

# How to Increase Risk Awareness, Control Adoption and Visibility: The Vestas Journey to Streamline Financial Compliance Processes

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**Business Digital Transformation - Finance**

**Vestas Wind Systems**

**SAP**insider  
2023



## In This Session

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- Re-gaining control over SAP Authorizations and Vestas approach to remediate SODs.
- The challenges we faced through the journey, and how we overcome them.
- Key success elements from concept to global rollout.



A woman with blonde hair and glasses, wearing a black vest over a floral patterned shirt, is smiling and looking towards the right. She is sitting at a wooden table with a white coffee cup in front of her. Other people are visible in the background, also seated at tables, suggesting a meeting or conference setting.

## In This Session

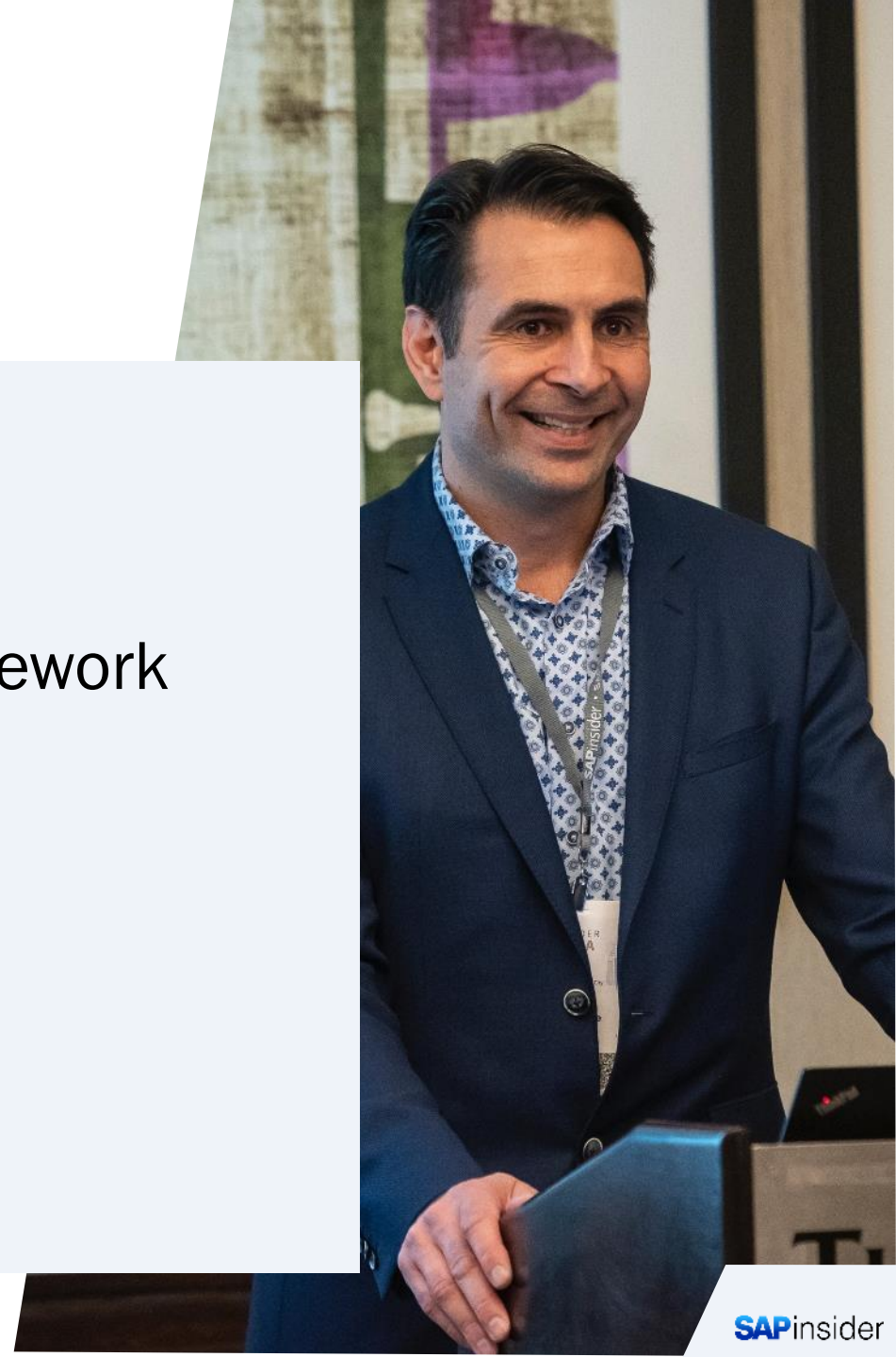
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- Learn about how to increase controls adoption.
- Learn how change management and technology can enable your compliance function.
- Gain insights about the value that control workflows, dashboards and CCMs brings for Vestas.

