



Reducing red tape without losing control

A practical, risk-based approach to simplify processes, reduce approval friction, and maintain governance outcomes.



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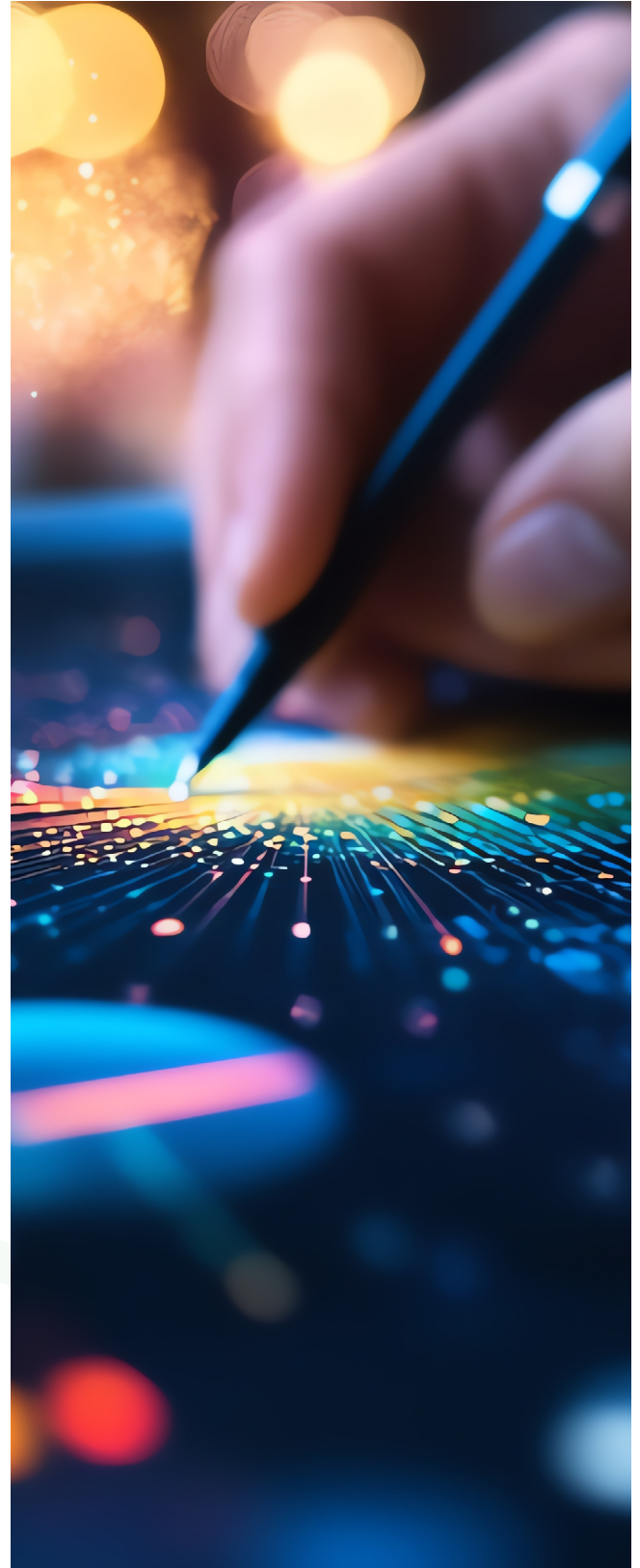


Executive Summary

Organizations continuously add controls, forms, approvals, documentation, and checkpoints to respond to risk and ensure compliance. Over time, these layers compound into a control tax, a buildup of administrative work and decision latency that slows delivery, increases cost, and diverts capacity away from value creation. Critically, this added burden delivers little to no corresponding improvement in governance outcomes.

