

Bringing it all together Building a Risk Intelligent Consumer and Industrial Product Enterprise



Overview

Globalization, emerging markets and strategic acquisitions

Consumer & Industrial Product (C&IP) companies are making strategic acquisitions to diversify their portfolio, reduce costs through vertical integration, or increase revenues by expanding into new global markets. Global corporations have to deal with complex supply chains, local regulations and data security concerns across their geographic landscape. As they partner with vendors globally, acquire production plants and define new channels to attract customers, there is an increased emphasis on delivering efficient business processes that comply with financial and regulatory requirements.

The problem

Manage complex supply chains and comply with local policies

Companies are forced to think of global sourcing, geographically dispersed supply chains and revolutionary business channels to add value to the customer while maintaining margins during times of economic uncertainty.

Additionally, laws and regulations over the years from local and global authorities including various Federal Food, Drug and Cosmetic (FD&C) Acts and European Union (EU) Directives may constitute a significant challenge. As concerns around product quality, food and product safety and data security continue to emerge, heightened and accelerated regulatory activity at local and global levels can be expected.

Siloed approaches by business unit or geographic location for addressing financial, operational, and regulatory risk as well as compliance requirements and documentation may lead to non-standardized controls and inefficient business processes.

Global workforce, customers, and vendors add complexity to security strategies for meeting diverse privacy and cross-border data protection requirements. Due to these reasons, there is a growing focus on developing a consistent platform for managing risk to meet rising stakeholder expectations.

The inherent challenges with integrating solutions across lines of business with the use of enterprise-wide solutions like enterprise resource planning (ERP) software become apparent when the cost of achieving regulatory compliance eclipses the cost of efficient business processes.

Consequently, key stakeholders should be ready to re-examine their risk and compliance management approach, including their risk frameworks, governance, methodologies and enabling technologies. Today, organizations should understand the need to become risk intelligent¹.

Integrated governance approach

Addressing emerging compliance trends

An integrated approach to Governance, Risk and Compliance (GRC) should be considered essential for streamlined risk management, process control, access control and improved business performance. This may result in better recognition, understanding, and prioritization of risks. An effective GRC program can assist in fulfilling regulatory, legal and contractual requirements in support of defined business objectives.

Deloitte has broad experience in assisting clients in the C&IP industry with security, privacy and risk & compliance issues.

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¹ Risk Intelligence is defined as "The organizational ability to think holistically about risk and uncertainty, speak a common risk language, and effectively use forward-looking risk concepts and tools in making better decisions, alleviating threats, capitalizing on opportunities, and creating lasting value." By Leo M. Tilman in the article Risk Intelligence: A Bedrock of Dynamism and Lasting Value Creation published in The European Financial Review on April 17, 2012.

Deloitte provides a programmatic, unified approach to develop GRC strategies, coupled with effective tools to assist organizations in meeting compliance and risk management objectives:

- Assist in the development of an integrated risk and compliance vision and corresponding solutions
- Organizational design and transformation services
- Communications, training and awareness for solution roll-outs
- Role-based access control (RBAC), access control strategy, (LDAP)/Active Directory (AD) integration
- Data Feed Manager and data integration (Extract, Transform and Load (ETL)) configuration
- Development of configuration guide and sustainment plan
- Reporting enhancements
- Data warehousing and analytics enhancements.

Deloitte's GRC solutions help improve strategic and operational performance and address business risks by assisting companies in cost-effectively managing regulatory and policy compliance. With SAP GRC solutions, organizations can automate risk-based GRC processes for more effective risk, access, continuous controls testing, monitoring and compliance management and reporting. Automation of compliance requirements allows C&IP organizations to move resources and costs away from manual testing and data gathering — and focus on compliance efforts that protect core operational processes, improve operations and deliver value to the organization.

Together, Deloitte and SAP can assist organizations in implementing an integrated GRC program that:

- Delivers transparency to balance a global risk profile
- Standardizes common GRC content and rules
- Automates and embeds GRC activities into core processes
- Integrates with IT assets
- Facilitates easier collaboration with service and content providers.

A key to capturing these benefits is effective integration services provided by specialists with extensive GRC, ERP, security and privacy experience. Deloitte offers these and other capabilities to help businesses realize the benefits of integrated GRC management.

The Deloitte and SAP difference

Blending critical strengths

Deloitte offers depth of experience and the ability to deliver an effective GRC management solution through an integrated approach with SAP GRC solutions and an enhanced overall industry talent experience via an internal Industry Proficiency Certification program (IPP). SAP GRC solutions provide a preventative, real-time approach to governance, risk and compliance across heterogeneous environments enabling complete insight, greater efficiency and improved flexibility. Deloitte has worked closely with SAP to address the market demand for integrated solutions that provide a new level of confidence regarding harmonizing enterprise risk strategy with tactical risk and compliance data to provide a clear picture of current exposures.

Deloitte and SAP bring together the necessary insights and experience to better leverage technology to address critical GRC needs, including security, financial reporting, privacy, industry-specific regulations and the general need for risk intelligence.

Contact us

To discuss your business challenges and solutions, contact any of the Deloitte professionals below or visit us online at www.deloitte.com/us/securityandprivacysolutions.

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Bottom-line benefits for the C&IP Industry	
Integrated risk management	Automated risk management, compliance and monitoring activities. Minimized cost and effort required to continuously monitor key risk indicators and compliance effectiveness across Information Technology systems. For example, Key Risk Indicators (KRIs) and Key Performance Indicators (KPIs) around product quality and packaging.
Access and process control	Central monitoring of specific controls and data across-enterprise systems. Reduced access risk across the enterprise with a streamlined solution for access management. For example: Control requirements between the Food and Drug Administration (FDA) and FD&C can be centrally integrated and monitored.
Improved business performance	Minimized global trade violations with a single, integrated platform to meet complex and ever-changing global trade compliance requirements. As well as integrated management of operational risks related to environment, health, and safety. For example: Business performance reports and indicators around product safety and environmental impacts to improve performance.

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