generative tools, developers embed AI capability into products, and regulators issue guidelines for using AI. Leaders increasingly expect:

- Real-time dashboards
- Predictive insights
- AI-assisted analysis
- Faster visibility of risk and compliance trends.

These capabilities depend on structured, connected data. AI and analytics are only as useful as the information they can access, interpret and compare. If risk assessments, control test results, compliance obligations, attestations and remediation actions are fragmented across spreadsheets and email chains, advanced analytics becomes little more than a pipe dream.

In short, you cannot build reliable analytics, AI-assisted insight or forward-looking GRC capability on disconnected spreadsheets. They limit your organization's future capability while continuing to drain efficiency today.



# 6 Taking the next step.

Spreadsheets are not the problem because they are simple. They are the problem because modern risk and compliance management is no longer simple.

Risk and compliance teams now need to manage more data, more stakeholders, more regulatory expectations and more frequent demands for reliable insight. When that work is spread across files, folders, emails and local trackers, the result is not just inconvenience. It is fragmentation.

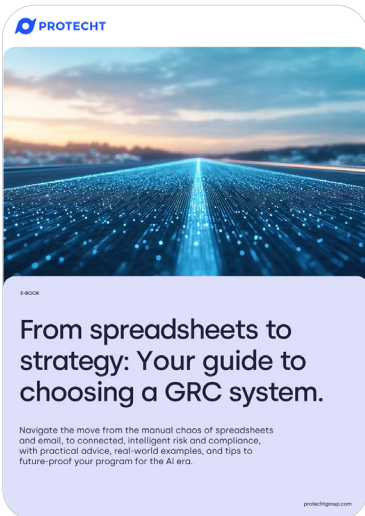
Reporting slows down. Audit trails become harder to defend. Ownership becomes less clear. The board receives a snapshot, but confidence in the underlying picture starts to weaken.

This is the point where many organizations realize their risk and compliance programs have outgrown spreadsheets.

The next step is not to replace every spreadsheet overnight. It is to define the capabilities your organization needs from a more structured, scalable and connected approach.

A modern GRC platform should do more than digitize existing registers. It should bring risks, controls, obligations, incidents, actions and evidence into one auditable system. It should reduce manual administration, improve reporting confidence and give leaders a clearer view of risk and compliance across the organization.

Protecht's guide, *From spreadsheets to strategy*, helps you understand what to prioritize, how to evaluate vendors and how to build a practical roadmap for moving beyond manual risk management.



## From spreadsheets to strategy: Your guide to choosing a GRC system

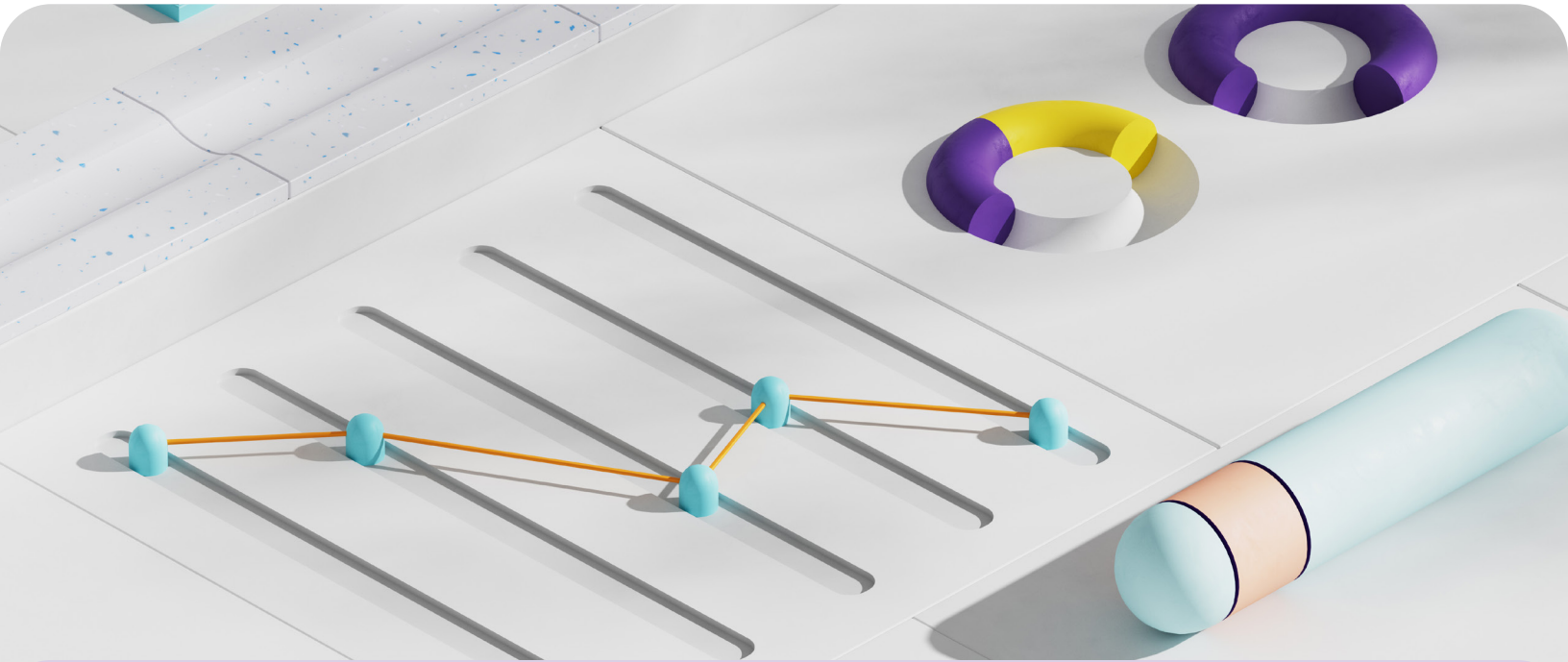
Learn what capabilities to prioritize, how to evaluate vendors and how to build a practical roadmap for moving beyond manual risk management.

[Download now](#)

**If your organization is already exploring solutions, the fastest way to understand what this looks like in practice is to see it.**

Book a short demo to see how Protecht replaces spreadsheets with a connected, automated GRC platform, bringing clarity, control and confidence to the way your organization manages risk and compliance:

[Request a demo](#)



## ABOUT PROTECHT

# Redefining the way the world thinks about risk.

While others fear risk, we embrace it. For over 25 years, Protecht has redefined the way people think about risk management. Through our people, we enable smarter risk taking by our customers to drive their resilience and sustainable success.

We help our customers increase performance and achieve strategic objectives through better understanding, monitoring and management of risk. We provide a complete solution of AI-enabled governance, compliance and risk management software supported by training

and advisory services to businesses, regulators and governments across the world.

With our flagship SaaS GRC platform you can dynamically manage all your risks in a single place: enterprise risk, cyber and IT risk, incidents, vendor risk, operational resilience, business continuity, compliance, internal audit, workplace safety, and more.

We're with you for your full risk journey. Let's transform the way you understand and manage your risk to create exciting opportunities for growth.

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