



**SAP® BusinessObjects™ GOVERNANCE,
RISK, AND COMPLIANCE SOLUTIONS**
IMPROVE BUSINESS PERFORMANCE BY
COST-EFFECTIVELY MANAGING RISKS





“The SAP BusinessObjects governance, risk, and compliance solutions not only help ensure good governance and compliance, but they also reduce the effort involved so that our people can focus on the business.”

Ben Christensen, Service Delivery Manager, Xerox Europe

Financial results are no longer the sole basis of company success. Fueled by regulators' and other stakeholders' demands that organizations behave responsibly, new methods for measuring organizational health are emerging. Stakeholders now want evidence that organizations are conducting their operations effectively, profitably, and responsibly. SAP® BusinessObjects™ governance, risk, and compliance solutions help organizations maximize strategic and operational performance by enabling them to evaluate and manage business risks, efficiently implement financial and operational controls embedded within business processes, and create a transparent, reportable environment for stakeholders.

VISIBILITY AND MANAGED RISK INCREASE BUSINESS PERFORMANCE

UNIFIED APPROACH AND STREAMLINED
PROCESSES MAKE IT POSSIBLE

SAP® BusinessObjects™ governance, risk, and compliance (GRC) solutions offer a unified approach to GRC that overcomes the challenges of identifying and managing risks and implementing regulatory and strategy-based controls and corporate policy across disconnected systems, regions, and functions – maximizing strategic and operational business performance.

By managing governance, risk, and compliance across the extended enterprise, you can evaluate and align processes and strategies within the company and extend them to partners, suppliers, and customers, truly representing the enterprise's full reach. SAP BusinessObjects GRC solutions help to manage GRC processes across SAP and non-SAP applications and smoothly integrate with SAP partner content, technology, and applications to provide effective, unparalleled GRC solutions.

Only SAP BusinessObjects solutions support the automation of end-to-end GRC processes, including corporate policies, governance and comprehensive oversight, risk management, and compliance management including reporting and audit trails. SAP BusinessObjects GRC solutions include the following:

- The SAP BusinessObjects Risk Management application balances business opportunities with financial, legal, and operational exposure to minimize the market penalties from high-impact events.
- The SAP BusinessObjects Access Control application identifies and prevents access and authorization risks in cross-enterprise IT systems to prevent fraud and reduce the cost of continuous compliance and control.
- The SAP BusinessObjects Process Control application optimizes business operations and helps ensure compliance and mitigate risk by centrally monitoring key controls for business

processes and cross-enterprise IT systems. The Data Privacy composite application by SAP and Cisco works with SAP BusinessObjects Process Control to support proactive enforcement of data privacy policies throughout the extended enterprise.

- The SAP BusinessObjects Global Trade Services application embeds regulatory and corporate policies into trade processes to automate compliance and cut costs.
- The SAP Environment, Health, and Safety Management (SAP EHS Management) application helps align business processes with occupational safety requirements, product safety regulations, and environmental policies to help ensure proactive compliance.

The unified SAP BusinessObjects GRC solutions act as a strategic business weapon to increase efficiencies, reduce compliance costs, and improve predictability and performance.

BUSINESS FRAGMENTATION OBSCURES TRUE RISKS

FRAGMENTED DATA, DISCONNECTED WORKFLOWS CAN UNDERMINE PERFORMANCE

Addressing stakeholder demands for improved governance, risk, and compliance has become a top boardroom priority for a number of reasons: the rash of corporate mismanagement and corruption scandals, growing concern about data privacy protection and infrastructure security, increased attention on corporate responsibility, and the difficulties involved in responding to unexpected interruptions in business. Companies face stiff penalties for noncompliance as well as the impact of unmitigated risks such as fraud, not to mention the damage incurred to brand image and market position. Equally important, it is becoming clearer to management that even small operational weaknesses can hurt corporate performance – for example, from an unexpected supplier inventory shortage that affects revenue to a product that doesn't comply with environmental standards.