# Agenda

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- About Vestas
- The Burning Platform
- Streamline of the Control Framework
- People Engagement & Change Management
- Technology as Key Enabler
- Wrap Up



# About Vestas

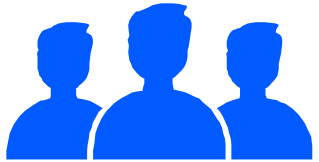
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- Vestas key figures
- About the speaker





# Vestas – The undisputed global leader in wind energy



**+29,000**

Employees



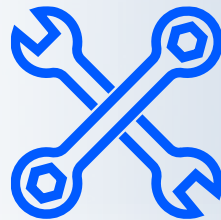
**169 GW**

Installed wind turbines  
capacity across 88  
countries



**€ 14.5bn**

Revenue



**+56,000**

Turbines under  
Service

***Vestas***<sup>®</sup>



**222m**

Tonnes CO2e avoided annually



Diego M. Allera



Senior Specialist

Business Digital Transformation - Finance

# The Burning Platform

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- A mature control framework but..
- How we approach the challenge





# A Mature Control Framework but... Low Adoption and Visibility

## The Challenges



Small Compliance Team



Limited Visibility



Time Consuming  
Documentation



Unclear Accountability



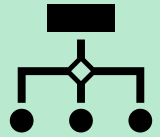
Decentralized External  
Audits



No application Control  
Testing

# A Mature Control Framework but... Low Adoption and Visibility

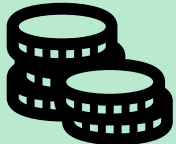
## The Objectives



Clear Accountability



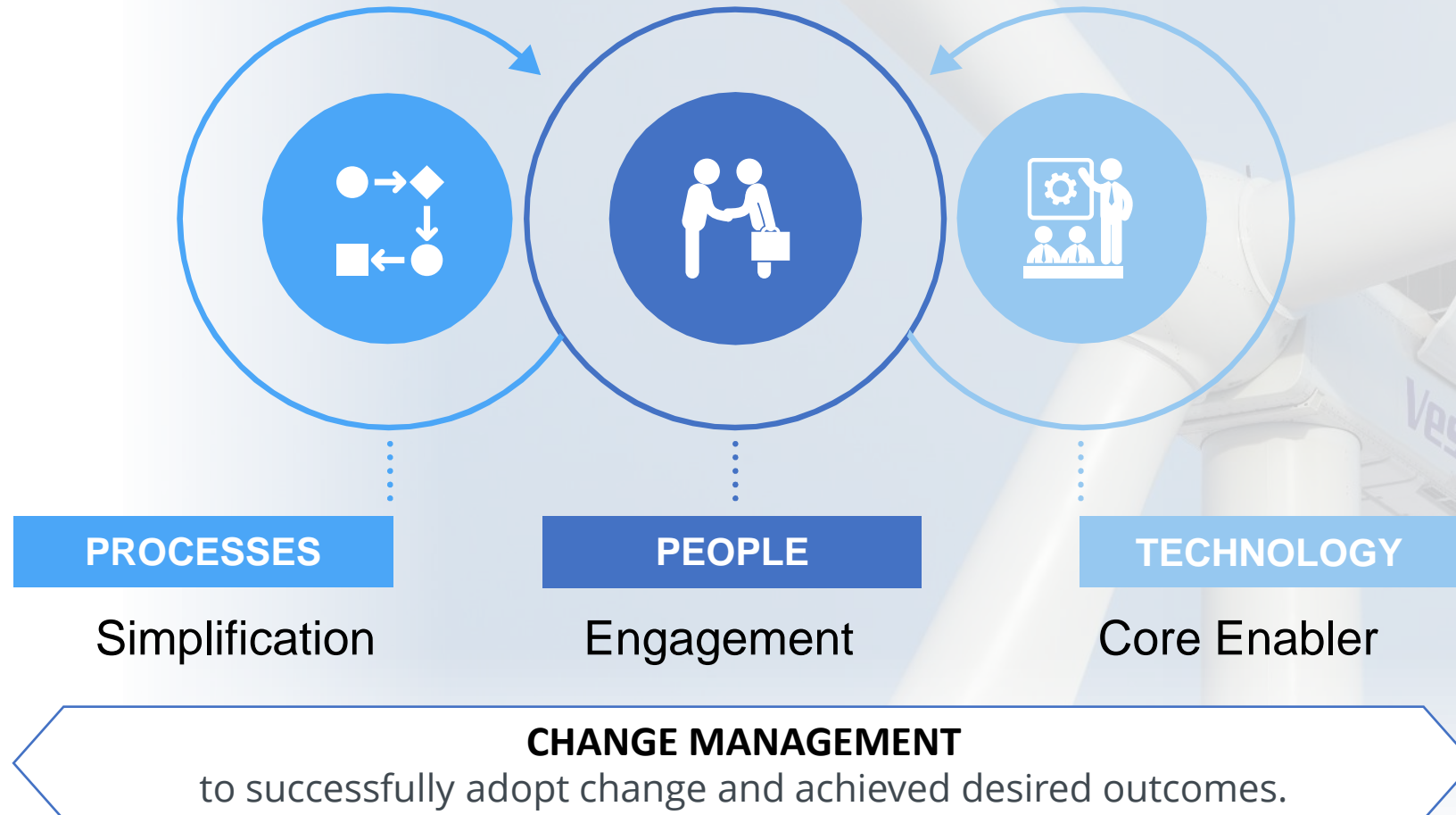
High Visibility



Low Cost of Controlling

**“Let's make  
it easy to be  
compliant”**

# How We Approach the Challenge





# Streamline of the Control Framework

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- Context and Pain Points
- Control Framework Simplification
- The Operating Model
- Process Overview



## Context

130+ Legal Entities

170+ Controls

A developing Shared Service Center

Unclear R&R

Undefined processes

## Pain Points

- Undefined scope per legal entity.
- Undefined materiality/risk profile of legal entities.
- Irrelevant controls assigned due to scope.
- Irrelevant controls assign due lack of risk profiling.
- Administrative burden for the local finance teams.

