SAP BusinessObjects™

SAP Customer Success Story
High Tech

WATERS
MANAGING RISK ENTERPRISE-WIDE WITH SAP® BusinessObjects™ GRC SOLUTIONS

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Susan Holleran, Vice President, Audit and Risk Management, Waters Corporation

QUICK FACTS

Company
- Name: Waters Corporation
- Location: Milford, Massachusetts
- Industry: High tech
- Products and services: Analytical instrumentation
- Revenue: US$1.6 billion
- Employees: 5,000
- Web site: www.waters.com
- Implementation partner: EnCrisp LLC

Challenges and Opportunities
- Manage enterprise risk for a diverse, distributed organization
- Eliminate redundant systems and processes for managing risk
- Increase confidence in compliance
- Control costs in an uncertain economy

Objectives
- Create a holistic view of security, financial, operational, and other regulatory compliance risks
- Implement a single platform for managing risk enterprise-wide
- Tailor a business-driven solution

SAP® Solutions and Services
- SAP® BusinessObjects™ governance, risk, and compliance (GRC) solutions, including the SAP BusinessObjects Access Control application
- SAP NetWeaver® Portal component

Implementation Highlights
- Engaged global business units for hands-on project planning
- Met goals despite economic downturn and limited resources

Why SAP
- Integration with the SAP ERP application
- Full support of GRC processes
- History of success with SAP
- Single source of support

Benefits
- Over a 99% reduction in system violations regarding segregation of duties (SOD) and information access
- Mitigation of 85% of key SOD and access risks and on track to mitigate or remediate the rest
- Foundation for holistic enterprise risk management
- Greatly simplified violation tallying
- Clear view of SOD and access risks at business, audit, and IT levels
- Improved and automated controls
- Global consolidation of rules
- Implementation of SOD and access risk mitigation procedures and the ability to monitor them frequently for effectiveness
- Availability of necessary information to support decisions regarding SOD and access risk management
- Ability to address the root cause of security issues, rather than rely on quick fixes
- Specialists who are educated in governing SOD and access risk–related processes
- Greatly increased confidence in ability to manage SOD and access risks

Waters
THE SCIENCE OF WHAT'S POSSIBLE.™

Risks are ever-present for all organizations, but few are doing as well at managing them as Waters Corporation, which is turning to SAP® BusinessObjects™ governance, risk, and compliance (GRC) solutions for help. Waters began with the SAP BusinessObjects Access Control application to identify the most critical segregation of duties (SOD) and sensitive information access risks. As a result, the firm reduced violations attributable to these risks by over 99% – with more progress still to come.

Diversity Exacerbates Risk Management Challenges

A leading innovator in analytical science technologies, Waters offers solutions that support scientific laboratories in their discoveries, operations, performance, and regulatory compliance. It's a highly diverse organization with two divisions and operations in 27 countries. As such, Waters faces tough challenges in managing many kinds of risks. The risk of violating the SOD requirement of the Sarbanes-Oxley Act, which forbids any one person from having the physical and system access needed to control transactions and business processes, is just the beginning. Equally critical is the risk associated with sensitive information access violations, which occur when unauthorized individuals can view proprietary data. In addition to these two types of security risks, the company faces financial, operational, and other regulatory compliance risks as well.

As an organization, Waters managed SOD and access risk in a decentralized manner and was looking for a solution to streamline redundant systems and processes. "We needed to define our global critical access and SOD violations," explains Roni Doherty, internal audit manager at Waters, "but we did not have a tool in place to guide us."

In addition, with rising costs Waters could ill afford the existing redundancy. Spending wisely is core to the company's culture, and the potential impact of unmanaged SOD and access risk was not an option.

Waters Turns Once Again to SAP

With risk now a hot topic for all public companies, Waters decided to centralize risk management enterprise-wide. This required the implementation of thorough, consistent business processes for managing risk, along with comprehensive software support. Long a user of SAP software to run the business, Waters looked no further for help than SAP and its SAP BusinessObjects GRC solutions. "We wanted a single, comprehensive suite that addresses all the forms of risk we face, and that is exactly what SAP delivers," says Susan Holleran, vice president of audit and risk management at Waters. "SAP BusinessObjects GRC solutions are tightly integrated with our SAP ERP application for rapid exchange of data. Choosing SAP again also provided a single source of support and the availability of highly qualified implementation experts."

