

The logo for COPAF CONSULTING is displayed on an orange background. The word "COPAF" is in a large, bold, dark blue sans-serif font, and "CONSULTING" is in a smaller, all-caps, dark blue sans-serif font below it.

**COPAF**  
CONSULTING



**Why outsourcing regulatory capability goes wrong**

**The secret is the setup, not the people**

# The three horsemen

**Intent**

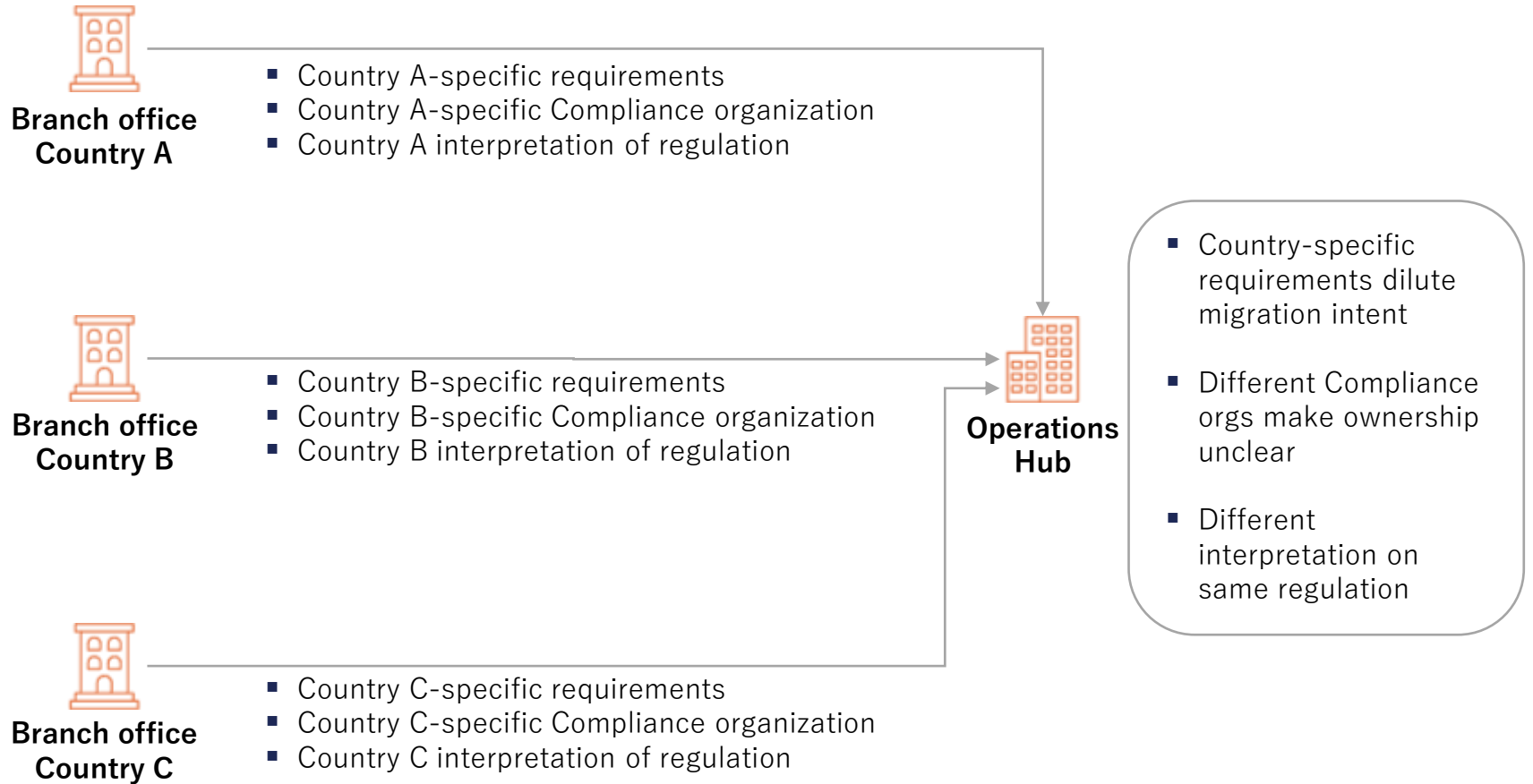
**Ownership**

**Interpretation Risk**



**Image source:** Robert Riggs, The Three Horsemen

# Let's zoom in



# Symptoms

Symptoms that appear when regulatory capability migration leads to pitfall:

## Rework

Business Analysis artefacts need revision often post-migration.