Key takeaways

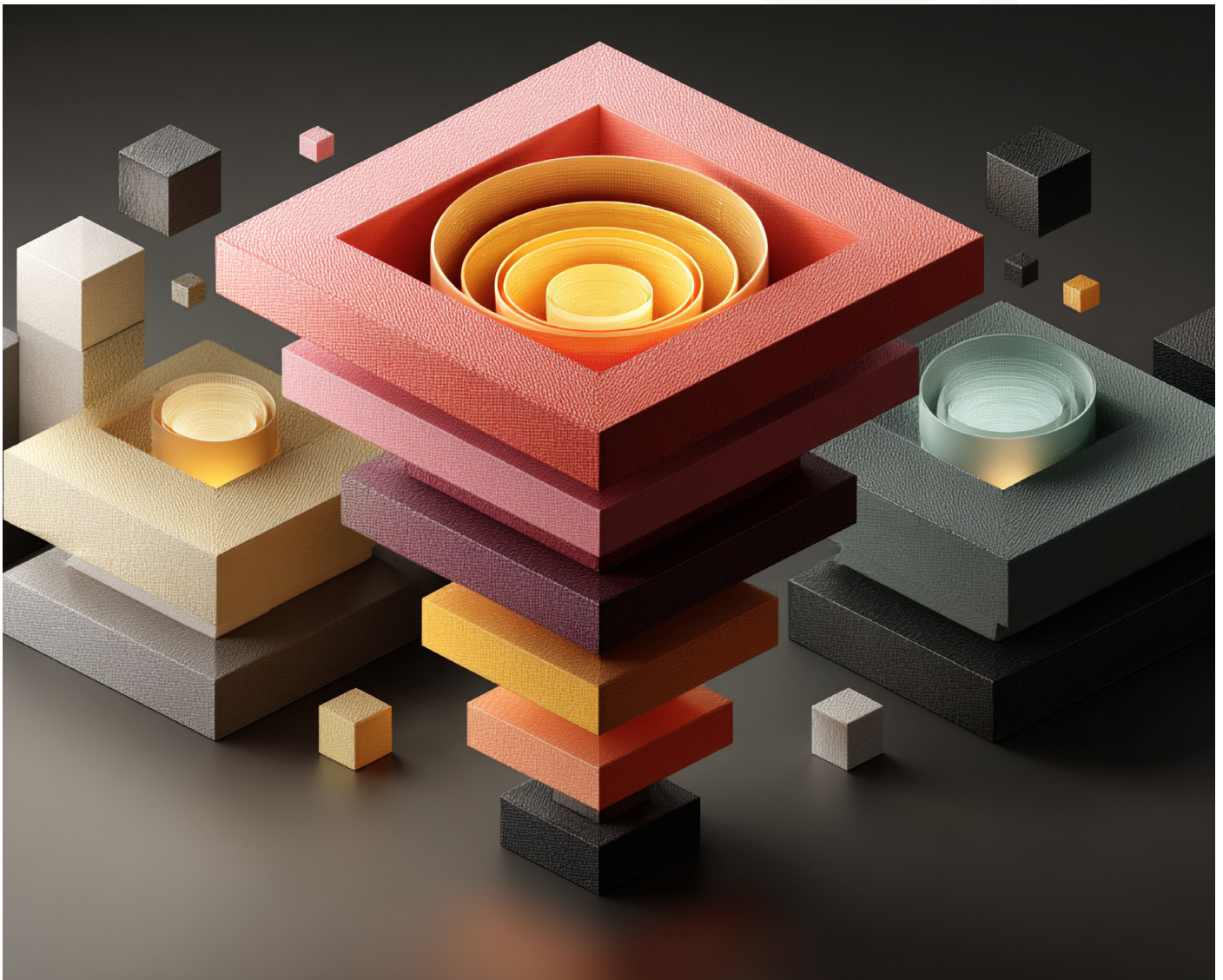
- **Right-size controls to risk:**
Strong controls where risk is high; lightweight controls where risk is low.
- **Design governance into the flow of work:**
Prefer embedded checks, standard templates, and clear decision rights over layered approvals.
- **Use four practical levers:**
(A) Cut the control tax, (B) Improve decision flow, (C) Strengthen ownership and accountability, (D) Apply a risk-based control ladder.
- **Measure what matters:**
Track admin hours, waiting hours, cycle time, rework, and audit outcomes to ensure simplification does not erode control.





Purpose and scope

This white paper presents a pragmatic, outcome-driven approach to simplifying internal processes preserving essential governance objectives, including compliance, audit readiness, and accountability. It is intended for leaders and practitioners designing or operating end-to-end processes, governance frameworks, and approval workflows. The recommendations are industry-agnostic and adaptable across operational, technology, finance, risk, and shared-services contexts.





