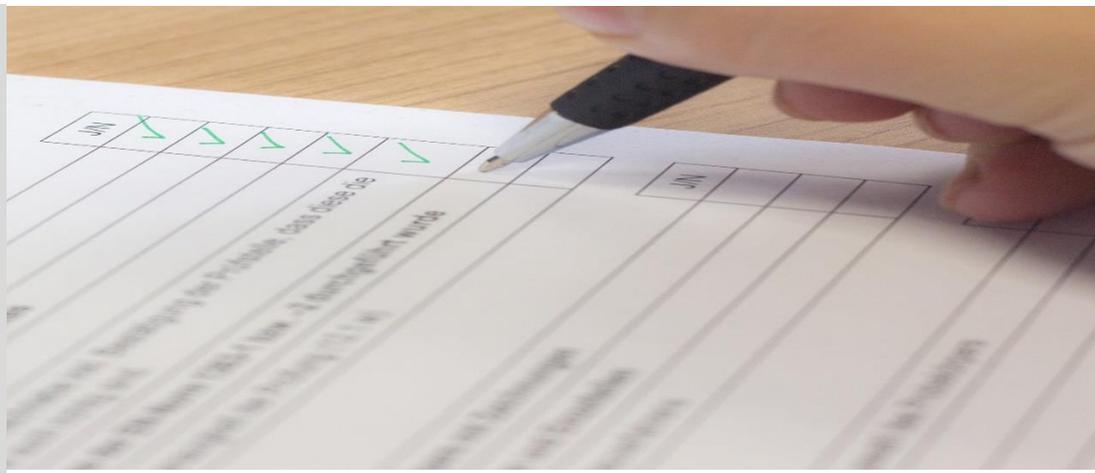# Winterhawk

About Winterhawk

Winterhawk is a leading global consulting practice, supporting organisations in SAP Security, SAP GRC services and solutions (more than 20) across a variety of SAP environments including SAP R/3, S/4HANA, ARIBA, Fieldglass, Concur and SuccessFactors.

Winterhawk supports clients in 90 countries. We are proud to be innovative, independent, and cost-effective. Our services are complemented with deep domain expertise, content, accelerators, and toolkits.

Outside of SAP, Winterhawk supports organisations requiring guidance in Access and Identity Management (IAM), Cyber Security (Pen Testing, Network Detection, Antivirus and SIEM); we support clients through Regulatory services and solutions for compliance with GDPR, SOX, FCPA, CCPA as well as standards such as ISO* and also through their Digital, HR and Finance Transformation projects.

Winterhawk has established its head office in the UK, with resources located across EMEA, the United States, Canada, and Australia.

HISTORY OF SAP SOLUTIONS: SAP RISK MANAGEMENT

As part of a new SAP solution spotlight series, Winterhawk spoke with SAP's James Chiu and Gero Maeder about the ongoing development of SAP Risk Management (RM).

What is SAP Risk Management and what was its origin?

The RM application helps a business to integrate and coordinate risk management activities, gain a deeper understanding of risk, and plan timely responses. It provides reliable, accurate information to help businesses make better decisions about risks and opportunities that will ultimately improve and sustain a company's profitability. It also enables them to assess current and future risks, link them to business value drivers, to preserve and build on those values.

SAP Risk Management can be used to identify specific events that present both risks and opportunities, assess their likelihood and potential impact, so that your organisation can develop counter-strategies, and monitor the progress of your initiatives.

The application resides within the SAP GRC suite of the processes that form the foundation of COSO ERM as well as ISO31000 – the world leading frameworks for Risk Management. It originates back with the first in-house SAP implementation (around 2003).

How does the solution support the Intelligent Enterprise?

Within the GRC suite, we can integrate RM with SAP Process Control and with the Enterprise Resource Planning system (ERP); this allows for automation – automating the monitoring of risks within the ERP and linking them to the risks.

RM supports the S/4HANA core both on-premise and in the cloud; this is done through integration and automation. Customers also want to use KRI's to monitor other cloud solutions such as Ariba, Concur and so forth and that's how we are helping customers to manage their risks in the Intelligent Enterprise.

Why is SAP Risk Management important and what customer challenges does it address?