- Multiple local “solutions” – SharePoint, Local Drives, Shared Drives, Emails, Printouts, etc.
- No audit trail.
- No central accessibility, and data retention.
- Uncertainty about “who does what?”.
- Multiple controls without “owner”.
- Multiple controls not performed.
- High change management effort, with no reward.

# Control Framework Simplification

Defined & Streamlined Control Content per Business Unit

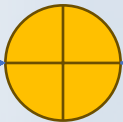
Production Entities (PBU)

Sales Entities (SBU)

Development Entities (GDE)

Holding Entities (HOL)

Special Entities (SVP)



Defined Legal Entity Materiality

Full Scope  
(High Risk)

Light Scope  
(Medium Risk)

Out of Scope  
(Low/No Risk)

Defined FS line Materiality

Key Controls

Standard

Key Controls

Key Controls

Required Documentation



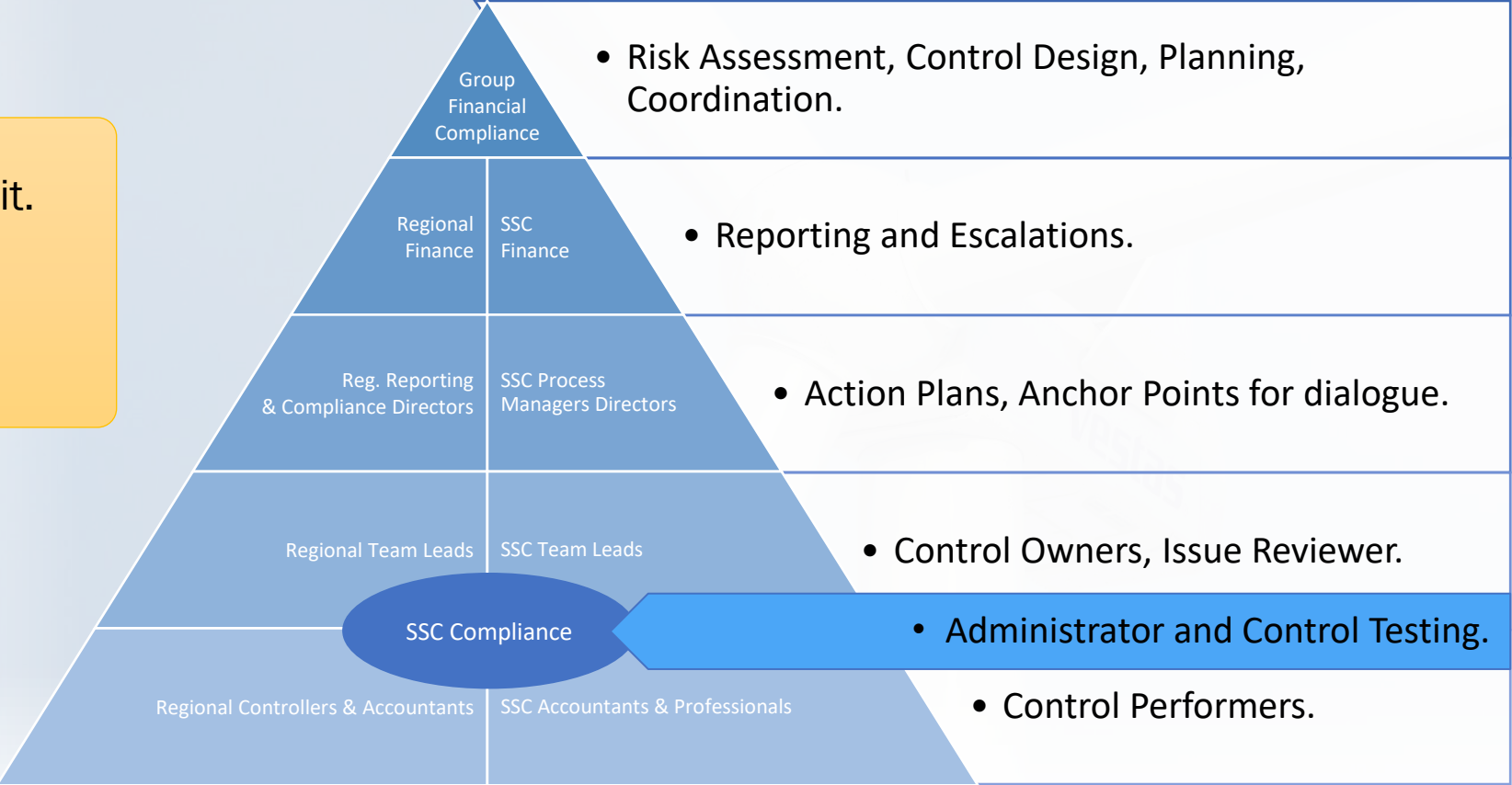


# The Operating Model

## Objectives:

- Centralized & control-oriented audit.
- Quarterly reporting on control timeliness & quality.

