ABB INDIA
SAP® CONSULTING HELPS COMPANY MANAGE RISK ACROSS SOUTH ASIA

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Biju Varghese, Head of Internal Controls, ABB India Ltd.

QUICK FACTS

Company
- Name: ABB India Ltd.
- Headquarters: Bangalore, India
- Industry: Industrial machinery and components
- Products and services: Power and automation technologies
- Revenue: US$29 billion (ABB Group)
- Employees: 6,500
- Web site: www.abb.co.in
- Implementation partner: SAP® Consulting

Challenges and Opportunities
- Manage governance, risk, and compliance for 10,000 users across 14 countries in South Asia
- Maintain country-specific workflows with centralized corporate oversight
- Reduce costs of corporate governance and audits

Objectives
Install a single, standardized governance solution for unified corporate governance

SAP Solutions and Services
- SAP GRC Access Control application (now known as the SAP BusinessObjects™ Access Control application)
- SAP Consulting services

Implementation Highlights
- Mapped transactions, roles, and risks
- Configured rules approvals and workflow routing
- Enabled country-specific flexibility within overall corporate guidelines

Why SAP
- The group's long-standing relationship with SAP
- ABB India's familiarity with the platform
- Better support
- The SAP Consulting organization's experience and competence in large-scale implementations (versus other vendors)

Benefits
- A single governance solution for 14 countries
- Lower costs for Sarbanes-Oxley Act compliance
- Reduction in authorization times (from more than a day to minutes)
- Considerable savings in audit times and costs

Existing Environment
Various homegrown governance applications

Third-Party Integration
- Database: Oracle
- Hardware: IBM
- Operating system: IBM AIX

SAP Customer Success Story
Industrial Machinery and Components

ABB India Ltd. faced a big challenge: manage governance, risk, and compliance (GRC) for 10,000 users across 14 countries in South Asia. The task was even greater because heterogeneous systems had sprung up over the years – each with differing access controls, custom modifications, a lack of uniformity in roles and authorization procedures, and no integration with the company's regionwide SAP® landscape. ABB India solved the issue by implementing the SAP GRC Access Control application (now known as the SAP BusinessObjects™ Access Control application). It successfully completed the project with the help of SAP Consulting and its SAP Global Delivery group.

The SAP consultants teamed with ABB India's centralized department for internal controls and local country teams to roll out the software in only six months. The integrated solution for access control enables automated, workflow-based approval procedures for assigning roles across South Asia. Roles within each subsidiary are defined according to the level of user authority and the rules pertinent to each country; a centralized internal controls team monitors segregation of duties (SoD) risk violations.

SAP Consulting and ABB India took advantage of the flexibility of the SAP application to build the customized rules set based on corporate SoD guidelines. ABB India now analyzes segregation of duties in real time and on a random basis for all users, en-abling it to ensure good governance and to satisfy audit requirements.

"We now have only one governance so-lution to maintain," says Biju Varghese, head of internal controls for ABB India, which provides automation and power technologies. "We reduced costs for Sarbanes-Oxley Act compliance, be-cause each country now manages user access the same way. We reduced the time it takes to grant authorizations from more than a day to a matter of minutes. We complete audits much more quickly; we can now generate segregation of duties analyses and a more detailed audit trail for user authorizations. This has all led to a considerable savings in time and money."

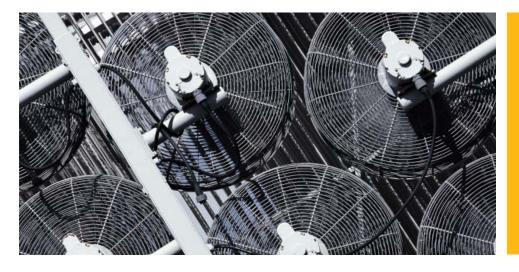ABB India is pleased with the role SAP Consulting played in achieving these benefits. "SAP Consulting is very focused on project delivery," Varghese says. "Its commitment measured up to our commitment as the customer – SAP Consulting wants success as much as the customer does. The SAP consultants had strong communication skills; they made sure to resolve any issues that arose and always responded very quickly."