Background: The Control tax

Organizations typically respond to emerging risks by adding controls: new forms, extra approvals, additional reviews, and more documentation. While each measure may be justified in isolation, their cumulative effect often creates a “control tax”. This added friction and effort consumes capacity without delivering proportional risk reduction.

External complexity (regulation, supply volatility, cyber threats, market pressure) is frequently mirrored internally through additional rules and coordination, more routing, more follow-ups, more escalations. The result is predictable: longer cycle times, higher operating cost, and a growing tendency for teams to bypass formal processes altogether.

A more resilient design is **risk-based governance**. This means applying strong controls only where risk is high and keeping low-risk work fast and lightweight. The goal is not to reduce controls, but to have **better controls in the right places**, designed into how work happens.





Framework overview: Four levers for simplification with control

The proposed approach combines process simplification with explicit risk-based design. It uses four complementary levers to reduce administrative burden and decision latency while protecting governance outcomes. Each lever can be applied independently; however, the greatest impact is achieved when they are deployed in combination and their effectiveness is continuously measured and refined over time.

A. Cut the control tax

Organizations typically respond to emerging risks by adding controls: new forms, extra approvals, additional reviews, and more documentation. While each measure may be justified in isolation, their cumulative effect often creates a “control tax”. This added friction and effort consumes capacity without delivering proportional risk reduction.

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A more resilient design is **risk-based governance**. This means applying strong controls only where risk is high and keeping low-risk work fast and lightweight. The goal is not to reduce controls, but to have **better controls in the right places**, designed into how work happens.

- **Administrative hours per instance:** Time spent on form completion, evidence compilation, and tracker updates.
- **Waiting hours per instance:** time work is blocked due to approvals or review queues.
- **Rework rate:** Frequency of iterations caused by unclear requirements or duplicated checks.
- **Cost of control:** Estimated cost of admin + waiting time (e.g., hours × blended rate) for priority processes.

Measurement approach

*Control tax(hr)=(Administrative hours+waiting hours)*blended hourly rate*

- Administrative hours = Time spent on non-value-adding activities.
- Waiting hours = Time during which work is idle or blocked (e.g., in approval/review queues or handoffs).
- Blended hourly rate = The average cost per hour across all roles involved in executing and controlling the process.

Outcome: Lower administrative burden and shorter blocked time, freeing up capacity while maintaining necessary evidence, controls, and compliance.



Framework overview: Four levers for simplification with control

B. Improve the flow of decisions

Excessive approval layers and escalations slow decision-making, create bottlenecks, and delay execution. The aim is to reduce decision latency by clarifying decision rights, shrinking queues, and using standard criteria for routine decisions.

Key indicators:

- **Approval queue time:** Average time items wait for review/approval.
- **Decision delegation rate:** Percentage of decisions made at the intended level without escalation.
- **Exception/bypass rate:** Frequency of off-process workarounds (a leading indicator of “evidence debt”).

Outcome: Faster turnaround times, fewer bottlenecks, and smoother end-to-end flow.

C. Strengthen ownership and accountability

Layered approvals are often used to compensate for unclear ownership. A more effective approach is to establish single-point accountability with transparent criteria: assigning one accountable owner for the outcome, supported by advisory review where needed. This reduces loops and clarifies who decides, who contributes, and who is informed.

Key indicators:

- **Decision-right clarity:** Percentage of key decisions with a clearly named accountable owner and defined criteria.
- **Approval loop count:** Average number of back-and-forth cycles to reach closure.
- **Autonomy signal:** Employee-reported ability to decide within their role (pulse item) with reduction in escalations.

Outcome: Clear accountability, fewer loops, and faster decisions without compromising control.





