Financial results are no longer the sole basis of company success. Fueled by stakeholders’ demand 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 – encompassing their financial, social, and environmental activities. This is called corporate accountability.

SAP® solutions for governance, risk, and compliance (SAP solutions for GRC) help organizations establish corporate accountability – and reap the benefits it brings – by enabling them to evaluate and manage business risks, implement financial and operational controls embedded within business processes, and create a transparent, reportable environment for stakeholders.

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

Ben Christensen, Service Delivery Manager, Xerox Europe
By managing governance, risk, and compliance (GRC) across the extended enterprise, you can evaluate processes and strategies within the company and extend them to partners, suppliers, and customers, truly representing the enterprise’s full reach. The SAP® GRC technology foundation enables GRC processes across SAP and non-SAP software and works with SAP partner content, technology, and applications to provide effective, unparalleled GRC solutions.

Only SAP solutions automate end-to-end GRC processes, including corporate governance and oversight, risk management, and compliance management and reporting. SAP solutions for GRC include the following components:

- The SAP GRC technology foundation delivers core business and technical functionality to fully automate end-to-end GRC processes across the extended enterprise, including GRC partner solutions and disparate applications, to reduce business and technical complexity and costs.
- The SAP GRC Risk Management application balances business opportunities with financial, legal, and operational exposure to minimize the market penalties from high-impact events.
- The SAP GRC 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 GRC Process Control application optimizes business operations and ensures compliance by centrally monitoring key controls for business processes and cross-enterprise IT systems.
- The SAP GRC Global Trade Services application embeds regulatory and corporate policies into trade processes to automate compliance and cut costs.
- Applications for environment, health, and safety compliance align business processes with environmental, occupational safety, and product safety regulations and corporate policies to ensure proactive compliance.

The unified SAP solutions for GRC act as a strategic business weapon to protect brand and reputation, master uncertainty, optimize opportunity, and free resources for innovation and growth.
Addressing stakeholder demands for improved GRC has become a top boardroom priority for a number of reasons: the recent 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, 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 — from an unexpected supplier inventory shortage that affects revenue to a product that doesn’t comply with environmental standards.

Managing governance, risk, and compliance is becoming more difficult because most companies have fragmented and manual GRC processes that produce an abundance of data, obscuring the true risk. Disconnected workflows and little or no integration between GRC processes and technology result in delayed alerts and actions. Fragmented processes exacerbate the already difficult task of managing GRC activities across an extended enterprise, when what companies really need are sophisticated business processes and organizational structures. Together, these challenges translate into onerous and inefficient monitoring and reporting requirements that make GRC a costly obligation.

Implementing multiple, disconnected applications for selected processes, departments, and systems does not solve the problem. In fact, such an approach only adds to fragmented and incomplete GRC management and reporting. By following a unified approach to GRC with an integrated suite of applications, companies can:

- Deliver a competitive advantage
- Increase business performance
- Achieve corporate accountability
SAP solutions for GRC form the industry’s most comprehensive, integrated portfolio of applications. They help to establish a reputation of accountability and responsibility by providing operational transparency and evidence that the organization conducts business within ethical standards and regulatory mandates. These solutions provide the visibility you need to stop simply reacting to business risks and events and begin forming proactive business strategies and decisions.

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 across different regulations and mandates. 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 ensure effective business operations and corporate accountability.

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 GRC 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.
Business Process Control

SAP GRC 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. You also gain complete visibility into business process controls to ensure that they are operating as designed and that you can trust the data provided to regulatory bodies.

SAP GRC 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, as well as ensure that your organization meets compliance mandates on time and in a cost-effective manner.

Authorized Access Control

Proper segregation of duties (SoD) and access control over sensitive transactions are among the most effective safeguards to protect information against fraud 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.

“A conservative estimate is that organizations are missing out on billions of dollars in potential savings annually through inefficient risk management practices.”

The SAP GRC Access Control application, which monitors, tests, and enforces access and authorization controls across the extended enterprise, closes this gap. SAP GRC 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 GRC Access Control can leverage existing identity management solutions where present, with out-of-the-box support for the SAP NetWeaver Identity Management component and other identity management solutions from major vendors, keeping total cost of ownership for both solutions low. Designed to help you comply with financial reporting and data privacy regulatory mandates, SAP GRC Access Control 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 GRC 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

“SAP GRC 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 post-merger 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
mitigates financial risks for global transactions, while presenting opportunities to take full advantage of international trade agreements.

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

“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

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 GRC Global Trade Services meets all of your global trade requirements – no matter where you do business.

“SAP Global Trade Management is crucial to our ability to manage outsourcing in an orderly, smooth way.”

Tom Lonegro, Director of Global Supply Chain Systems, The Black & Decker Corporation
Environment, Health, and Safety Compliance Management

Environment, health, and safety (EH&S) compliance applications align enterprise business processes with environmental, occupational safety, chemical and product safety regulations, and corporate policies to 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 the EH&S compliance applications.