Managing governance, risk, and compliance has become more difficult and complex because most companies have a combination of fragmented and manual GRC processes that produce an abundance of data, obscuring true risks. Disconnected workflows, lack of readily accessible information, and little or no integration between GRC processes and technology result in delayed or no action. The risk evaluation process is often fragmented when it is conducted independently by departments within a company. Risk events

that seem insignificant on a departmental level can become potentially material issues when considered broadly across the company. When controls are established inconsistently in an environment of manual and nonintegrated processes, managing access to secure data becomes much more risky. These examples show how managing GRC activities with fragmented processes across the enterprise becomes more challenging and costly. What companies really need are unified business processes and organizational structures.

Implementing disconnected applications for selected processes, departments, and systems only adds to fragmented and incomplete GRC management and reporting. By following a unified approach to governance, risk, and compliance with an integrated suite of applications, companies can:

- Maximize strategic and operational performance
- Cost-effectively manage regulations and policies
- Proactively mitigate business risks

SAP SOFTWARE IMPROVES PERFORMANCE WITH GRC

PORTFOLIO OF INTEGRATED APPLICATIONS DELIVERS BENEFITS

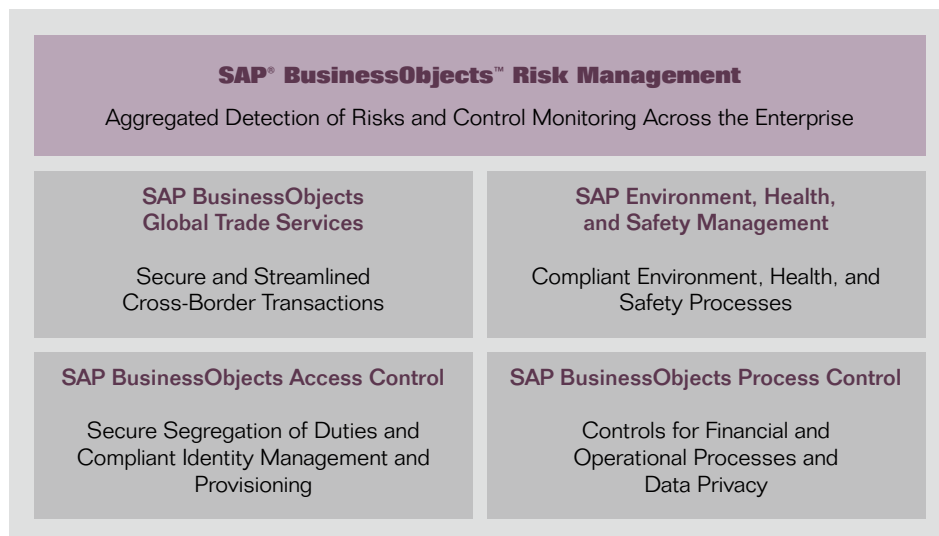


Figure 1: SAP BusinessObjects Governance, Risk, and Compliance Solutions

SAP BusinessObjects GRC solutions form the industry's most comprehensive, integrated portfolio of applications. They help to maximize strategic and operational performance by providing visibility across risk and compliance activities, reducing GRC costs while managing risks across the extended enterprise. These solutions support the ability to form proactive business strategies and decisions instead of simply reacting to business risks and events.

SAP delivers world-class, integrated applications that leverage a common software platform to form a unified solution for GRC (see Figure 1). And because all the applications are integrated, they can break down barriers to

efficiency in addressing a multitude of regulations and corporate risk initiatives. These applications reach into existing SAP and non-SAP software to embed compliance functions across the enterprise and beyond, giving you the real-time visibility you need to help ensure effective business operations.

