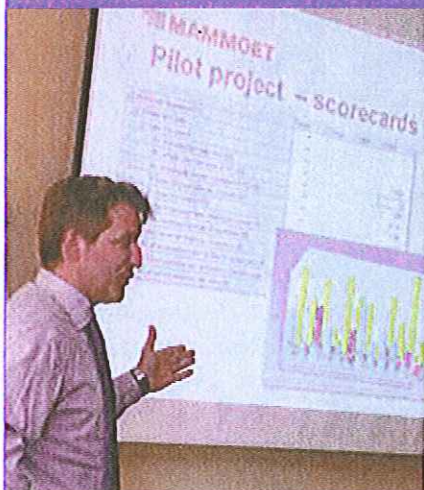


Case study: Mammoet

KCI scorecard monitoring at Mammoet



Mammoet:
 "Continuous monitoring using scorecards and underlying details provide us insight into whether actual SAP usage deviates from agreed processes and internal control requirements"

Introduction Mammoet

Mammoet is a global company delivering heavy lifting and transportation services in almost every part of the world. The activities related to these services are very similar for each of the Mammoet entities. Mammoet has therefore designed common processes that are supported by a single instance SAP system. Due to the relatively small size of the Mammoet organisation, monitoring was mostly done in an informal way.

The need for monitoring

The global SAP environment supporting the standardised processes has been in place for a number of years. Although

monitoring at the more informal level functioned well previously, Mammoet realised that a rapidly growing organisation creates many difficulties in obtaining a clear insight into whether the actual usage of SAP deviates from agreed processes and whether the usage meets all the requirements of internal control. In 2007, Mammoet decided to implement a formal SAP monitoring function that was to perform monitoring of SAP processes and internal control using automated tools.

Pilot project

To prevent the launch of a full end-to-end project without a solid basis for the SAP monitoring function, Mammoet decided to start with a relatively small pilot project. The pilot, that was performed in about 15 days, with support from KPMG, gave the opportunity to obtain quick insight into the key areas of concern (such as the timely billing of projects and open items long overdue).

In addition the pilot provided a way to get used to working with tool-based monitoring of Key Control Indicators (KCIs). These are indicators providing insight in the operating effectiveness of internal controls related to SAP. The pilot project was performed using the "Synaxion GRC & BPM" tool. Based on the results of the pilot, Mammoet decided to continue with implementing the monitoring function.

Implementation of KCIs

At the end of 2007, Mammoet started the project for implementing continuous monitoring. A process and risk analysis was performed to define the relevant risk areas for high priority monitoring. Based on their key controls for each risk area, Mammoet defined a set of KCIs. Typical examples are:

- Open items long overdue on interim accounts
- Financial postings with a posting date 45 days before or after entry date
- Large differences between invoice amount and purchase order amount
- Open sales orders not billed
- Projects with re-opened structure breakdown elements

The selected KCIs were implemented in the Synaxion system, allowing the organisation to monitor these KCIs by using an automated scorecard including drill-down to underlying detailed results.

Think big, start small

The key to continuous monitoring is to start in a relatively simple manner, enabling the business to get used to this way of working. A 'simple' approach means that Mammoet started with approximately 30 regular KCIs within a number of common processes such as Purchasing, Sales & Projects and Finance. In addition, KCI monitoring was initially only performed by Mammoet Netherlands. In the coming months and years, new KCI's and organisational entities will be added to the continuous monitoring structure.

Business advantages

Continuous monitoring using the scorecards and underlying details provides Mammoet with insight into whether the actual SAP usage deviates from the agreed upon process and internal control requirements. Using this information, Mammoet can provide timely follow-up on possible issues, ensuring that it is 'in control' of its business.