- Senior Management
- Audit Committee
- Auditors



# Process Overview

## Control Scheduling

Plan Controls

- SSC Compliance

- Regular activity
- Exception based activity
- Only for key controls
- Sample based activity

## Control Execution and Testing Workflow

Perform Controls

- Accountants
- Controllers

Raise Deficiencies

- Accountants
- Controllers

Review Deficiencies

- Team Leads
- Managers

Review Controls

- Team Leads
- Managers

Test Controls

- SSC Compliance

## Reporting

Assess & Follow Up

- Regional Directors

Governance Bodies

- Audit Committee
- FC Forums

# People Engagement & Change Management

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- Change Management and Expected Resistance
- Change Management Efforts
- Insights from the Users





Expected  
Resistance

Bureaucracy / Non-  
Value adding

System Rigidity

Increased Visibility

## CHANGE MANAGEMENT **ADKAR** Methodology

Why?  
What?

WIIFM?  
How?  
When?

Awareness

- Awareness of the need of change.

Desire

- Desire to participate and support the change.

Knowledge

- Knowledge on how to change.

Ability

- Ability to implement desired skills and behaviors.

Reinforcement

- Reinforcement to sustain the change and build a culture around the change.

# Change Management Efforts



- Designation of local coordinator.
- Raise profile of SSC CoC.
- Kick off sessions covering WIIFM, TOM and solution.
- Sponsor involvement.
- Regular check-ins to define control scope and identify control performers and owners.
- Raise further awareness on accountability.
- On site and remote trainings sessions based on users' actual assignments.
- Post training survey about user readiness.
- Post go-live refreshers sessions.
- Follow up on control completion and timeliness.
- Post go-live impact assessments surveys.
- Monthly results distribution and follow up.
- Quarterly Financial Compliance Forums.
- Dialogue with CFOs and head of functions.

**A**wareness and **D**esire

**K**nowledge and **A**bility

**R**einforcement

10+ local coordinators	20+ kick off sessions	30+ training sessions	600+ trained users	50+ stabilization calls	16 Financial Compliance Forums
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# Insights from the Users

Control Visibility has increased significantly

4.2



Control Accountability has increased significantly

4.3



Focus on Risk Remediation has increased significantly

4.0



Understanding of control steps and risks has increased significantly

4.2



Time spent perform controls has been reduced significantly

3.5



Control performance has become significantly easier

3.7



The control performance experience has been improved significantly

3.9



The change management efforts were giving positive results...

...yet we had to put more focus on the user experience and gaining efficiencies



# Technology as Key Enabler

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- Landscape.
- Manual Control Performance.
- Manual Test of Effectiveness.
- Continuous Control Monitoring.
- Monitoring Dashboard.



# Landscape

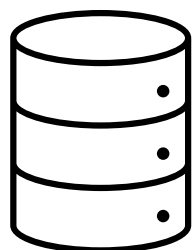
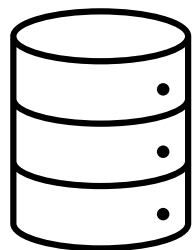
## SAP GRC

### Process Control

- Manual Control Performance (MCP)
- Manual Test Of Effectiveness (MTOE)
- Continuous Control Monitoring (CCM)
- Issue Management
- Shared Service Provider
- Policy Management

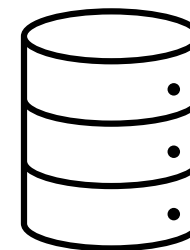
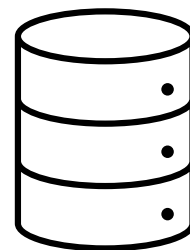
### Access Control

- Access Risk Analysis (ARA)
- Access Request Management (ARM)
- Mitigating Controls



In progress

## Reporting



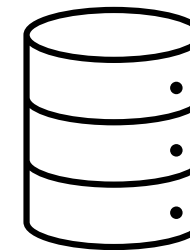
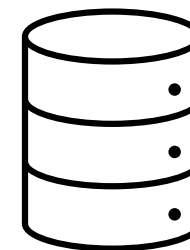
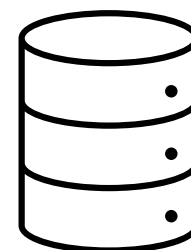
### SAP Business Warehouse

- Data staging and calculations

### SAP Analytic Cloud

- Dashboards

## Source/Target Systems



# Manual Controls (MCP)

- All controls evidence is capture through workflows.
- One single form to document all manual controls.
- Clear instructions and reference for every control.

### Manual Control Performance

Organization: Global Controls

Due Date: Jul 21, 2022

Control Name: MDM\_CUS Customer change validation

Control Description:

The purpose of this control is to ensure that critical customer master data changes are correct and valid at time of creation.