Enterprise Risk Management

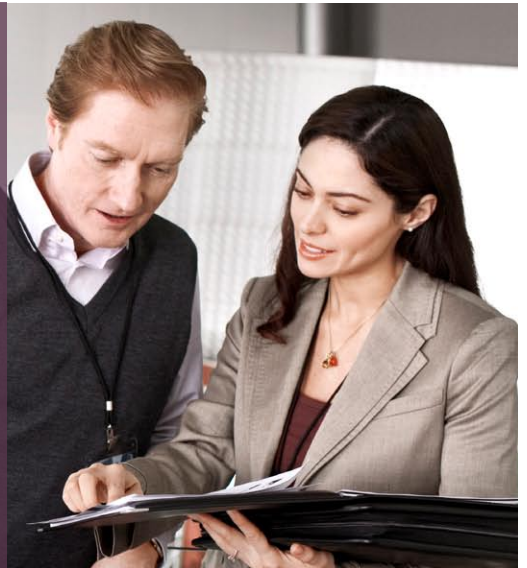
You know that proper risk management improves decision making and creates value. But companies often tackle risk reactively within departmental silos and overlook critical interactions between risks. And because risk management is often regarded as a theoretical exercise with no practical methodology, frontline

managers aren't equipped to properly analyze risk-reward trade-offs and carry out appropriate responses that are backed by quantitative metrics.

The SAP BusinessObjects Risk Management application addresses these issues by enabling you to implement proactive, collaborative processes to balance opportunities with financial, legal, and operational risks at all levels of the enterprise. The software provides a best-practice framework for enterprise risk identification, collaborative risk analysis, predefined risk responses, and continuous risk monitoring and reporting so that you can effectively anticipate and respond to changing business conditions. Key risk indicators enable you to monitor the overall risk portfolio and to alert management immediately when high-impact and high-probability risks exceed company-specific thresholds. Managers can analyze risks in terms of severity and likelihood of impact, and they can monitor GRC activities and time frames at the most granular level – information that is automatically aggregated to create higher-level views and risk networks. All risk-related activities are monitored through executive-level dashboards and reports that deliver visibility into key risk metrics and policy compliance.

“SAP BusinessObjects Risk Management provides a best-practice framework so we can identify, analyze, respond to, and monitor obstacles to reaching our own firm’s growth objectives.”

Norman Comstock, Managing Director, Technology Assurance and Advisory Services (TAAS), UHY Advisors Inc.



Business Process Control

SAP BusinessObjects Process Control helps you embed a rich set of rationalized, automated controls into cross-enterprise business processes so you can significantly reduce manual control activities. In addition, it helps ensure that your organization meets compliance mandates in a timely, cost-effective fashion while optimizing operational efficiency and reducing risk. You also gain complete visibility into business process controls to help ensure that they are operating as designed and that you can trust the data provided to regulatory bodies.

SAP BusinessObjects Process Control applies a risk-based approach to setting up your control environment and identifying the most effective and efficient

controls needed to achieve compliance. You can create a library of all process documentation, risks, and controls across the enterprise and centralize enterprise control management, eliminating the need to integrate separate tools for documentation, testing, remediation, and control monitoring. You can also test controls for key risks using a combination of monitoring for automated controls, testing for manual controls, and self-assessments. This powerful combination works together to help you establish controls that promote desired employee behavior and optimize business processes. It helps ensure that your organization meets compliance mandates on time and in a cost-effective manner, and that risks are effectively mitigated.

Secure Data Privacy

The Data Privacy composite application by SAP and Cisco enables businesses to proactively enforce global and local data privacy policies throughout their extended enterprise – from business rules and applications to the IT infrastructure and networking. The Data Privacy composite application helps you control data privacy by connecting compliance policies and controls supported by SAP BusinessObjects GRC solutions with the intelligent network platform from Cisco to discover and resolve violations in real time. Jointly developed and supported by SAP and Cisco, this network-enabled solution helps you reduce liability, business disruption, and incidents of compromised data. It lets you manage risk more effectively while demonstrating continuous compliance.