Framework overview: Four levers for simplification with control

D. Apply risk-based controls (control ladder)

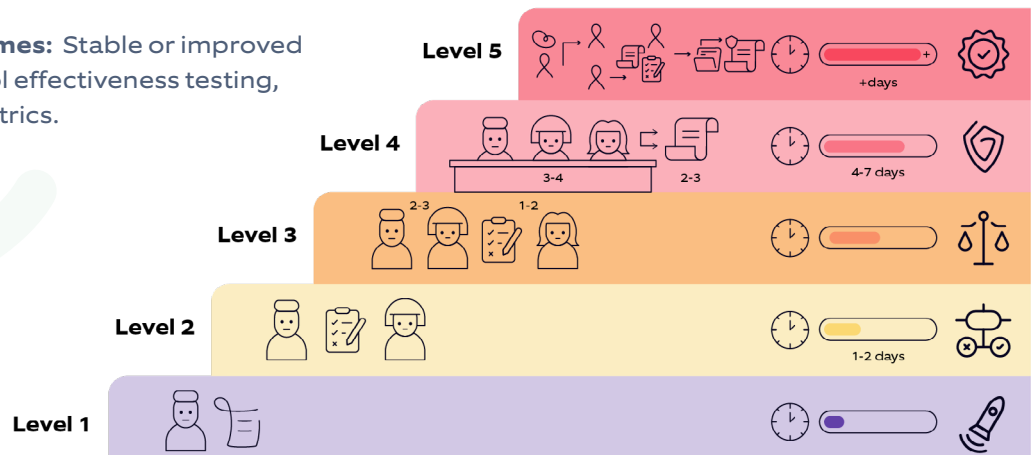
Controls should be calibrated to the level of risk rather than applied uniformly. The control ladder below provides a practical way to define control strength, evidence requirements, and approval intensity by risk tier.

Key indicators:

- **Risk-tier coverage:** Percentage of target processes mapped to defined risk tiers with agreed criteria.
- **Low-risk simplification:** Reduction in approvals and checkpoints for low-risk activities without an increase in incidents.
- **Governance outcomes:** Stable or improved audit results, control effectiveness testing, and compliance metrics.

Use the control ladder to differentiate routine work (Levels 1–2) from higher-risk changes (Levels 4–5). In practice, organizations should explicitly define tier criteria (financial exposure, regulatory impact, security/privacy, customer harm, operational criticality) and then standardize the minimum evidence and approval path for each tier.

Outcome: Balanced governance with reduced friction and sustained control.



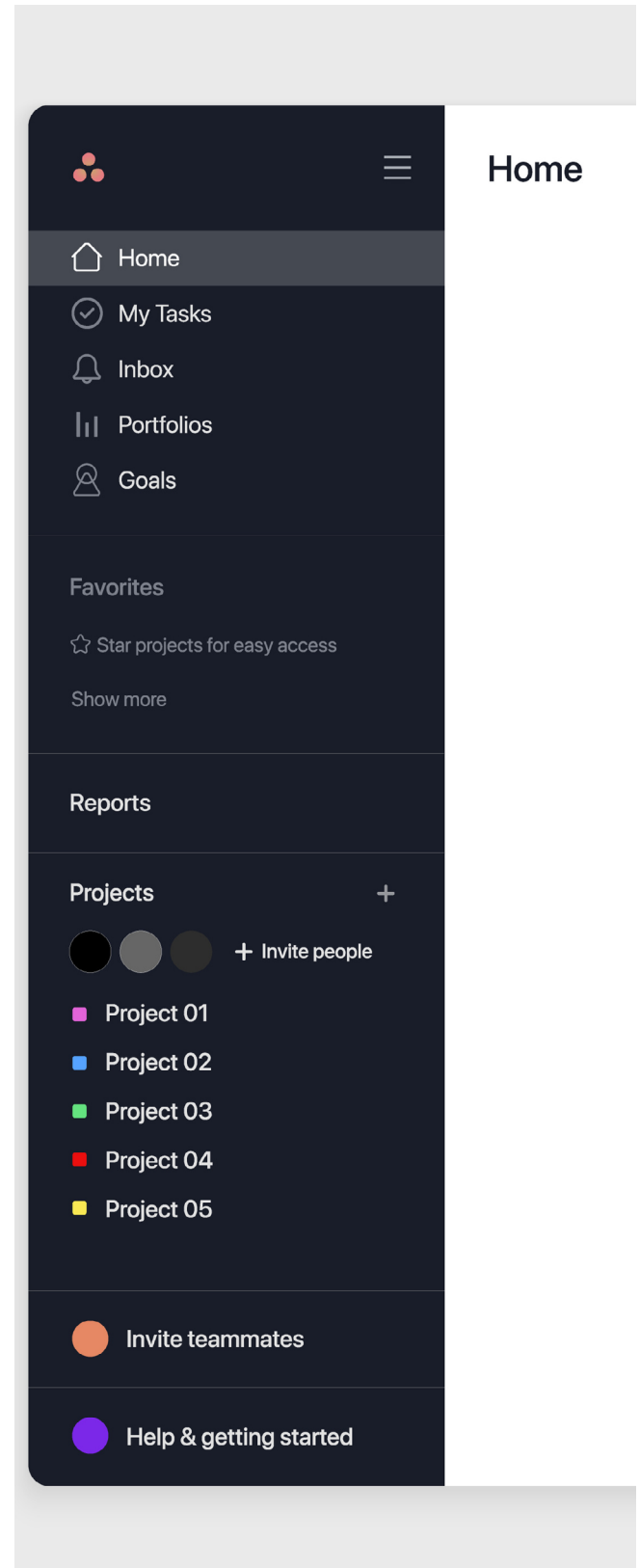
Control level	Risk category	Control design	Typical cycle time	Outcome
Level 1: Minimal	Low risk	Single owner, no approvals, standardized template	<1 day	Maximum speed with no unnecessary friction
Level 2: Light	Moderate risk	Single reviewer, basic checklist, limited iterations	1-2 days	Quick validation with minimal overhead
Level 3: Standard	Medium risk	1-2 reviewers, structured validation steps	2-4 days	Balanced control and execution efficiency
Level 4: Enhanced	High risk	2-3 reviewers, formal approval checkpoints	4-7 days	Strong governance with controlled flow
Level 5: Strict	Critical risk	Multiple approvals, full traceability, audit-ready documentation	7-10+ days	Maximum control for critical activities