Environment, Health, and Safety
The SAP Environment, Health & Safety (SAP EH&S) application streamlines all activities necessary to implement EH&S processes safely, effectively, and in accordance with laws and regulations. SAP EH&S makes it easy to manage product safety and chemical safety specifications, hazardous substance inventories, and dangerous goods for safe handling, tracking, document management, and risk calculation.

You can also create hazardous waste permits and ensure that authorized waste quantities are not exceeded by selecting suitable disposal firms and by allocating disposal costs among internal departments. SAP EH&S 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 Compliance
The SAP Environmental Compliance application helps organizations run business operations in an environmentally responsible manner. It 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. The application helps companies reduce operational costs, management effort, and nonconformance risks at both plant and corporate levels.

“Social risk is business risk. Business risk translates into financial risk.”

UBS Investment Research, Q-Series: Corporate Social Responsibilities, April 11, 2005
Chemical Compliance
The SAP REACH Compliance application addresses critical business requirements in connection with the Registration, Evaluation, and Authorization of Chemicals (REACH) legislation. It helps to carry out secure product registration on time and with minimized costs, to determine exposure testing and reporting requirements for dossier submission. It also enables coordination of critical documentation related to REACH with internal and external stakeholders.

Product Compliance
TechniData Compliance for Products complements the SAP GRC solution portfolio by helping companies establish sustainable, compliant product design and manufacturing procedures. It integrates 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, it provides 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 solutions for governance, risk, and compliance, the GRC technology foundation ensures 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 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 SAP Environmental Compliance is that it brings us much closer to our goal of being a sustainable, environmentally friendly operation.”

Herman Poortings, CIO, E.ON Benelux
SAP customers have automated nearly 100% of their export processes, enabling them to reduce headcount and redeploy employees on more strategic activities.

SAP customers can ensure that they do not deal with sanctioned parties in millions of trade compliance screenings per month.

Here are some ways your business can benefit from SAP solutions for GRC.

Increase business performance by:
- Integrating GRC applications to simplify GRC tasks and reduce the total cost of ownership
- Shifting from manual, resource-intensive control activities to embedded and automated control processes
- 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

By embarking on an integrated strategy and employing a comprehensive GRC solution, you can achieve corporate accountability for your stakeholders and significant returns on your investment.

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 on more strategic activities.
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Predict and prevent risk by:
- Identifying and resolving potential points of failure by continuously monitoring control activities across the enterprise
- Preventing issues and weaknesses using mandatory risk analysis for critical processes
- Ensuring compliance with global import and export regulations
- Improving transparency with threshold-based global dashboards that aggregate financial exposure to control deficiency risks
- Preventing brand erosion from environmental, health, and safety catastrophes by automatically classifying and tracking hazardous substances

Drive increased competitive advantage by:
- Analyzing risk exposure and trends to optimize the risk-return portfolio
- Optimizing capital allocation based on insight into enterprise risk position
- Implementing effective controls to promote desired behavior and improve the results of business processes
- Identifying and exploiting opportunities in international trade preference agreements
- Managing and disclosing economic, social, and environmental initiatives to stakeholders

Craig Weisiger, SAP Security Designer and Developer, Baylor College of Medicine
### Governance and Sustainability
- 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
- Improve management’s ability to achieve strategic objectives by monitoring operational data to automatically identify risks
- Understand the key risks the organization faces to 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
- Ensure compliance with corporate governance and regulations by using one system with integrated control documentation and control design
- Gain insight by applying a risk-based approach to control management and prioritize responses to the control violations with the greatest impact
- Save money and effort by automating control testing and accelerate time to resolution with remediation case management
- Reduce cost and increase assurance by shifting from point-in-time testing to continuous monitoring of controls
- Align operational execution across key financial processes and compliance initiatives for streamlined, lower-cost business processes
- Enable more timely and accurate financial close processes and reporting

### Access and Authorization Control
- Enable all corporate compliance stakeholders to collaboratively manage the enforcement of proper segregation of duties
- 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, out-of-the-box library of best practices and rules for the segregation of duties
- 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
- Ensure vigilant trade compliance and help facilitate tighter national security
- Streamline electronic communications with customs authorities
- Mitigate the financial risk of global trade through automated handling of payment guarantees
- Maximize opportunities offered by trade preference agreements
- Enhance process efficiency through tight integration into inbound and outbound processes

### Environment, Health, and Safety Management
- Deploy global environment, health, and safety processes while adapting them to practices in individual circumstances and geographies
- Ensure the safe handling and tracking of hazardous substances, dangerous goods, and waste products
- Deliver full-scale health management to provide for employee health and well-being
- Ensure the compliance of individual products with Restriction of Hazardous Substances (RoHS) and End-of-Life Vehicle (ELV) regulations
- Improve manufacturing productivity by aligning business processes with the fulfillment of environmental regulations for emissions management
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 46,100 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 43,800 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

“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 EH&S enables us to do that.”

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

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