Authorized Access Control

Proper segregation of duties (SoD) and access control across business processes and transactions are among the most effective safeguards to protect against fraud and other financial and operational risks and are prerequisites for sound corporate oversight. They are also among the most difficult controls to deploy and sustain effectively, given the thousands of users, roles, and business processes that all require access and authorization evaluation, testing, and remediation. Furthermore, organizations with cross-application requirements, multiple instances of enterprise resource planning (ERP) software, or ERP software from different vendors

require a cross-application and cross-enterprise solution to effectively resolve SoD risks.

On a business process level, only business process owners have the operational insights necessary to fully understand the relationship between user, business role, and function needed to complete each business task. At the same time, IT experts manage the system layer and define technical profiles and authorization objects needed to execute transactions within each system. The immense task and otherwise labor-intensive process of managing proper user and role access can only be accomplished when business process owners and IT experts collaborate.

The problem is that communication between the two groups is typically disjointed and unsuccessful because there is no bridge linking business process language with IT capabilities.

The SAP BusinessObjects Access Control application, which monitors, tests, and enforces access and authorization controls across the extended enterprise, closes this gap. SAP BusinessObjects Access Control enables all corporate compliance stakeholders – including business managers, auditors, and IT security managers – to collaboratively manage proper SoD enforcement. This helps to identify and remediate potential risks like conflicting authorizations within a single user's access profile. Most important, it also helps to identify actual risks, such as business functions that are executed in conflict with SoD mandates.

SAP BusinessObjects Access Control can leverage existing identity management solutions where present, smoothly integrating with the SAP NetWeaver® Identity Management component and other identity management solutions from major vendors, to keep total cost of ownership for both solutions low and provide a compliant identity management solution.

Designed to help you comply with financial reporting and regulatory mandates, SAP BusinessObjects Access Control

“SAP BusinessObjects Access Control, with its focus on segregation of duties and security, has helped us better align our business units with common processes and a common way of working. This has been crucial to the success of our postmerger operations. . . . Our investment in the SAP software paid for itself in less than six months.”

Johan Kroone, Vice President, Information Systems, Smurfit Kappa Group plc

automates many of the processes for access and authorization management, enabling you to rapidly identify and remove access and authorization risk from IT systems and to embed preventive controls into business processes to stop future SoD violations from occurring. The result is a dramatic reduction in the time, risk, and cost associated with compliance.

Global Trade Services

The SAP BusinessObjects Global Trade Services application enables you to automate and streamline complex import and export processes by embedding the regulatory and corporate compliance into core logistics processes. By centrally managing these processes, the software reduces your risks of noncompliance with trade regulations, expedites customs clearance, and mitigates financial risks for global transactions, while presenting opportunities to take full advantage of international trade agreements.

With SAP BusinessObjects Global Trade Services, you can manage and standardize trade compliance processes throughout your organization. The software automatically screens trading partners against official sanctioned party lists, checks for embargo restrictions, and manages export and import licenses. The software expedites customs processes by facilitating interactions between your enterprise and



“Globalization is not an emerging trend; it’s a business reality. What’s changed is the increased level of complexity and risk associated with moving goods across borders, especially after the 9/11 terrorist attacks. Technology is the key enabler of any global trade management strategy, and companies must take a broader perspective and view their entire enterprise software platform as a global trade management solution.”

Adrian Gonzalez, Director, Logistics Executive Council, ARC Advisory Group

customs agencies, driving the movement of goods and information across international borders efficiently.

The software streamlines export refund processing by automating restitution management activities. It also provides the information needed to take advantage of preferential trade agreements, such as the North American Free Trade

Agreement (NAFTA) and those of the European Union. SAP BusinessObjects Global Trade Services meets all of your global trade requirements – no matter where you do business.



SAP EHS Management

The SAP EHS Management application aligns enterprise business processes with environmental, occupational, and chemical and product safety regulations as well as corporate policies to help ensure compliance is proactively managed. Complex regulations like Restriction of Hazardous Substances (RoHS) and the Health and Safety at Work Act, as well as the management of greenhouse gas emissions and emissions trading, become much more manageable with this application.