Steps

Control Info

Forward Info

#### Review Comments

**[Redacted Name]**: approved  
 Approve · Jul 21, 2022, 8:17:01 AM

Step	Description	Evidence Required	Comment	Attachments	Status
1	Sample test 25 customer master data changes on the list within the relevant period.	No	Comments Not Required	1 File(s)	<input checked="" type="checkbox"/>
2	Test that the bank details and/or the company registration number VAT/Tax number is changed correctly and based on valid documentation	No	25 samples are correct.	1 File(s)	<input checked="" type="checkbox"/>
3	For all customers on the list, test that no master data changes are done by employees outside the MDM team	No	Comments Not Required	0 File(s)	<input checked="" type="checkbox"/>
4	Attach relevant documentation (e.g. List with all new customer showing the sample test, with commentary notes and documented follow up actions; List with all changes to existing customers showing the sample test with commentary notes and documented follow up actions; List with all employees who has performed customer creations or changes to existing customers with commentary notes and documented follow up actions.)	Yes	See attached. 25 samples are all passed.	1 File(s)	<input checked="" type="checkbox"/>
Indicate overall control conclusion					
5	- If no anomalies are identified, submit workflow - If anomalies are identified, create an issue, set issue priority to high, and submit workflow	No	Comments Not Required	0 File(s)	<input checked="" type="checkbox"/>

0 reported issue(s)



# Test of Manual Controls (MTOE)

- All documentation that requires review for Quality Assurance and testing is collected under one workflow.
- MTOE:MCP → 1:N relation
- Clear instructions for testing in one single form.

**Control Effectiveness Manual Test: MDM\_CUS Customer change validation**

Test Period: March 2022    Status: Closed    Organization: Global Controls    Process: Accounts Receivable    Subprocess: MDM\_CUS Customer change validation

General    Regulation    Control Performance    Control Details    Account Groups    Risks    Attachments and Links

### Test Steps

Step Description	St...	Result	Comments
Was the sample at least 10% of the customer master data change list?	Step	Done	<a href="#">Add Comment</a>
Were bank details and company registration number correctly tested and validated based on valid documentation?	Step	Done	<a href="#">Add Comment</a>
For all customers on the list, was it correctly tested that no master data changes are done by employees outside the MDM team?	Step	Done	<a href="#">Add Comment</a>
Were all identified discrepancies resolved? If not, was an exception noted?	Step	Done	<a href="#">Add Comment</a>

### Test Details

Test Name: Log for Manual Test of Effectiveness MDM\_...

Test Owner: [Redacted]

Description: Manual testplan for MDM\_CUS Customer change validation

\* Test Date: 26.05.2022

\* Test Result: Pass

Comments: All procedures are accurately performed and relevant supporting documents were submitted. No exceptions noted.

### Administration

Step #	Step Description	Performed By	Performed On	Changed By	Changed On
001	Was the sample at least 10% of the customer master data change list?	[Redacted]	26.05.2022		
002	Were bank details and company registration number correctly tested and validated based on valid documentation?	[Redacted]	26.05.2022		
003	For all customers on the list, was it correctly tested that no master data changes are done by employees outside the MDM	[Redacted]	26.05.2022		

General    Regulation    Control Performance    Control Details    Account Groups    Risks    Attachments and Links

Send Notification    Ad Hoc Cor

Period	Year	Name	Regulation	Status	Start Date	End Date
March	2022	March 2022 (WD15) controls due 26.04.2022	Vestas Internal Control Framework	Done	01.04.2022	26.04.2022

### Performance Steps

Step	Description	Evidence Required	Comments Required	Sequence	Status	Last Changed On	Last Changed By	Comments	Co
1	Sample test 25 customer master data changes on the list within the relevant period.	No	No	001	Done	21.04.2022 16:29:07	[Redacted]		1
2	Test that the bank details and/or the company registration number VAT/Tax number is changed correctly and based on valid documentation	No	No	002	Done	21.04.2022 16:31:55	[Redacted]		1
3	For all customers on the list, test that no master data changes are done by employees outside the MDM team	No	No	003	Done	21.04.2022 16:32:21	[Redacted]		
4	Attach relevant documentation (e.g. List with all new customer showing the sample test, with commentary notes and documented follow up actions; List with all changes to existing customers showing the sample test with	Yes	Yes	004	Done	22.04.2022 13:58:22	[Redacted]	No error found.	1

# Continuous Control Monitoring (CCMs)

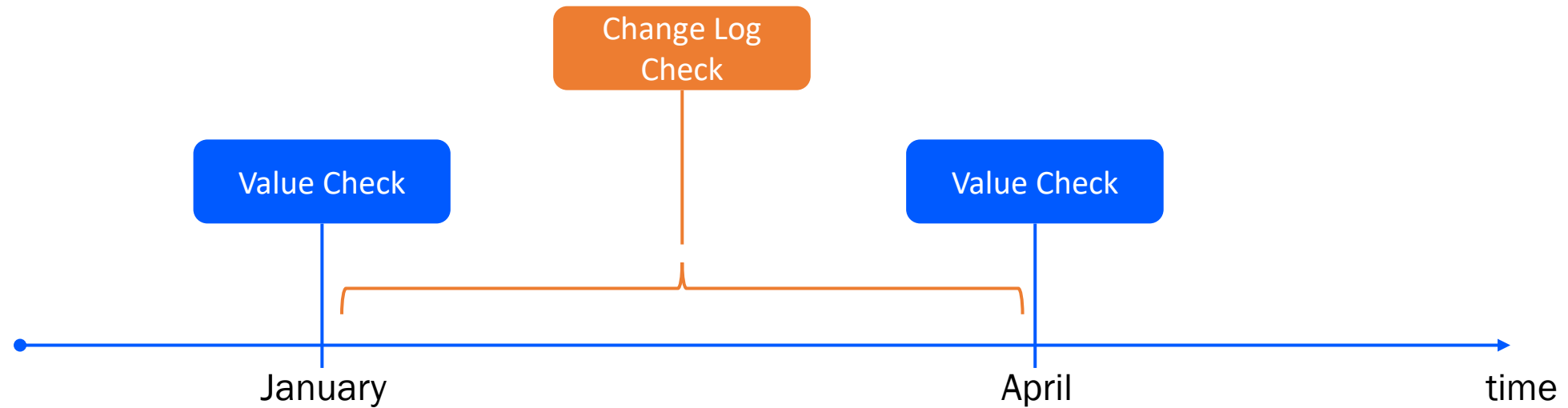
*CCMs are a product capability within SAP GRC with some of the following applications*