## Clarification loops

Frequent requests for clarification although workplace instructions are documented.

## Pressure

Pressure on Compliance colleagues in the operations hub to “just sign-off”.



## Why this happens

Centralising regulatory capability without redefining interpretation ownership creates the illusion of control:



Intent of migrating regulatory capabilities is not understood by Operations Hub.



No clear ownership of regulatory capability post-migration.

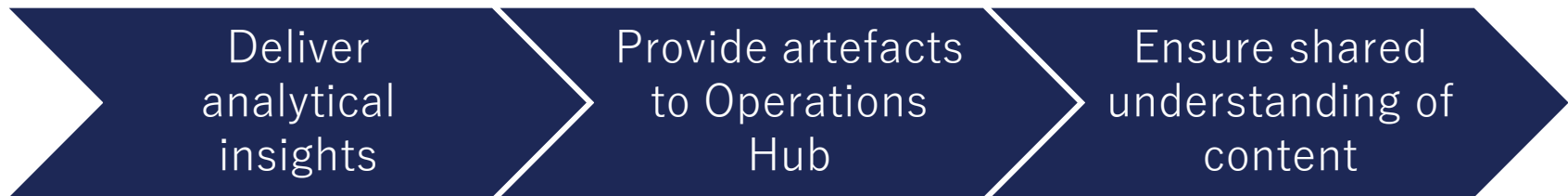


Interpretation risk of role definition versus regulatory requirements.



# What actually works

A slight adjustment of the migration process enables success:



1

Document requirements and assess impact on target post-migration.

2

Create and share Business Analysis artefacts to Operations Hub. Use impact assessment as input.

3

Provide structured, in-context guidance to Operations Hub during embedding. Ensure regulatory resilience.



# Risks with solution implementation

Migrations fail when the following assumptions remain unchallenged:



## **Unclear scoping**

Regulatory capabilities deal with many laws and regulations. Structured scoping, e.g. Compliance risk, Fraud risk, IT-risk ensures requirements are not lost during migration.



## **Business Analysis artefacts devoid of context**

Business Analysis artefacts risk information loss in translation if not shared within relevant context.



## **One-off guidance**

Developing regulatory resilience requires ongoing monitoring and guidance. A one-off hand-over is insufficient to develop the required on-the-job experience.



# Model relevant when following conditions are met

- S Security** – Operations Hub has secure access to data to operate
- C Commercial** – Business case to centralise proves positive
- O Organisational** – Organisation hierarchy supports regulatory capability
- P Process & People** – Resourcing and required skillset readily available
- A Admin. Org.** – Role clarity documented and understood by stakeholders
- F Financial** – Budget committed to enable capabilities post-migration
- I Information** – Operations Hub knows what info it will get, how & when
- J Judicial** – No regulatory blocking issues identified pre-migration
- T Technological** – Operations Hub can operate risk management tooling
- H Housing** – Operations Hub is facilitated with base of operations



## Consider this after migration

Who owns interpretation of new regulation once the first line is centralised?





This insight is part of a broader body of thinking on ownership, interpretation risk and delivery trade-offs.

[www.copaf.nl/insights](http://www.copaf.nl/insights)

---

**Insight developed by  
COPAF Consulting**

COPAF Consulting B.V.  
Hofplein 20  
3032 AC Rotterdam

+31 (0)85 212 76 07  
hello@copaf.nl  
[www.copaf.nl](http://www.copaf.nl)

*Make Complex Change Work*