Health and Safety

SAP EHS Management streamlines all activities necessary to implement health and safety processes safely, effectively, and in accordance with laws and regulations. SAP EHS Management makes it easier to manage product safety specifications, hazardous substance

inventories, and risk calculation. You can also create hazardous waste permits and help ensure that authorized waste quantities are not exceeded, by selecting suitable disposal firms and by allocating disposal costs among internal departments. SAP EHS Management also supports the full range of industrial hygiene and safety processes, centrally managing core tasks such as risk assessments, exposure logs, incident management, exposure profiles, and safety management of specific work areas.

Environmental Performance

Environmental compliance functionality within SAP EHS Management helps organizations run business operations in an environmentally responsible manner. This functionality enables a company's processes to meet legal requirements concerning air emissions, water pollution, and waste management. In addition, it supports compliance with

regulations or company policies related to environmental processes, particularly compliance reporting and permit management. With SAP EHS Management, companies can reduce operational costs, management effort, and nonconformance risks at both plant and corporate levels.

Product Safety and Stewardship

Functionality for Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) compliance within SAP EHS Management addresses critical business requirements in connection with the REACH legislation. This functionality helps organizations to carry out secure product registration on time and with minimized costs to determine exposure testing and reporting requirements for dossier submission. SAP EHS Management also enables coordination of critical documentation related to REACH with internal and external stakeholders.

Product compliance functionality within SAP EHS Management helps companies establish sustainable, compliant product design and manufacturing procedures. They can integrate analysis and compliance checks into product design and manufacturing through a centralized business process, which automates communication with internal departments, customers, and suppliers by accessing the same product development information and compliance-related data across the various stakeholders.

In addition, SAP EHS Management provides functionality for dangerous-goods tracking, safe handling, and document management, as well as transparency for internal and external parties regarding the compliance status of materials, parts, and products.

Partnering for Success

Recognizing the importance of external collaboration for innovation, SAP is committed to establishing a robust GRC ecosystem that includes recognized domain experts and thought leaders in diverse fields, including audit, management, and risk consultancies; software

and technology partners; and information and content partners. Key software and technology partners integrate applications through the SAP NetWeaver technology platform to provide much-needed transparency over the extended GRC ecosystem.

With SAP BusinessObjects GRC solutions, the GRC technology foundation helps support end-to-end GRC processes across the extended enterprise. In addition, professional services partners support the GRC ecosystem by delivering deep intellectual capital and bringing decades of proven best-practice content and methodologies.

“SAP functionality for environmental compliance saves us time and money, helps us stay flexible enough to respond to changed market conditions, and prevents legal sanctions. But the best thing about this SAP software is that it brings us much closer to our goal of being a sustainable, environmentally friendly operation.”

Herman Poortings, CIO, E.ON Benelux

COST-EFFECTIVE GRC

COMPREHENSIVE GRC SOLUTION IMPROVES PERFORMANCE

Employing a unified strategy with a comprehensive GRC solution, you can increase visibility, cut compliance costs, and predict and prevent risk.

Consider the following:

- SAP customers who have used the access control application have reported a 25% savings in audit costs, a 28% reduction in the cost of managing user authorization risk, and a 32% savings in time spent on managing user authorization risk. Typical user and role approval processes are reduced from two weeks to two days.
- SAP customers have automated nearly 100% of their export processes, enabling them to reduce headcount and redeploy employees to more strategic activities.
- SAP customers can avoid dealing with sanctioned parties in millions of trade compliance screenings per month.

Here are some ways your business can improve performance with SAP BusinessObjects GRC solutions.

