

RISK Workshop 3

strategic

Existing Risk													
Number	Risk Title	Risk Description	Risk Category	Risk Causes	Severity	Point	Probability	Class	Losses	Duration	Mitigation or	Needed Mitigation or Anticipation Tools	Plans
1	Application support	Internal / external	operational	Lack of support in error cases / development	56	50	Red	<p>Can we calculate an estimated eur/day/hour loss if eg maxflow unavailable or easy archive not available? What are the other most critical applications? Customer satisfaction might collapse.</p> <p>Lost working time Lost cash discounts Additional working time afterwards - additional inquires from vendors, and the internal customers why invoice not paid or posted Lost employee satisfaction</p>	<p>As long as the problem is not fixed + possible weeks afterwards Additional work when testing that the problem is properly fixed Additional work after the problem has been fixed - when trying to clean the backlog. Backlog = normal backlog + additional inquires from vendors, and the internal customers why invoice not paid or posted How to build back the customer satisfaction?</p>	Existing follow-up in IM - no information to the case SSC	<p>Follow number of personnel in IM by application Budget in IM / Application support Ask IM to prepare and send summary of incident follow-ups for the case SSC relevant applications - number of tickets / frequency/ time to solve / severity When issues happen, eg electronic archive or invoice processing system is not working - estimate how many working hours are lost - how many people are without work - and send this followup to IM</p>	<p>Finetune and inform about process how to report issues with applications Better development processes to avoid issues - better and more active testing procedures? To avoid errors in eg SAP support package upgrade</p>	

2	Number of transactions	* Volumes going down ==> impacts work load and need of FTEs * Volumes going up ==> impacts work load and need of FTEs * Case SSC Profitability vs. Costs * Imbalanced of regular work load	financial/operationa	Case organisation and market situation	50	54	Red	* capital * credibility * knowledge loss (loss of good employees) * outsourcing	* depending on market situation	* general volume follow-ups every month (per team and per process)	* reliable real time follow up (lead time, efficiency and volume) per employee * realistic budgeted figures from local companies vs. actual figures	* if we have the correct follow up we could better plan and balance workload between employees and teams * would lead to shorter reaction times * would lead to better results and customer satisfaction
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3 Overall System Risks	<p>General</p> <ul style="list-style-type: none"> * SAP down * SAP slow * Problems with SAP * Printers, phones, scanners, faxes * Servers * Interfaces * Firewalls * System e.g. SAP updates and changes impacting the case SSC * Software and hardware updates and changes * Hardware crashes * Network capacity * SAP capacity * Working hour system * Conference booking system <p>AP</p> <ul style="list-style-type: none"> * Invoice processing down, problems, slowness * Scanning softwares and hardware down, problems, slowness * Purchase invoice system down, problems, slowness * Archiving down, problems, slowness * Invoice document system down, problems, slowness * Non-Invoice problem * Local scanning * Servers * Capacity levels of software and hardware 	operational	Network problems, power problems, system resource problems etc...	56	52	Red	same comments as for Application support above + need to prioritize these? Most critical applications should have a faster reaction time- have the case SSC applications been given the correct priority?	What is "acceptable downtime"? What is not?	What is "acceptable downtime"? What is not?
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4	Documentation quality	<ul style="list-style-type: none"> * Always updated * Understandable and easy to utilize * Right language * Professional and harmonized structure * Easy access and availability (document system, intranet, own computer) * Owner and responsibility, back-up system 	operational	<ul style="list-style-type: none"> * Responsibility not clear enough * Unstructured way of documenting * Unclear routine of updating * Attitude towards the documenting system * documenting system - difficult to use 	24	56	Yellow	<p>Lost working time - takes to long to find out what to do</p> <p>Customer satisfaction and trust decrease</p> <p>VAT deduction errors</p> <p>Pay to much to vendors or employees</p>	Short term or several years	<p>Discussed in Development Discussion</p> <p>Superiors responsibility to follow-up</p> <p>Local company has approved the instructions</p>	Instructions to be checked / once a year		
5	Fire in the case SSC		hazard	Smoking, electrical devices	60	6	Yellow	See existing	See existing	See existing	See existing	See existing	See existing

6	Strike / Case SSC	operational	Union	48	30	Yellow	<p>Customer satisfaction might collapse</p> <p>Vendor trust, delivery delays</p> <p>Lost cash discounts</p> <p>Employees do not get their compensation for travelling</p> <p>Reporting not correct as costs have not been booked in time</p> <p>Overload / backlog / additional investigations and contacts from customers and vendors - also after strike</p>	Strike period and afterwards	Follow the news HR informs	<p>Create more detailed plans what to do in case of strike</p> <p>Plans for priority order, what to do in which order</p> <p>What kind of authorisations are needed (also with bank)</p> <p>Updated countryspecific documentation available</p>
7	Changes in volumes	strategic	Changes in market / production environment. Production move to China.	56	44	Yellow				