Evidence base: Why simplification pays

Across industries, a large share of work time is absorbed by coordination: status updates, handoffs, reviews, and approval chasing. When governance is implemented primarily as extra steps around the work (rather than embedded in it), coordination overhead increases while true control effectiveness can remain flat.

- Over **60%** of work time can be spent on coordination activities such as approvals, follow-ups, and status tracking (Asana, Anatomy of Work).
- A substantial portion of time can be absorbed by low-value tasks, much of which is process-driven overhead (Asana, Anatomy of Work).
- Process streamlining programs frequently target repetitive administrative steps and handoffs as a major source of removable friction (McKinsey & Company, Future of Work insights).



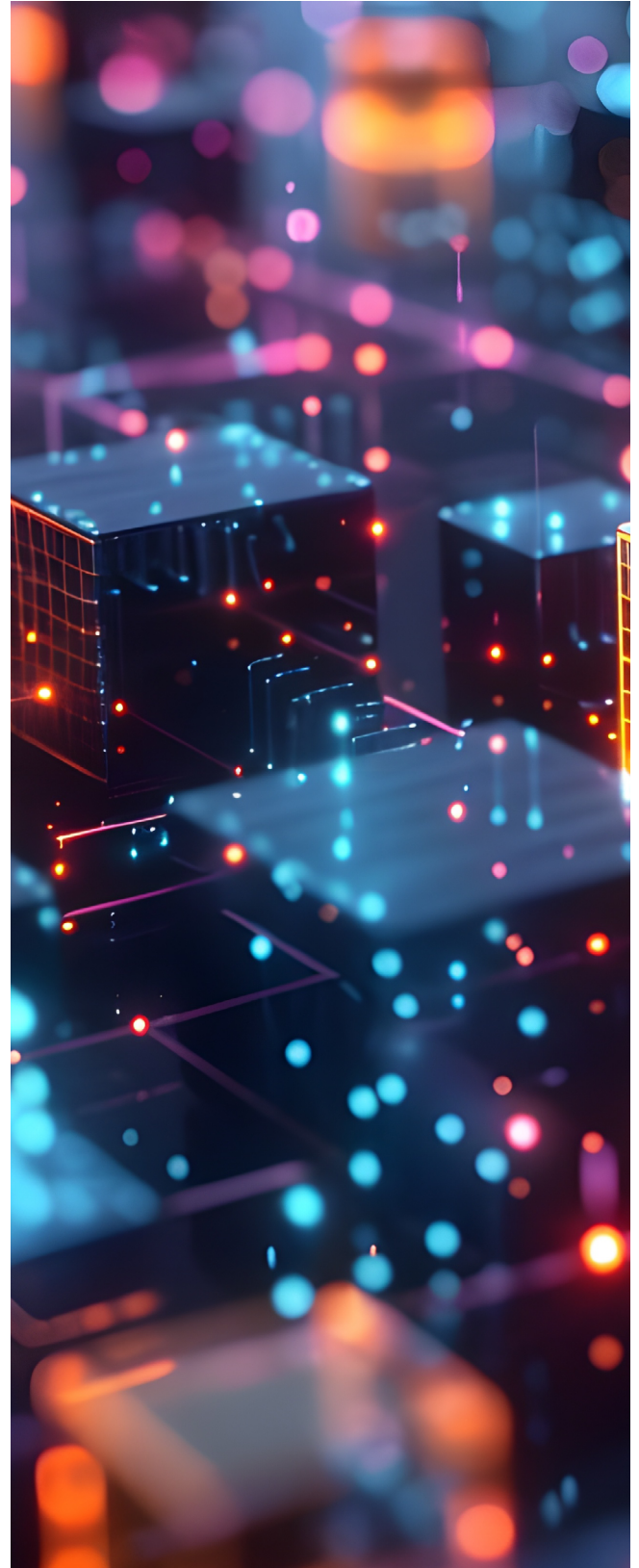


Hypothetical case example (Illustrative)

This illustrative example is hypothetical and is not derived from any specific organization, dataset, or external source.

A mid-sized organization managing ~1,000 process instances annually used uniformly heavy controls across low-to-medium risk work. The baseline design required extensive documentation and multiple approval gateways, resulting in ~24,000 total hours of administrative effort and waiting time and an average cycle time of ~12 days.

After redesigning the framework, simplifying low-risk paths, reducing redundant approvals, and embedding a risk-based control ladder into workflows, the organization reduced total effort to ~7,200 hours. The cycle time was reduced to ~3 days, yielding ~70% efficiency gains and approximately €672K annual savings while maintaining audit readiness.





Conclusion

Adding documentation and approvals across every layer of work does not automatically improve governance. The better path is to embed right-sized, risk-based controls into process design—simplifying low-risk flows, clarifying decision rights and ownership, and standardizing evidence expectations through a control ladder. Done well, organizations can reduce cycle time and operating cost while sustaining audit readiness and accountability.