- ◆ *Monitor that a given Application Control is configured as per certain values at a certain point in time (value check)*
  - ◆ *Monitor that a given Application Control configuration has not suffered unauthorized changes within a certain period (change log check)*
- 
- ◇ The “Continuous” can be defined as:
    - Hourly
    - Daily
    - Weekly
    - Monthly
    - Quarterly
    - Yearly

# Continuous Control Monitoring (CCMs)

*Value Check & Change Log Check*

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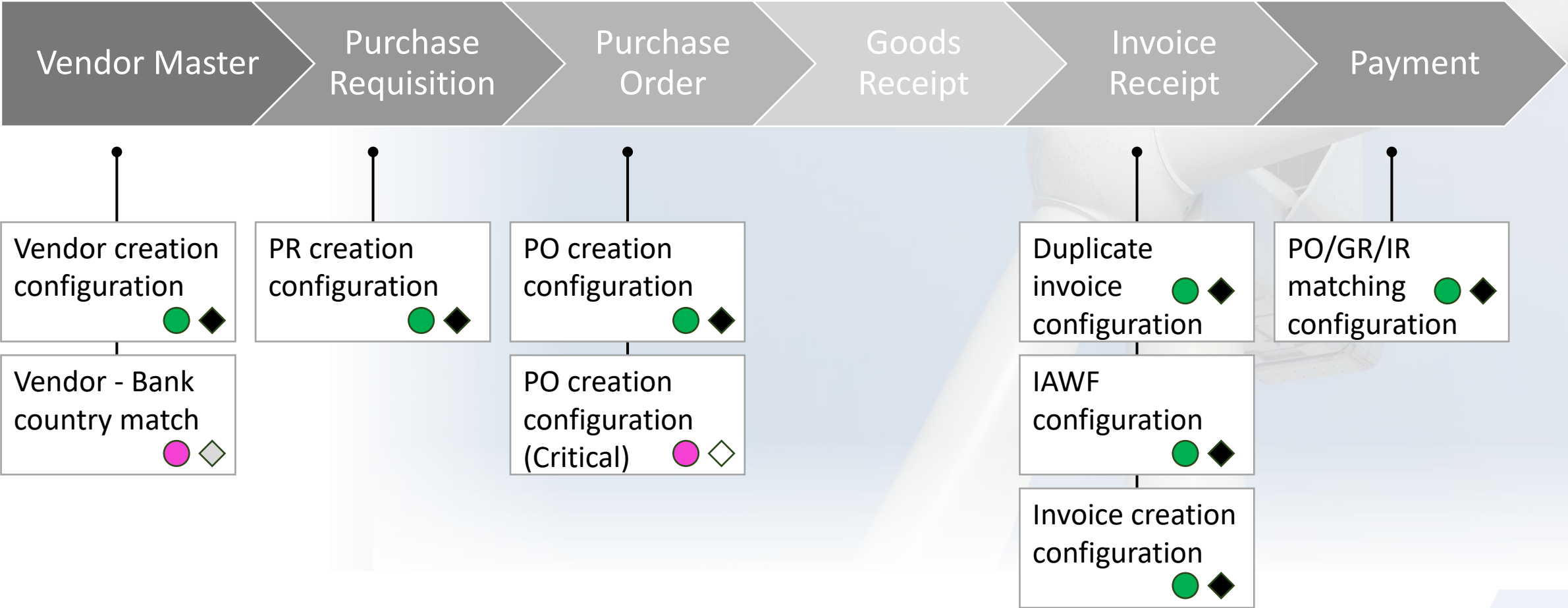


CCM Frequency: Quarterly

# Continuous Control Monitoring (CCMs)

What controls we monitor in P2P process?

