



OSRAM Licht AG

Monitoring of adherence to internal and external regulations with a cloud-based internal control system tool

Overview

The need

After OSRAM was spun off from Siemens, it needed a new solution to replace the Siemens internal control system (ICS) application that had been used by support staff in 88 subsidiaries across 60 countries.

The solution

OSRAM implemented IBM® OpenPages® GRC Platform running on the IBM SoftLayer® cloud. The solution enables transparent reporting and quality management of internal controls, and boosts efficiency by reducing workload for ICS staff.

The benefit

The user-friendly GRC solution supports monitoring of compliance with all internal and external controls. Its powerful cloud infrastructure delivers rapid response times for users and eliminates dependence on IT support.

When OSRAM separated from its huge parent corporation Siemens, it needed to undergo a major enterprise-wide transformation involving many parts of the firm. To protect a global business that operates around 88 subsidiaries across approximately 60 countries, managers wanted to find tools that could support an effective, efficient risk and internal control system – while minimizing the additional resources needed to design more automated processes.

To overcome this challenge, OSRAM decided to implement IBM OpenPages GRC Platform software. The solution provides an accurate and detailed overview of how well OSRAM's 1,500 employees manage their tasks with regard to control objectives. The new solution offers reporting, monitoring and tracking of compliance at different levels of the enterprise (within the headquarters, or for each region or subsidiary), for each control objective and for each ICS representative.

Mastering management of risk and control objectives

OSRAM is one of the world's leading light manufacturers, providing products across the entire value chain from individual components to complex lighting solutions. Headquartered in Munich, the company currently has 88 subsidiaries spread across roughly 60 countries. At the end of 2013, the firm employed over 35,000 people and achieved an annual turnover of almost EUR 5.3 billion.

Spinning off complex corporate structures from huge parent companies requires enormous effort and many new solutions. "The new ICS platform allows transparent reporting on the effectiveness of our internal controls at any time," says Michael Flieger, Senior Vice President Corporate Audit, OSRAM.



Solution components

Software

- IBM® OpenPages® GRC Platform

Services

- IBM Business Analytics Software Services
- IBM Global Technology Services®

IBM Business Partner

- Deloitte
 - Pentos AG
 - PROCESS INNOVATION AG
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Once a year, OSRAM conducts an assessment to find out how effectively its regulations and internal guidelines are enforced in the daily business of its subsidiaries. For example, all divisions should check the credit scores of most of their customers, and document the calculated credit limits in the company's SAP application. The individual subsidiaries' financial statements, which are prepared on a monthly basis, must also be checked regularly. Many of these business processes require authorization by sign-off from multiple managers.

The effectiveness of all these controls is tested at least once every year. IBM OpenPages plays a key role in these assessments, for example by providing a transparent view of worldwide results.

Previously, OSRAM had been using a risk management and control application provided by Siemens, its former parent company. After OSRAM was spun off from Siemens, it began looking for a new solution that could help it to become fully self-sufficient. Specifically, it wanted a solution that could support managers in effectively documenting an internal control system – without requiring significant additional resources to design new automated processes.

OSRAM needed to map both its complex organizational structure and its detailed control methodology in the new solution. With these requirements in mind, OSRAM evaluated five potential governance, risk and compliance (GRC) solutions, and ultimately selected the IBM OpenPages offering.

Michael Flieger, Senior Vice President of Corporate Audit at OSRAM, explains the company's reasons for choosing the IBM solution: "In their presentation, the IBM consultants focused on our requirements and demonstrated that our entire methodology could be mapped within OpenPages. None of the other providers matched this. In the end, we were won over by the IBM solution's ability to provide a huge variety of detailed reports and analyses."

Specialists from IBM and Pentos, an IBM Business Partner, provided comprehensive support and change management throughout the implementation. Staff from OSRAM and consultants from Deloitte, an IBM Premier Business Partner, trained the 80 staff responsible for the internal control system within the individual subsidiaries, who in turn provided training for other users within their respective organizations.

“We were particularly impressed by the solution’s user-friendliness, easy-to-use task-lists and reports, and short response times.”

— Astrid Hopf, Risk & Internal Control Officer, OSRAM

Improving security, user-friendliness and speed

The new solution enables OSRAM to map the testing process for its internal controls and control objectives transparently, and more efficiently than ever before.

Astrid Hopf, Risk & Internal Control (RIC) Officer at OSRAM, explains: “Without OpenPages, the resources required for this task would be much higher. Today, each of the 1,500 users can generate a personalized task-list using intelligent filter mechanisms, and work through their control objectives in turn. This helps us and the users to ensure that nothing important is forgotten.”

Direct links to the control objectives facilitate and accelerate the testing process, while reports document the results and highlight any weaknesses detected. Moreover, since IBM OpenPages is a modular solution, the GRC platform can easily be extended to support additional processes.

Astrid Hopf reports on the positive user feedback: “We were particularly impressed by the solution’s user-friendliness, easy-to-use task-lists and reports, and short response times.”

Rapid deployment and reliable cloud solution

From the beginning, OSRAM was keen to adopt a cloud deployment model for its new RIC solution. The new solution is owned by the line-of-business, and requires minimal IT support. Choosing a cloud solution avoids diverting IT resources away from OSRAM’s internal systems, and enables fast worldwide deployment. IBM met OSRAM’s demanding cloud performance requirements by using IBM SoftLayer, which is part of the IBM Global Technology Services® IBM SmartCloud® portfolio.

PROCESS INNOVATION AG, an IBM Business Partner, is in charge of the technical provision of the SoftLayer solution. Its team set up the virtual cloud servers on SoftLayer and installed the database software. As a managed service provider, it handles backup and recovery, monitors servers and networks and installs new software releases.

PROCESS INNOVATION also provides a 24/7 support hotline that OSRAM can call whenever it has questions regarding the OpenPages solution. As the main contractor, IBM is ultimately responsible for all aspects of the solution.

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Astrid Hopf is highly satisfied with the co-operation with the service provider and the availability of the new cloud solution: “PROCESS INNOVATION is a reliable partner that always matches our requirements quickly and easily, and maintains both our test and production systems. This means we can treat the SoftLayer cloud as a black box that just needs to operate reliably and securely. If we encounter a technical problem, PROCESS INNOVATION puts things right quickly using tiered ticket management.”

Well-equipped for the future

Further enhancements to the solution, such as single sign-on, are currently being introduced to provide OSRAM’s senior managers with even easier access to the new RIC solution.

In the longer term, OSRAM is hoping to build on its positive experience by implementing additional modules of OpenPages, such as operational risk management and internal audit management, which will help it harness the full potential of the integrated GRC solution.

Michael Flieger concludes: “Creating a homogeneous, global risk management platform will help us increase the quality, transparency and efficiency of our internal monitoring, and accelerate additional business processes. The modular nature of the solution and its flexible deployment in the cloud will keep the work involved in such enhancements to an absolute minimum.”

About Pentos

Founded in 2000 and headquartered in Munich, Pentos AG is an international provider of IT consultancy and services. Both medium-sized companies and major global corporations benefit from the company’s expertise – particularly in the fields of SuccessFactors, SAP, business intelligence, and governance, risk and compliance.

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About PROCESS INNOVATION

PROCESS INNOVATION AG is a computer retailer based in Stuttgart. The company has nearly two decades of experience in developing and integrating innovative sales, service and marketing solutions for companies across a wide range of industries.

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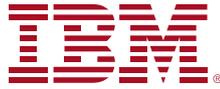
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