- Pick a small portfolio of high-friction processes and baseline the control tax (admin + waiting hours).
- Define risk-tier criteria and agree a control ladder with risk/compliance stakeholders.
- Redesign workflows to reduce approvals, clarify ownership, and automate evidence capture.
- Track speed, effort, and control KPIs to ensure simplification improves outcomes.





Appendix: Exhibits and calculations

The following exhibits provide an illustrative mapping of the four levers to process framework interventions, an example effort distribution by risk tier, and an example before/after impact summary.

- **Speed:** End-to-end cycle time; approval queue time; handoff count.
- **Effort:** Administrative hours; waiting hours; rework/loop count; meeting time attributable to process execution.
- **Control:** Audit findings; control effectiveness test pass rate; exception/bypass rate; incident rate (by tier).
- **Experience:** Employee autonomy signal; stakeholder satisfaction with turnaround time and clarity.

Phase 1 – Diagnose (2–4 weeks):

Select 3–5 high-friction processes and establish a baseline across key metrics, including admin hours, waiting hours, cycle time, rework, and audit outcomes. Map current approval paths, control points, and evidence requirements.

Phase 2 – Redesign (2–6 weeks):

Define risk tiers and decision criteria, design the control ladder and standardize templates. Clarify decision rights using frameworks, such as RACI/DACI). Remove redundant controls, and streamline workflows and handoffs.

Phase 3 – Implement (4–12 weeks):

Update SOPs and workflow tooling. Automate evidence capture where feasible, train owners and reviewers, deploy changes in waves, and establish clear standards for exception handling and audit trails.

Phase 4 – Sustain (ongoing):

Monitor KPIs monthly, review exceptions, and incidents, and retire that no longer add value. Periodically recalibrate risk tiers and incorporate learnings into templates and onboarding.

