

## SAP Customer Success Story Consumer Products – Spirits and Liquor



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Philippe Sciandra, IT Director, Bacardi Geneva

### AT A GLANCE

#### Company

- Name: Bacardi & Company Limited
- Location: Hamilton, Bermuda
- Industry: Consumer products
- Products and services: Spirits and liquor
- Revenue: US\$3.3 billion
- Employees: 6,000
- Web site: www.bacardi.com
- Partner: SAP® Consulting

#### Challenges and Opportunities

- Segregate duties for Sarbanes-Oxley Act (SOX) compliance
- Position company should it ever go public

#### Objective

Install software in less than 1 month to monitor and enforce segregation of duties (SoD)

#### Solution and Services

Virsa Compliance Calibrator application

#### Implementation Highlights

- Immediate solution benefits during 2-week run under demo license
- Rapid 1-day install, meeting aggressive timetable

#### Why SAP

- Successful demo, convincing key users – finance director, SOX project manager – of the software’s benefits
- Tight deadline, necessitating efficient solution right out of the box
- Confidence in SAP’s expertise in governance, risk, and control
- Solution integration with existing SAP environment, ensuring quick time to benefit

#### Benefits

- Ability to operate SOX compliant – for certification
- Ability to test and enforce SoD and monitor transactions across enterprise
- Automatic detection of SoD violations
- Rapid resolution of exceptions and deficiencies
- Reduced risk
- Savings in time and costs, without the headaches associated with managing a separate system

#### Existing Environment

- SAP software for enterprise resource planning
- SAP NetWeaver® platform

#### Third-Party Integration

- Database: Oracle
- Hardware: IBM
- Operating system: Microsoft Windows

## BACARDI

### World-Renowned Spirits and Liquor Company Enforces Segregation of Duties for Sarbanes-Oxley Compliance Using SAP® Software

Bacardi & Company Limited (Hamilton, Bermuda) is the world’s largest privately held spirits company, selling its signature rum and brands like Bombay, Martini & Rossi, Dewar’s, and Grey Goose in nearly 200 countries. As a privately held firm, Bacardi is not obligated to comply with the Sarbanes-Oxley Act (SOX). But that’s exactly what it’s doing – to ensure control of its business processes, differentiate itself for customers and suppliers, and position itself with financial institutions.

Businesses have to demonstrate one year’s worth of compliant operations to achieve certification with the Sarbanes-Oxley Act.

Bacardi’s clock was running out – it had only one month before the end of its fiscal year to install a solution to monitor segregation of duties (SoD), crucial for a lean organization that empowers people to perform many functions. This would be the last step in Bacardi’s preparations to become SOX compliant for an external audit the following year.

Bacardi met the deadline with time to spare, implementing the Virsa Compliance Calibrator application in only three weeks at its Geneva, Switzerland, operation, which oversees global manufacturing, supply chain activities, and all procurement processes. The SAP® application enables Bacardi to test and enforce segregation of duties and monitor critical transactions across its enterprise business applications.

The software automatically detects SoD violations and provides workflow to resolve exceptions and deficiencies. By analyzing proposed changes in user access and authorizations, it prevents new risks from entering enterprise applications.

“Because Virsa Compliance Calibrator is embedded directly into our existing SAP environment, within three weeks we reduced risk in our systems and had a solution that ensures we stay compliant,” says Philippe Sciandra, IT director at Bacardi Geneva. “In addition to saving valuable time, we were able to avoid the costs and headaches associated with managing a separate system.”

### Demo Brings Users on Board

Bacardi made its choice as soon as SAP demonstrated the application. “The selection process was very simple,” Sciandra says. “During the one-day demo on our systems, our finance director and SOX project manager could immediately see where there were conflicts between functions. The other criteria were that the solution was integrated with our existing SAP [software] environment and supported by SAP.”

Bacardi ran the Virsa Compliance Calibrator under demo license for two weeks, then kept the product. “This was one of my first plug-and-play installations, and the results and benefits were above expectations,” says Sciandra, who adds, “We don’t have the resources to do a three-month analysis and those types of things. Our IT department is very lean, so we wanted something efficient and to the point. Virsa Compliance Calibrator was quick to bring us returns.”

Siobhan Barmett, IT security administrator with Bacardi, runs the SAP application to keep watch on 300 users in 30 to 40 user roles, some of which encompass up to 50 business functions. “Virsa Compliance Calibrator is very simple to use,” she says. “I perform ongoing checks of segregation of duties and work with managers to review roles, risks, and conflicts. When someone requests a modification to his or her role or to a function, I run a simulation to see if the change is going to create a new conflict. Virsa Compliance Calibrator identifies the risk and describes it; the reports are very easy to understand. This enables users to make a decision that, yes, this should be part of their role, or no, they need to negotiate with another team to integrate that capability. This helps our business users who like to know in advance if there are any conflicts.”

The SoD checks uncover conflicts like the one in customer service, where users were not only processing orders but also creating customers. “The application identified the risk – someone who could create a customer and process orders could modify the system and change address details,” Barmett says. In another case, users that issue online purchase-order agreements wanted

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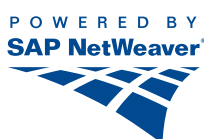
Philippe Sciandra, IT Director, Bacardi Geneva

to modify data at the customer level for order consolidation. “Virsa Compliance Calibrator highlighted that this would create a conflict, so the users transferred that responsibility to the master data team to achieve the assurance we required,” says Barmett.

With Virsa Compliance Calibrator, Bacardi management now has the information and controls it needs.

“We have been able to formalize segregation of duties, and this has reinforced our Sarbanes-Oxley compliance,” Sciandra says. “We have transparency into roles. We can better ‘inform’ our dialogue with users, so the business has full visibility into conflicts and the knowledge to decide. We can document exceptions, which wasn’t being done before – if there are issues, they are documented, validated, and become accepted exceptions.”

That’s put Bacardi firmly in charge of corporate governance. According to Sciandra, “We used to be in a reaction mode – with Virsa Compliance Calibrator, we are now in a proactive mode. Our business is very challenging and increasingly global. As we install new software capabilities, revamp business processes, and become more role- and function-oriented and geographically dispersed, it is crucial to have transparency into, and control over, user profiles.”



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