CCM Type	Data Source Type
● Change Log Check	◆ Configuration
● Value Check	◇ Master Data
	◇ Transactional Data

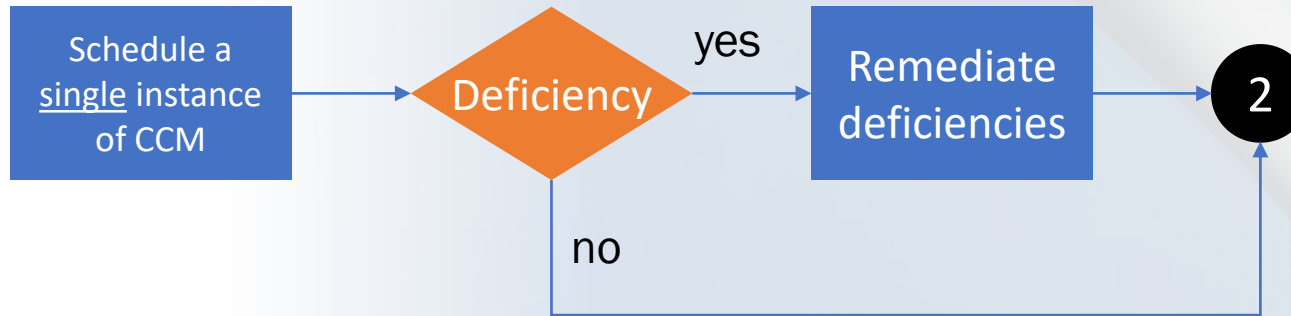




# Continuous Control Monitoring (CCMs)

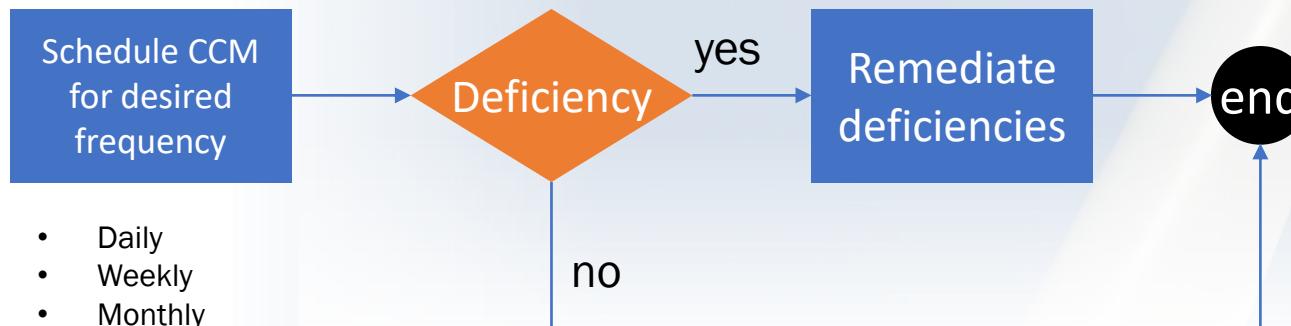
1

Fix the base



2

Manage new deficiencies by exception



Allow sufficient time to fix the INITIAL deficiency in your application controls.

Avoid generating unnecessary alerts generated by the same foundational deficiency that will overwhelm the control performer.

## Reporting & Compliance Dashboard: Control timeliness

Select control period  
Jun, 2022

**Key figures:**  
(Count)

**1,168** No of controls for

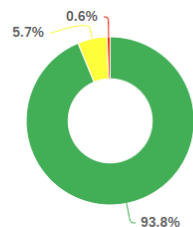
**1,095** Submitted

**66** Submitted but

**7** Not submitted

**-** Not yet due

### Control timeliness



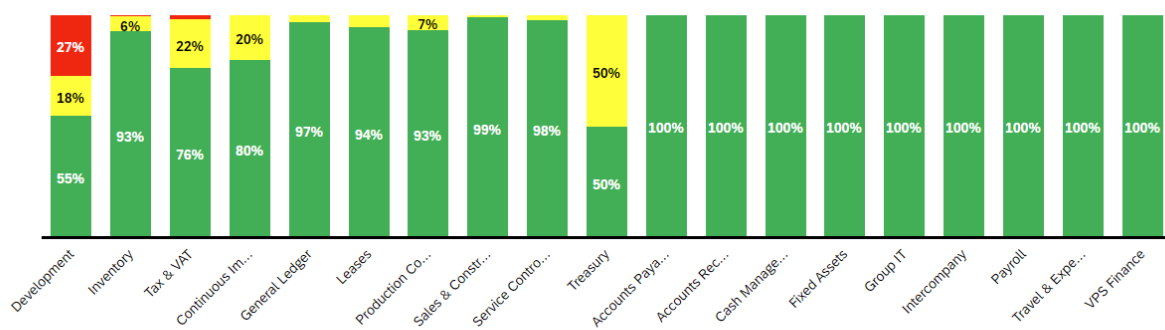
### Not submitted and overdue controls



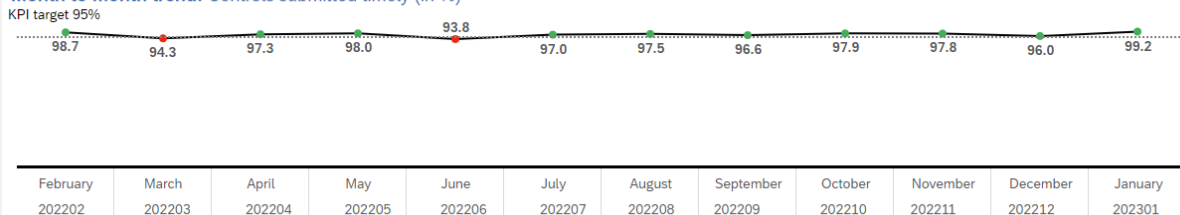
### Control timeliness definition

- Submitted** - Controls performed and submitted timely
- Submitted but overdue** - Controls performed but submitted after deadline
- Not submitted and overdue** - Controls are not performed and not submitted
- Not yet due** - Controls are not performed but not yet due

