TURNKEY

SIEMENS

Business Profile

Siemens is a global powerhouse focusing on the areas of electrification, automation and digitalization. One of the world's largest producers of energy-efficient, resource-saving technologies, Siemens is a leading supplier of systems for power generation and transmission as well as medical diagnosis. In infrastructure and industry solutions the company plays a pioneering role. In fiscal 2019 Siemens generated revenue of €86.8 billion and net income of €5.6 billion. At the end of September 2019, the company had around 385,000 employees worldwide.

Highlights

- Smooth implementation of SAP BIS on SAP S/4HANA
- Increased accuracy of controls for Siemens companies
- Intelligent design allows easy scaling of the solution to cover more systems and companies
- Efficiency savings enables redeployment of resources to value added tasks
- Labour intensive legacy controls systems being replaced

Improved efficiency, accuracy and coverage of controls with Business Integrity Screening

Challenges

Increasingly strict laws around the world related to the transparency and reliability of financial reporting require organisations to have a set of controls to ensure accurate financial reporting. These requirements extend to preventing, monitoring, detecting and investigating fraudulent activity within organisations, referred to as Internal Controls over Financial Reporting (ICFR).

Globally Siemens operates a vast number of control activities to analyse data within individual companies to satisfy these requirements. Whilst effective, many of these processes require considerable manual effort to extract and analyse data and then action any issues identified.

Siemens has embarked on a strategic project (FocuS/4) which provides an SAP S/4HANA-based finance template to the company, being a key enabler for the migration of Siemens' SAP ERP systems to the S/4HANA platform. The use of this template also provides Siemens with the opportunity to replace individual ICFR procedures or solutions with the Business Integrity Screening (BIS) application from SAP.

SAP BIS will be the next generation analytics-based internal controls application for all Siemens companies. As the SAP S/4HANA rollout proceeds, more and more companies will be connected to the single BIS instance. This will allow the sophisticated analytics to be applied to consolidated data from a number of different sources.

> *SAP BIS will be the next generation analytics-based internal controls application for all Siemens companies.*

Benefits

Ability to analyse large data volumes:
BIS is already bringing benefits
to the organisation by analysing
large volumes of transaction data
spanning different systems and
companies. This removes the need
for manual sampling of data and
ensures that action is only required
when anomalies are detected.

Real-time detection of Anomalies:
With BIS, Siemens can now apply
intelligent, dynamic and complex
rules to the analysis of large volumes
of data. Real-time detection of fraud
and errors will become the norm
across the organisation.

Improved Accuracy and coverage:
*"The great benefit of BIS is that
it brings improved accuracy and
coverage to our controls, whilst at
the same time delivering increased
efficiency,"* says Patrick. *"We are now
able to gradually replace existing
control systems and ensure better
compliance."*

Solution

Turnkey Consulting has assisted
Siemens in the implementation of SAP
BIS on a single S/4HANA instance.
Turnkey resources are embedded in
the Siemens project team and are
primarily responsible for solution design
and controls, although assistance and
knowledge transfer are also provided to
developers when required. The objective
is to ensure the best use of the available
technology to create alerts for potential
risks or fraud.

To date three SAP environments have
been migrated to S/4HANA and
connected to BIS. This represents
approximately 20 individual
companies, with more being connected
all the time. The BIS application has
been designed to allow additional
datasets to be easily and quickly
connected. Detection strategies can
be applied to individual companies,
or several simultaneously. Currently
analysis is run at specified frequencies
ranging from daily to monthly, but
the system can provide real-time
monitoring of transactions if needed.

*"Our goal is to provide a global ICFR
and compliance solution for Siemens,
automating a wide range of controls,"*
says Patrick Müller, Product Owner BIS at
Siemens. *"We have established a design
which is scalable, to accommodate the
huge data volumes involved."*

The solution can connect both SAP
and non-SAP data, allowing controls to
span business processes supported by
different technologies. For instance, it

is already ensuring that sponsorships
and donation payments in SAP were
properly approved within a non-
SAP system, and that the approvals
are still current. It also detects any
instances where the recipient of the
payment is exceeding the originally
approved amount. This type of
control was previously very labour-
intensive and could only be carried
out for a sample, whereas now BIS
analyses every transaction.

*"We have been pushing the
implementation of BIS, as the long-
term benefits are clear to senior
management,"* explains Patrick. *"But
as more and more controls become
operational, there is a growing
realisation of its potential, and users
are requesting more capability."*

*"Turnkey has been a great support
to the project, providing assistance
when we need it, even with ad-hoc
requests,"* says Patrick. *"They have a
deep understanding of the best way
to implement BIS."*

Summary

*"With BIS in place, Siemens
management will have the
confidence that controls are
operating effectively and with
minimal use of resources,
ensuring our compliance with
regulatory requirements,"*
explains Patrick.

Turnkey Consulting
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