TURNKEY

JTI

Business profile

Japan Tobacco International (JTI) is a global tobacco company with over 26,000 employees and operations in 120 countries. Their aim is clear: to be the most successful and responsible tobacco company in the world. JTI's global flagship brands include Winston, Camel, Mevius, LD. Their scale of operation is impressive, with several different products sold in numerous locations through a number of distributor and warehouse locations. They are the world's third largest international tobacco company.

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JEAN-LUC TURIN,
GLOBAL SAP SECURITY DIRECTOR

Turnkey Consulting implements an integrated risk management platform for a global tobacco company, using SAP GRC Process Controls

Challenge

The tobacco industry is heavily regulated and JTI takes its compliance responsibilities very seriously. The business has invested in SAP systems over many years, giving them the benefit of a robust corporate management platform. JTI's risks and controls were documented and managed through a single repository database – SharePoint – but the control framework was outgrowing SharePoint's size and functionality.
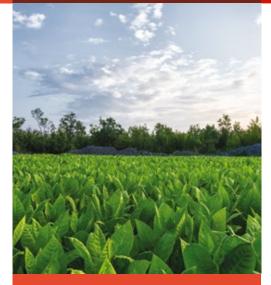
"There was also a lack of understanding from the SAP Security side of the asset controls and compliance process. Within Security there isn't really the knowledge of what the compliance requirements are, how we write the assessment cycles and how these controls are audited. There was a disconnect between the business requirements and what needed to be configured in the system," explains Jean-Luc Turin, Global SAP Security Director at JTI.

JTI operates a very large set of business process controls – around 4500 of them – plus a subset of fundamental IT controls for 13 applications. All of these have a significant impact on JTI's financial statements, which are closely regulated by the Japanese Government through JSOX and which must be managed and reported as part of the regulatory compliance. The JSOX regulations cover 66% of JTIs assets and revenue, which equates to their 5 largest legal entities.

Solution

JTI chose to implement SAP GRC Process Controls as the first step in a long-term corporate plan to invest in an end-to-end risk management system. The aim was

to achieve a solid platform they could build on with greater visibility, improved compliance management and automated workflows in the future.

Turnkey Consulting was appointed to deliver the implementation of SAP GRC Process Controls. *"Turnkey is one of the leaders in the GRC market in terms of knowledge and technical capability. We know that SAP sometimes refers to them when they have a problem, so we took the best,"* says Turin.

A robust solution

SAP GRC Process Controls was deployed to utilise its strengths as a central controls and compliance management tool. The solution aims to provide a one-stop shop with greater visibility over control design and operating effectiveness, with automated workflow being used to engage the necessary stakeholders as required, and as a stepping stone for controls automation. The Controls Repository within SAP GRC Process Controls manages their 4500 controls. These are broken down into two fundamental categories: business process controls, and IT controls. The IT controls are used as assurance that the company has appropriate processes and procedures in place to control IT activities, such as Access Provisioning.

Process Controls must also deliver the functionality needed to meet all the assessment cycle requirements, providing reports and dashboards for management and auditors.

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>
> **JEAN-LUC TURIN**, GLOBAL SAP SECURITY DIRECTOR

Transitioning to Process Controls

A significant challenge was mapping JTI's existing compliance framework – SharePoint - into Process Controls, as these structures were built very differently within the two tools. In order for Turnkey Consulting to implement a successful solution they had to explore several different approaches and push the boundaries of the tool. It also required JTI staff to accept new ways of managing their master data.

"It was a challenge, we were used to doing things differently before, but SAP is structured for the enterprise and there's a process there. The argument I use is that SAP has steadied the process and it is best practise, but it takes time for the business to come to terms with the fact that they are going to have to do things slightly differently," say Turin.

Benefits

- **Robust process controls platform**: the system has been designed and built to be reliable, secure and scalable, with central management of risk and control master data.

- **Integrated risk management**: SAP GRC Process Controls enables JTI to develop their long-term goal of implementing end-to-end integrated risk management across the organisation, and provides a central point of reference for all regulatory compliance reporting.

- **Key functionality maintained**: the previous system had some automated workflows which JTI needed to continue and build upon. JTI now has extended workflows for control assessment processes.

- **Bringing people together**: the implementation relied on a great number of people from across the business. *"This is a highlight to me. You can't run a project like this and complete it on time without having the commitment of all the parties involved. The contribution of the business has been outstanding,"* says Turin.

- **Enhanced end user experience**: the new system is expected to greatly facilitate the running of the yearly compliance cycles, including campaigns and managing the exceptions to control compliance.

Summary

"Our relationship is very good. Turnkey follows up and they are very flexible in their approach when advising us, even when off the project."
Jean-Luc Turin, Global SAP Security Director

"Their availability and flexibility were key, and all Turnkey Consultants were very personable people who you can have a normal conversation with. They would help get to the bottom of issues and then identify a resolution."
Ian Upton, SAP Security Operations Lead, JTI

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