Increase visibility by:

- Utilizing the unified framework that aligns business processes, compliance, and risk management methodologies
- Improving transparency with threshold-based global dashboards that aggregate financial exposure to control-level risks
- Optimizing capital allocation based on insight into enterprise risk position
- Utilizing closed-loop analysis and evaluations to support preventive risk and compliance evaluations
- Identifying and exploiting opportunities in international trade preference agreements

Reduce compliance costs by:

- Enabling standardized, automated risk and compliance management in a unified control environment, across processes within the enterprise and out to the extended enterprise
- Utilizing a comprehensive predefined segregation of duties risk library for SAP, Oracle, PeopleSoft, JD Edwards, and other customer and legacy systems to minimize implementation and maintenance costs in cross-vendor environments
- Rationalizing and reusing corporate control and risk responses to reduce effort and increase productivity
- Instituting management by exception with actionable dashboards and key performance indicators, threshold-based alerts, and automated escalation procedures
- Analyzing risk exposure and trends proactively to optimize the risk-return portfolio

Predict and prevent risk by:

- Identifying and resolving potential points of failure by continuously monitoring control activities across the enterprise
- Proactively enforcing data privacy rules across the business network by aligning business needs and IT processes
- Implementing effective controls, and mandatory risk analysis for critical processes, to promote desired behavior and improve the results of business processes
- Ensuring compliance with global import and export regulations
- Preventing brand erosion and non-compliance costs from environmental, health, and safety catastrophes by tracking risks against regulatory and business thresholds

SAP® BusinessObjects™ governance, risk, and compliance solutions are delivered by SAP's experienced and knowledgeable professional services team, who can help you realize the full value of your investment. Leveraging SAP experts, methodologies, tools, and certified partners, our professional services team can accelerate implementations, meet deadlines, transfer knowledge, and enable long-

term success, no matter how large or how complex the project. Equally important, you are assured that no factors are overlooked that might jeopardize the achievement of your goals. And once your solution is in place, our comprehensive, customized training programs make it easier to ramp up employees and help ensure successful adoption across your enterprise.

GOVERN, ASSESS, RESPOND, MONITOR, AND OPTIMIZE

WITH A COMPREHENSIVE GRC SOLUTION

Activity	Benefit
Governance and sustainability	<ul style="list-style-type: none">▪ Enable strong alignment between strategic objectives, risk management, and compliance activities to create stakeholder value▪ Minimize fragmentation of governance, risk, and compliance (GRC) information▪ Reduce redundant efforts and resources spent on multiple GRC requirements▪ Provide a foundation for risk-return portfolio optimization, business performance optimization, business control, transparency, and predictability
Risk management	<ul style="list-style-type: none">▪ Improve management's ability to achieve strategic objectives by monitoring operational data to automatically identify risks and reduce them through effective controls▪ Understand the key risks the organization faces to help ensure that a comprehensive strategy is in place to manage risks in the best possible manner▪ Gain new insights for decision making and capital allocation across various risk classes (for example, insurance, operational, external, and financial)▪ Reduce the probability of default, credit downgrade, or serious financial loss
Business process control	<ul style="list-style-type: none">▪ Maximize strategic and operational effectiveness by monitoring performance and managing risk for key business processes▪ Help ensure compliance with corporate governance and regulations by unifying control management across the enterprise through a single system of record that can adapt to changing business needs▪ Gain insight by aligning controls with strategic objectives by operating within risk appetite▪ Save money and effort by automating control testing and accelerate time to resolution with remediation case management▪ Reduce cost by streamlining manual evaluation, issue identification, and remediation▪ Provide real-time visibility of control effectiveness and remediation of key issues, eliminating surprises▪ Enable more timely and accurate financial close processes and reporting▪ Proactively enforce global and local data privacy policies throughout the extended enterprise using business rules and applications with the IT infrastructure and networking
Access and authorization control	<ul style="list-style-type: none">▪ Enable all corporate compliance stakeholders to collaboratively manage the enforcement of proper segregation of duties (SoD)▪ Detect and resolve violations of segregation of duties and user authorization control by removing access or mitigating situations in which duties cannot be segregated▪ Jump-start compliance setup with a comprehensive library of best practices and rules for SoD▪ Help ensure efficient and compliant provisioning of user access throughout the employee life cycle▪ Provide users with privileged but controlled access to quickly address emergency requirements▪ Address access and authorization issues at their inception using enterprise role management
Global trade services	<ul style="list-style-type: none">▪ Help ensure vigilant trade compliance and help facilitate tighter national security▪ Streamline electronic communications with customs authorities▪ Enhance process efficiency through tight integration into inbound and outbound processes▪ Maximize opportunities offered by trade preference agreements▪ Mitigate the financial risk of international trade with letter of credit management
Environment, health, and safety (EHS) management	<ul style="list-style-type: none">▪ Manage operational and financial risks with an integrated management and operational tool that helps govern and execute a company's EHS compliance and risk management strategy▪ Overcome challenges created by best-of-breed systems and reduce costs of global EHS compliance by harmonizing and automating processes with one comprehensive application across the entire organization▪ Reduce energy use by identifying opportunities to implement energy conservation projects

