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Is Your Business **Ready to Capitalize** on Better Economic Times?

Compliance Programs Yield Healthy Enterprise Results

by Shaf Begen, SAP

Much like physical health checkups are critical to an individual's well-being, a 24x7 "enterprise health management" program is essential to a business's performance and success.

With compliance and risk management solutions available as part of the SAP BusinessObjects governance, risk, and compliance (GRC) portfolio (see sidebar on the next page), you have the applications you'll need to develop an enterprise health management program for your business. SAP software provides the ability to monitor controls across all of the policies and regulatory requirements that drive your company, while simultaneously identifying and managing risks that could potentially harm your business. Such a program allows you to gain greater visibility into your organization's health, make more confident decisions, and take advantage of more business opportunities.

Enterprise Health Management Programs Yield Strong Business Results

When developing your enterprise health management program, you should strive to achieve three key goals:

- **Complete visibility** into your organization's operations, achieved through a comprehensive assessment, can help your company identify and prioritize key areas that may potentially impact the business. For example, having a control in place that automatically monitors HR systems can enable a company to see how many employees complete their quarterly OSHA recertification. By continuously monitoring these areas and triggering alerts and escalations, organizations can leverage actionable intelligence across key regulations and policies from an enterprise-wide perspective.
- **Efficiency** generally stems from a company's adoption of industry best practices and configurable rules. By automating manual controls — monitoring overdue work orders, for example — organizations don't have to spend time, money, and resources testing the operating effectiveness of the controls; rather, the system will notify control owners of the exceptions. Therefore, the number of overdue work orders will remain within an acceptable threshold.
- **Confidence** in information is key to making informed decisions about potential risk events, or about controls and policies that aren't in compliance. Users are empowered to understand the impact of these events, controls, and policies on day-to-day operations.

Case Study: Chevron Corporation Achieves Compliance Synergies

Numerous SAP customers have gained visibility, efficiency, and business success using SAP BusinessObjects Process Control and SAP BusinessObjects Risk Management, two applications in the SAP BusinessObjects GRC portfolio. One prime example is Chevron Corporation, a multinational energy company that sought to better align key financial controls with the associated business processes and achieve a holistic view into compliance testing and monitoring. To accomplish this, Chevron needed an integrated solution to enable

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automation, decrease duplicate data entry, and reduce business risk by providing better insight into each financial control.

4 Benefits of Chevron's Implementation

When Chevron implemented SAP BusinessObjects Process Control and SAP BusinessObjects Risk Management, the project included over 5,000 controls tested and over 400 key controls documented in the system. In addition, user training was provided in 21 global locations reaching over 1,000 employees.

According to Jeff Romano, Manager of Internal Controls for Chevron Corporation, the project was completed on time and on budget, and, consequently, Chevron realized four major benefits:

1. Immediate access to global testing results across the company. This enables early analysis of the overall performance of financial controls and provides the ability to identify any deficiencies across a segment, business unit, or the enterprise.

2. Eliminated field office "recycling" of details related to ineffective controls and improved cycle time for reporting. This benefit gave Chevron the ability to align accountability for ineffective controls with business units responsible for the corresponding remediation plans. In addition, Chevron is able to report critical control-related data earlier in the reporting cycle and at the point of origin.

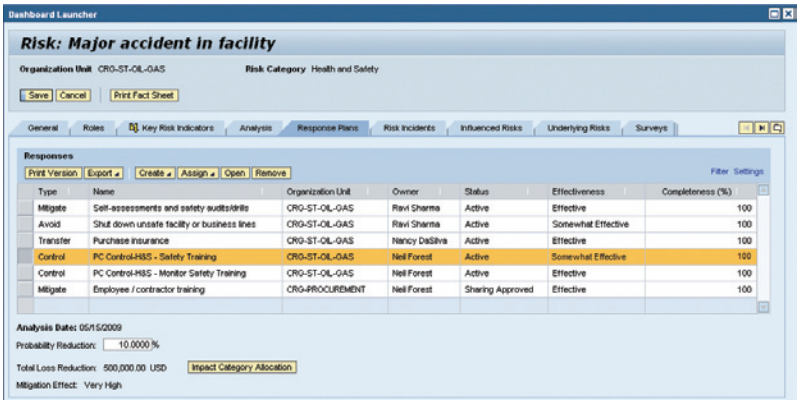
3. Cost reductions by managing compliance through standardization. By utilizing "out-of-the-box" reports, over 30 previously used custom reports were no longer required. Moreover, Chevron achieved a consistent, repeatable, and scalable approach for reporting from business units to company headquarters.

4. Inclusion of remote offices through offline functionality. This enhanced the overall quality of data as offices without Internet connections could efficiently record testing results. In addition, this offline functionality reduced redundant data entry of testing results and enabled quality assurance reviews prior to completion of assessments.

SAP Delivers Compliance and Risk Management

Compliance and risk management capabilities are offered as part of the SAP BusinessObjects GRC solution portfolio. These functionalities help organizations balance risk and opportunity.

- **Compliance management** enables continuous controls monitoring across policies and regulatory requirements (see figure below). SAP delivers unified, cross-system visibility for efficient management of multiple initiatives and increased confidence in decision making. Compliance management enables you to implement efficient automated controls, reduce the number of controls and enhance their quality, improve control testing, and create an efficient fraud prevention program.
- **Risk management** enables organizations to identify, analyze, monitor, and mitigate risk, including financial, operational, and compliance risk. In conjunction with enterprise performance management (EPM) solutions from SAP, you can also promote a risk-adjusted approach to EPM.



▲ With SAP software, you can automatically and continuously monitor compliance-related events in one system

Be Ready to Grow and Thrive

Chevron Corporation, like other SAP BusinessObjects Process Control and SAP BusinessObjects Risk Management customers, achieved its goals and realized improved efficiencies. Gaining this visibility, efficiency, and confidence is more important than ever because it ensures a business's readiness to perform, grow, and thrive during economic resurgence.

Ultimately, healthy companies are successful companies that leverage a repeatable and scalable strategy for effective management of compliance, risks, and policies. Compliance and risk management solutions from SAP provide a preventive, real-time approach to governance, risk, and compliance across heterogeneous environments.[1] Visit **www.sap.com/solutions/sapbusinessobjects/large/governance-risk-compliance** to learn more about these solutions. ■

[1] To learn how oil and gas powerhouse Petrobras benefited from SAP BusinessObjects GRC solutions, see "Turning Compliance into Competitive Advantage: How Petrobras Wields GRC Solutions to Increase the Value of Its Sarbanes-Oxley Certification" in the April-June 2010 issue of *insiderPROFILES* (insiderPROFILES.wispubs.com).

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