Lever	Process framework intervention	Link to exhibit
A. Cut the control tax	Simplified L3 process flows and eliminated redundant L4 SAP steps, reducing documentation and admin overhead	Reflected in total effort reduction in Exhibit 2
B. Improve flow of decisions	Optimized BPMN workflows by reducing approval gateways and handoffs across process layers	Reflected in cycle time improvement in Exhibit 2
C. Strengthen ownership accountability	Defined clear process ownership at L2/L3 levels with single-point accountability embedded in SOPs	Reflected in Level 1-2 design in Exhibit 1
D. Apply risk-based controls	Integrated a control ladder into process design, aligning L3-L4 controls and approvals with risk tiers	Reflected in effort distribution in Exhibit 1



Exhibit 1: Effort distribution by risk tier and process design (illustrative)

Risk level	% volume	No. of instances	Effort per instance (hrs)	Total effort (hrs)	Process design (L3-L4)
Level 1: Low	50%	500	4	2,000	Standardized L3 flow, minimal L4 SOP, single owner
Level 2: Moderate	30%	300	8	2,400	Basic validation steps, limited SOP controls
Level 3: Medium	15%	150	12	1,800	Structured BPMN validation, defined SOP checkpoints
Level 4: High/Critical	5%	50	20	1,000	Detailed SOPs, multi-level approvals, audit-ready
Total	100%	1,000	-	7,200	-

Exhibit 2: Baseline vs. optimized impact summary (illustrative)

Metric	Baseline (Uniform L1-L4 controls)	Optimized (Risk-aligned framework)	Impact
Total effort	24,000 hours	7,200 hours	↓ 70%
After optimization and adoption of risk-based controls, total effort reduces to 7,200 hours	€960,000	€288,000	↓ €672,000
Average cycle time	12 days	~3 days	↓ 75%
BPMN complexity	High (multiple approval gateways)	Streamlined (risk-based paths)	Reduced
Ownership clarity	Fragmented across layers	Defined at L2/L3	Improved

Cost-of-control calculation (illustrative): In the baseline scenario, total effort (24,000 hours) comprises administrative effort plus waiting time embedded within workflow queues and handoffs.

Baseline cost: 24,000 hours × €40/hour (assumed blended rate) = €960,000 annually.

Following process optimization and the introduction of risk-based controls, total effort is reduced to 7,200 hours:

Optimized cost: 7,200 hours × €40/hour = €288,000 annually.



Appendix: Target audience (optional)

Target audience	Stake in Europe	Link
IT & ICT	~5% GDP	https://www.sciencedirect.com/science/article/abs/pii/S0308596112000778
Financial services	~5-6% GDP	https://www.ine.es/dyngs/Prensa/en/EEESS2023.htm
Manufacturing	~16-20% GDP	https://www.ine.es/dyngs/Prensa/en/EEESS2023.htm
Public transport	~15-18% GDP	https://www.ine.es/dyngs/Prensa/en/EEESS2023.htm
Healthcare	~10% GDP	https://www.ine.es/dyngs/Prensa/en/EEESS2023.htm
Professional services	Part of ~7% services GDP	https://www.ine.es/dyngs/Prensa/en/EEESS2023.htm



About the authors

Almar Jakob Jan Lijfering is an Associate Director at Nagarro, with a strong background in Quality Assurance, compliance, process definition, and process improvement. He specializes in helping organizations translate standards, frameworks, and governance expectations into practical ways of working that teams can understand and apply.

With extensive experience in ISO 9001, software development, project management, Agile methodologies, and process optimization, Almar focuses on building process landscapes that are both compliant and usable. His work combines structured quality management with a pragmatic understanding of how delivery teams operate in real business environments.

At Nagarro, Almar contributes to shaping and refining the organizational process landscape, supporting compliance, audit readiness, continuous improvement, and the alignment of processes with business and delivery needs. His approach is practical and outcome-focused: compliance should not exist only on paper, but should help teams work more consistently, reduce risk, and improve performance.



Almar Lijfering

Ridhi Bhatnagar is an Associate Staff Consultant at Nagarro, with experience in process excellence and organizational governance frameworks. She has a strong foundation in Quality Management Systems (QMS), Environmental, Occupational Health & Safety Management Systems (EOHSMS), and Service Management Systems (SMS), with a focus on enabling structured, compliant, and efficient business operations.

Her experience spans global process standardization, continuous improvement practices, and management system integration. She has also contributed to process training and knowledge enablement initiatives, supporting the adoption of standardized frameworks and enhancing process awareness globally.



Ridhi Bhatnagar