SAP: DELIVERING IT-POWERED BUSINESS INNOVATION

A RICH HISTORY

As the world's leading provider of business software, SAP delivers products and services that help accelerate business innovation for our customers. We believe that doing so will unleash growth and create significant new value – for our customers, SAP, and, ultimately, entire industries and the economy at large. Today more than 82,000 customers in more than 120 countries run SAP applications – from distinct solutions addressing the needs of small businesses and midsize companies to suite offerings for global organizations.

From Walldorf to Wall Street: The SAP Success Story

Founded in 1972, SAP has a rich history of innovation and growth that has made us a true industry leader. SAP currently employs more than 51,500 people in more than 50 countries worldwide. SAP is listed on several exchanges, including the Frankfurt Stock Exchange and the New York Stock Exchange under the symbol "SAP."



Knowledge, Experience, and Technology for Optimizing Business

We leverage our extensive experience to deliver a comprehensive range of solutions that empower every aspect of business operations. By using SAP solutions, organizations of all sizes – including small businesses and midsize companies – can reduce costs, improve performance, and gain the agility to respond to changing business needs. SAP also has developed the SAP NetWeaver technology platform, which enables our customers to achieve more value from their IT investments. Our professionals are dedicated to providing the highest level of customer service and support.


Philosophy for Leadership and Strong Performance

SAP strives to define and establish undisputed leadership in the emerging market for business process platform offerings and accelerate business innovation powered by IT for companies and industries worldwide. As part of its commitment to corporate citizenship, SAP also contributes to economic development on a grand scale. SAP is recognized as a leader in demonstrating the highest level of integrity in its corporate governance and practices. These efforts are informed and driven by the core values of SAP – customer focus, integrity, quality, commitment, product excellence, and passion.

A SOLID FOUNDATION FOR GRC

FIND OUT WHAT SAP CAN DO FOR YOU

SAP BusinessObjects GRC solutions are the right choice for your business. Our customers – which stand behind some of the world’s best-known brands across a variety of industries – are already reaping the benefits of a unified GRC solution. To find out more, visit www.sap.com/sapbusinessobjects/grc.



“The more information you have on accidents and injuries, the better you can understand their causes and focus on the appropriate remedies. That brings incident numbers and their costs down. SAP EHS Management enables us to do that.”

Mark Giesbrecht, Business Process Specialist – Risk Management,
Canadian National Railway Company

50 081 153 (09/03)

©2009 by SAP AG.

All rights reserved. SAP, R/3, SAP NetWeaver, Duet, PartnerEdge, ByDesign, SAP Business ByDesign, and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP AG in Germany and other countries.

Business Objects and the Business Objects logo, BusinessObjects, Crystal Reports, Crystal Decisions, Web Intelligence, Xcelsius, and other Business Objects products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of Business Objects S.A. in the United States and in other countries. Business Objects is an SAP company.

All other product and service names mentioned are the trademarks of their respective companies. Data contained in this document serves informational purposes only. National product specifications may vary.

These materials are subject to change without notice. These materials are provided by SAP AG and its affiliated companies ("SAP Group") for informational purposes only, without representation or warranty of any kind, and SAP Group shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP Group products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.

www.sap.com/contactsap

THE BEST-RUN BUSINESSES RUN SAP™