Tools such as SAP Risk Management help Audit Directors and Chief Risk Officers manage organisational risks; RM also supports the three lines of defence to add value by focusing on the key issues that if addressed will enhance the business's performance. Through the automation of risk documentation, planning, analysis and reporting through their key risk indicators (KRI's) clients report that they are getting real insight once they have Risk Management in place.

SAP Risk Management doesn't just measure risks it also measures opportunities and objects, enabling users to document the opportunities within an activity. If you take a risk, you can also measure the opportunities within it. RM ties everything to your business objectives. This information can be displayed in the SAP Digital Boardroom, and in combination with the SAP analytics cloud, gives a business an overall view of its risk data, audit data and controls data, providing predictive capabilities as well as automation and integration.

SAP GRC - Risk Management

Key Features

- Identify Risks, aligning them with business processes, company objectives, projects and regulatory requirements.
- Assess and analyse risks in terms of magnitude of impact.
- Track risk management effectiveness with via reports and analytics.
- Establish Key Risk Indicators (KRIs), to provide continuous insight into Risk likelihood.
- Analyse the effectiveness of Risk responses, and actively plan for and track further Risk reduction.

Who uses it ?

- Large – Medium - Small sized organisations.
- Use of Risk Management should not be limited by function, all responsible teams can provide input and assessment into Company Risks.
- Application ownership typically resides with Internal Controls or Internal Audit functions.

What does it protect against ?

- Risks ..... (Environmental, Health & Safety..)

What the relevance for C-Suite Executives/ Insights for C-Suite Executives?

There are a few different applications, the first of which is simply that in some countries there is a requirement to have a Risk Management framework in place.

The second has to do with internal audit. RM can provide direction and focus, otherwise you are just auditing everything which amounts to a substantial workload with relatively little business benefit.

The third angle is Vendor Risk Management which is key due to global supply chains being long and widely distributed. Political challenges and Cyber Security risks have made this area increasingly important in terms of triggering RM adoption.

When it comes to Enterprise Risk Management we know there are two Risk Management Frameworks - the Committee of Sponsoring Organisations framework (COSO) and the International Organisation for Standardisation (ISO). Within the United States the use cases are mainly still focused on financial compliance, internal audit and also Environmental Health and Safety. There is not a lot of focus in the United States on the ISO Risk Framework and what the benefit is to the C-Suite.

What's new with SAP Risk Management?

There are several new features in SAP version 12.0, the first one is connectivity to the S4 HANA through Key Risk Indicators KRI's. The second one is the Automated Risk Aggregation function. An organisation that has a top risk from financial reporting could have 5 or 10 underlying risks and each risk has its impact and potential losses. If that organisation had to get all the information manually and then aggregate it up to a top risk. It would involve a great deal of effort because they would have to take the impact number from those 5 to 10 underlying risks and then add them up. They would also need to add the sum to the top risk and then do an average, do a maximum and do a minimum for whatever algorithm they wanted to do. This is very time consuming especially for example you have 50 top risks, spread out through 20 organisations. SAP have introduced an automated way for you to do this in version12.0.

SAP have also introduced event based Key Risk Indicators (KRI's). These can be used to monitor for a bad tweet or tweets on twitter which can easily escalate into a huge reputational risk for some businesses. In this digital age most companies will need more and more KRI's or even bots to monitor these types of risks to give direct feedback to their risk managers.

SAP Risk Management 12.0
Preserve and grow value

Monitor and report
SP 2 The "Risk Trend" field is included in Heatmap report

SP3 Enhanced "Save Variants" functionality for reporting

Respond
SP 4 Manually enable or disable response-related workflows

Enterprise risk and compliance

Plan
SP 1 Enhancement to risk data management
SP 1 Enhancement to task delegation

Identify
SP4 Usability Enhancements

Analyze
SP4 and 5 Automated Risk Aggregation

Looking Ahead with SAP Risk Management

Key features that are being delivered by service packs1-5 in SAP Risk Management version 12 include enhancements to data management and task delegation, enhanced reporting functionality, including trends in the Heatmap report, and other enhancements to the user-experience.

Winterhawk is the Global Solution Partner for the United VARs Alliance (Platinum SAP Partners) servicing over 8,000 clients worldwide. We have broad, cross-industry experience with implementing SAP solutions in large, multi-national corporations with global footprints. If you have any questions, or are interested in discussing SAP Risk Management please email us at info@winterhawk.com, call us at +44 1233 877 290, or visit www.winterhawk.com.

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