### Control timeliness per process area



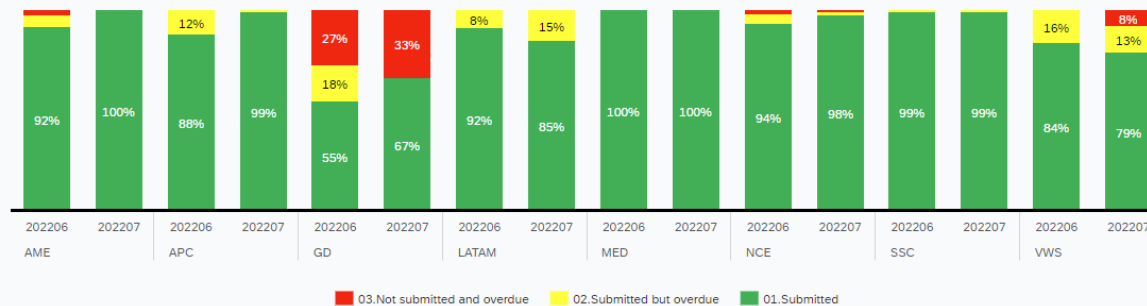
### Month to month trend: Controls submitted timely (in %)



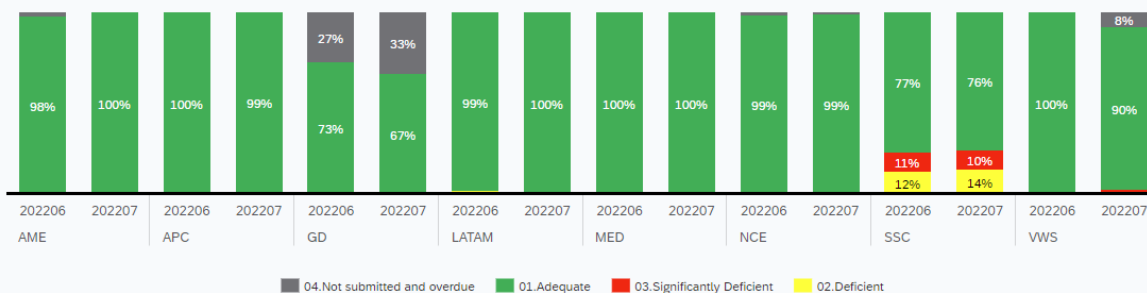
## Financial Controls Dashboard: Summary

This page provides an overview of control timeliness, self-assessment rating and issues and remediation plans

### Control timeliness per region



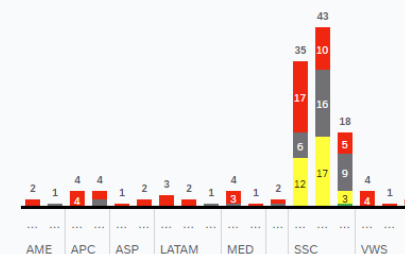
### Self-assessment rating per region



### Controls submitted timely

	202206		202207	
	Submitted %		Submitted %	
AME	92%	●	100%	●
APC	88%	●	99%	●
LATAM	92%	●	85%	●
MED	100%	●	100%	●
NCE	94%	●	98%	●

### Open control issues and remediation plans per region



# Wrap up

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- Change Management embedded in the solution.
- Outcomes
- Key Points to Take Home (Learnings)

# Change Management embedded in the solution.



Notifications & Reminders



- Awareness of due dates and scope of controls.

Escalations



- Enables manager to put focus overdue controls and highlights the relevancy.

Control & Test Forms



- Guides users on how to perform and test controls.

Monitoring Dashboards



- Supports dialogue around performance and risk areas.



# Outcomes

*A centralized control platform that supports the Financial Compliance agenda*



## Centralized Repository

- 5 Control Frameworks.
- 11000+ workflows per year.
- 100% controllers identified.



## Transparent

- 12 dashboards.
- Reminders & Notifications.



## Efficient

- 50% less admin work.



## Full Accountability

- 600+ assigned users.
- **99% control timeliness.**



## Audits

- 4 centralized & remote audits.
- **0 high & medium risk audit findings.**

# Key Points to Take Home

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- Simplify your processes, controls and operating model to ease adoption.
- Don't underestimate the change management effort.
- Change Management doesn't end at "Go-Live".
- Use the technology to drive change.
- Fix deficiencies on first instance before scheduling CCMs.
- Consider the CCM type, sometimes is easier to monitor the output of an application control, than the application control itself.

# Where to Find More Information

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- SAPinsider.org
- <http://help.sap.com>
  - Follow Product Hierarchy > Supply Chain Management > SAP Extended Warehouse Management > SAP Extended Warehouse Management (SAP EWM)

# Thank you! Questions?

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**Diego Allera**

Business Digital Transformation  
Leader - Finance - GRC - Process Min...



Please remember to complete  
your session evaluation.



# SAPinsider



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