Single Application Replaces Customized Tools

ABB India looked at a number of governance solutions before deciding on the SAP application for access con-trol. "We have worked with SAP for a long time and use SAP software wher-ever possible," says N. Balasundar, project manager at ABB India. "We have a group of experienced users who are very comfortable with SAP solutions. Additionally, it was obvious to us that SAP provides better technical support than other vendors."

The company also felt that the SAP application was superior because of its functional depth. "Our previous gover-nance tools performed the segregation of duties checks at the role-naming level, not at what was contained within the role," Varghese says. "The SAP soft-ware for access control lets you create roles based on a detailed itemization of what is involved in each role. You can define, in detail, all the functions, the combinations of functions, and the risks."

The choice to engage SAP Consulting for project assistance was straightforward. "There were not many service providers that had the competence to help with an implementation of this scale," Varghese says. "SAP Consulting was pretty much an automatic choice."

ABB India also appreciated the SAP Consulting organization's direct access to development teams and experts across the worldwide SAP organization. Says Balasundar, "When you have SAP Consulting people on board, they can get the information and development assistance you need much faster."

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Biju Varghese, Head of Internal Controls, ABB India Ltd.

This is the strength of the project delivery model used by SAP Consulting – it provides customers with access to a range of consulting services from anywhere in the world. The SAP Consulting team drives project planning, while its SAP Global Delivery group provides consulting services from global locations through a flexible set of process-driven work packages. The work packages tasks are distributed across an international, multitalented team. Each work package is assigned to the persons with the best skills for the job, irrespective of where they are physically located.

Experienced Internal Group Drives Rollout

ABB India's internal controls department led the implementation. "We already had a strong team in place within the company," Balasundar says. "We knew exactly what we wanted from this product."

ABB India also took advantage of the SAP application's rule set – which is a database that maps risk areas by functions and transactions so companies can perform an initial risk analysis of SoD conflicts and issues. It was developed by SAP and audit firms that have a vast array of experiences with customers as well as expertise in resolving transaction access and authorization conflicts.

The ABB India and SAP Consulting team members worked together to map the company's transactions, activities, functions, and risks. "This was a big exercise and took almost a month," Varghese says. "We then configured the role approvals and the workflows we wanted and secured consensus and sign-off within the individual countries. This was very challenging. For example,

we have 4,000 users in India and 150 in the Philippines. The solution had to work for everyone."

Everyone was pleased. "The individual countries were glad we took on the task of centralized risk management while still providing them with customized user-access workflows," Varghese says.

Centralized Control Provides Country-Specific Flexibility

The SAP software for access control allows companies like ABB India to define and oversee segregation of duties enforcement, enterprise role management, compliance provisioning, and superuser privilege management. ABB India uses the software to test and enforce segregation of duties and monitor critical transactions across its enterprise. The application automatically detects violations and provides workflow to resolve exceptions and deficiencies. By simulating and analyzing proposed changes to user authorization, it prevents new risks from entering enterprise applications.

ABB India users sign on through the SAP NetWeaver® Portal component for role authorizations. The requests are automatically transferred to the appropriate people in the users' profit centers where they are checked for SoD issues. The requests are then transmitted to the internal controls

department for review. After approval, the internal controls department assigns and authorizes the roles.

The internal controls group also performs a quarterly analysis of segregation of duties conflicts and updates the SoD matrix where necessary. Internal controls also designate "firefighter" roles, which allow support specialists with predefined authorizations to resolve transaction issues in a controlled environment.

ABB India Makes Plans to Upgrade

ABB India wants to upgrade to the newest version of SAP BusinessObjects Access Control to take advantage of more advanced tools. It is also investigating the

SAP BusinessObjects Process Control application to further reduce its cost of compliance by streamlining and automating various control processes. SAP BusinessObjects Process Control enables real-time, continuous control monitoring across business operations to enforce policies and procedures throughout the organization.

Says Varghese, "SAP BusinessObjects GRC solutions enable us to centralize processes to reduce compliance costs across ABB India. We do all the governance testing in Bangalore; our auditor, Ernst & Young, is pleased this is done in one place. At the same time, we still have the flexibility to let each country do things its own way. With SAP software, we are confident we will realize even more benefits as we move forward."

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