Waters selected EnCrisp LLC, an SAP partner specializing in GRC, to provide the necessary implementation assistance by applying its EnSURE (Enterprise Solution Utilization and Risk Elimination) approach. Another key early move reflecting the firm's commitment to centralized risk management was to appoint Holleran as the first executive to hold risk management responsibility enterprise-wide at Waters. Holleran assembled a team from the firm's audit, IT, and business groups that worked synergistically with EnCrisp to spearhead the project.

The team began by engaging superuser business personnel worldwide to help ensure that the firm's GRC vision had the full support of all global business units. This core group convened for an intensive, two-day, in-person session to make joint plans and refine the global

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GRC vision for Waters. Next, the team continued executing a phased implementation plan that first addressed the most urgent risks – specifically the security risks in the areas of SOD and access to sensitive information. The team identified approximately 1.3 million system violations along with all the individual risks in these areas. Then it categorized the individual risks by criticality – high, medium, and low – with 80 in the high-risk category. Waters established an initial goal of mitigating all 80 high risks to keep violations to an absolute minimum.

Proactive Approach Cuts Security Violations by Over 99%

Working closely with business users around the world, Waters and EnCrisp closely examined each of these 80 risks to determine the root cause and began customizing the global rules and controls to be deployed in the company's SAP software. This exercise enabled Waters to evaluate the risk level of the most important transactions in its SAP ERP application. Meanwhile the team implemented SAP BusinessObjects Access Control, the first deployment of an SAP BusinessObjects GRC solution at Waters. Using this application, the team instituted a global controls portfolio with a customized global rule set tailored for mitigating the security risks. Where possible, the team went beyond mitigation to remediate the risks by redesigning roles for accessing SAP ERP in a phased, globally consistent way.

Waters relies on the global controls portfolio to communicate process changes and minimize violations. To make the rules visible, Waters utilizes the SAP NetWeaver® Portal component, which enables an existing collaboration portal to support the sharing of documentation and provide workflow authorization. The company also trained monitors to govern risk mitigation processes and began clarifying the roles of all users involved in risk-prone processes.

Waters' first foray into SOD and access risk management – mitigating the critical security risks – met with remarkable success. "Of the 80 risks we initially identified, we have successfully mitigated 68 and are on track to mitigate or remediate the rest within months," reports Holleran. "Even more impressively, since we started by mitigating the risks that gave rise to the highest volume of violations, our violation count at the assigned-role level is down to 2% – a reduction of over 99%. Virtually every risk has a control attached to it. Our success is a testament to our corporate dedication to risk abatement, the excellent job EnCrisp has done, and the effectiveness of our SAP software."

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The mere fact that Waters can now quantify its security violations is itself a significant accomplishment. The ability to tally violations was not available prior to the implementation of SAP BusinessObjects Access Control. Monthly tallying is now achievable, enabling management to assess the SOD and access risks that remain.

Quick Early Success Is Just the Beginning

In the midst of the project, the worldwide recession struck – impacting budgets throughout Waters. Resiliently, however, the team made adjustments and continued to forge ahead toward its goals. "Waters had a small team available to implement the SAP solution," says Doherty. "It is a great credit to the flexibility of our partnership with SAP and EnCrisp that we were able to continue meeting our objectives despite having other projects and tasks that needed our focus. With deep communication and direct relationships with SAP and EnCrisp at the highest levels, we were able to meet our implementation deadlines with limited internal resources."

Waters continues to allocate resources to risk management. The team is now mitigating and remediating the remaining security risks, keeping eliminated

risks from returning, and preventing SOD and access risks from arising in new processes. It is also updating rules, simulating user access to identify potential risks, introducing more automation into workflows, and improving oversight of the risk management process. The team's first priority is to mollify the 12 remaining critical security risks. Longer term, Waters plans to move beyond security risks and focus on risks in the financial, operational, and regulatory arenas.

To assist with these plans, Waters will evaluate several more SAP applications. The SAP BusinessObjects Process Control and SAP BusinessObjects Risk Management applications – both from the family of SAP BusinessObjects GRC solutions – are expected to help improve management and control of risks throughout the organization. In addition, the SAP Solution Manager application management solution will help IT better monitor its own operational risk management processes and generate reports on IT-centric activities important for overall governance.

"While we fully recognize that risk can never be totally eliminated and that keeping it to a minimum is a never-ending process, we are extremely pleased with the results already achieved," says Holleran. "With all the support from SAP and EnCrisp, we feel we can continue to manage our SOD and access risks and are ready for any new challenges."

EnCrisp®
Clarity in Control
Surety in Return

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