<p>8</p> <p>Is the case SSC having added value for the case organisation</p>	<p>Outsourcing / offshoring if not enough added value</p>	<p>strategic</p>	<p>Bad customer satisfaction / cost efficiency / not enough development</p>	<p>54</p>	<p>24</p>	<p>Yellow</p>	<p>Outsourcing is unlikely due to unharmonized processes. Offshoring could bring financial benefits but what about quality and development?</p>		<p>Maintaining and improving customer satisfaction, cost efficiency and quality. Adding value by developing processes and tools.</p>	<p>Centralizing whole end-to-end processes. Developing, optimizing and harmonizing globally.</p>	<p>P2P is a start? IM has defined processes for all divisions. Plans to harmonize?</p>
<p>9</p> <p>All companies are not following the global processes</p>	<p>Processes are not harmonised and take more time and resources</p>	<p>operational</p>	<p>Mistakes made in early process steps</p>	<p>40</p>	<p>64</p>	<p>Yellow</p>	<p>* capital * time * efficiency * development possibilities * advantages of harmonisation</p>	<p>* continuous * depending on attitude and local legal requirements</p>	<p>* none</p>	<p>* documentation and analysing of process within SSC</p>	<p>* establish a subproject to P2P with target to optimize and harmonize the process</p>

10	Lost early payment discounts		operational	Unefficient P-2-P	46	54	Yellow	* capital * credibility * quality	* continuous * depending on support and interest from local company * depending on discipline	CASHDISCOUNT (report on monthly level) * accountants prioritise vendors with early payment discounts	* better recognition software to decrease amount of "dummy" vendors * plan how to make the local company aware of the importance of the vendors (possible to "flag" vendors with early payment discounts?)
11	Wrong payments	Paid too much / too early	operational		50	40	Yellow	Financial losses.	Depending on if it's a one time human error or continuous system error.	Local approval before payment is done (accounting manual).	System check in order to avoid wrong payments. Strict corporate guidelines. System possibilities to be checked.

12	Organizational changes	<ul style="list-style-type: none"> * Causing insecurity * Requires time and causes inefficiencies * Training 	financial/operational	Continuous char	34	54	Yellow					
13	Rumours	<ul style="list-style-type: none"> * Women vs. men ratio * Exaggeration * Talking behind somebody's back 	hazard	Human nature	24	52	Yellow	Wrong information --> reduces employee satisfaction and work environment --> work efficiency	Continuous	Dr Feelgood Development discussions Other surveys	Improving surveys?	Information sessions Team meetings Open discussion with superior Ensure that right people in right positions Management training

14	Enviousness	* Coffee vs. cigarette breaks * Vacations * Positions, salaries	hazard	Human nature	20	54	Yellow	see above	see above	Dr Feelgood Development discussions Other surveys	Follow rules / inform about rules / ask help from HR Management training
15	Low employee satisfaction	Too much work, unbalanced work etc.	operational		50	48	Yellow	* knowledge (loss of good employees) * efficiency * development ideas * spirit	* depending on the root cause (e.g. too high or too low workload > short duration, attitude -> longer duration, more challenging to "fix")	* dr feelgood * development discussions	* better follow up on current volumes * better communication (e.g. if someone gives a development idea it should be given feedback how it proceeding, changes to be informed well in advance and to all at same time)

16	Data transfer	einvoices, bankstatements, payment files, electronic investment proposals	operational	Network problems, sender/receiver system problems, server crashes	60	48	Yellow	Financial losses if bank statements are not uploaded. Labour costs if bank statements/payments need to be handled manually.	Depending on case.	External bank statements: manual check by the case SSC. IHC-statements: Treasury monitors.	External bank statements: daily internal control to ensure all bank statements have been uploaded.	Request Treasury to create internal control or transfer the task to the case SSC.
17	Abuse/ Fraud - external	* Fake invoices * Abuse of travel receipts * Abuse of case organisation/ case SSC data and/or knowledge * Abuse of software and hardware * Abuse of the case organisations property * Abuse of trust	financial/operational	Human nature	48	42	Yellow	* capital * time * efficiency * trust, respect * credibility	* continuous	* awareness of fraud * approvalsystem		* fraud consultants?
18	Fraud by case SSC persons	persons make use of their authorizations and positions in order to gain	operational	authorisations / bad working combinations	56	22	Yellow	Financial losses.	Depending on the level of fraud.	ons. Split responsibilities.	Monitoring authorizations.	

19	Can we manage the development projects	New technologies / lack of support.	strategic		52	26	Yellow	<p>Lost development effort</p> <p>New functionalities does not work as expected --> lost working time</p> <p>More money spent than planned - higher budgets/costs</p> <p>Risk that does not start correct development projects in time or started to late - we do not have the correct tool or functionality when we would need them</p>	Long term	Case organisation project guidelines include risk management Project follow-up and participation in steering committees	End user satisfaction surveys	End-to end process thinking
20	Unclear decision making process	Who is deciding the end-to-end processes, targets etc.	strategic		36	50	Yellow	<p>Wrong decisions -</p> <p>Have to make new changed decisions - inefficient processes --> Conflicting or misleading instructions --> Lost working time, reduced employee satisfaction and work efficiency --> reduced customer satisfaction --> causes frustration in employees</p>	Long term	n/a	n/a	<p>Clear roles and responsibilities - define way or process for escalating issues found (=issues because of unclear decision making)</p> <p>Learning from mistakes and escalation high and wide enough</p>

21 Lack of end-to-end ownership in the case organisation	Who is deciding the end-to-end processes, targets etc.	strategic		40	52	Yellow	<ul style="list-style-type: none"> * capital * credibility * quality * efficiency * productivity * time * cooperation * competitive edge * discipline * development possibilities 	* continuous (depending on top management attitude and support)			
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<p>22 Training when new companies joining the case SSC</p>	<p>Case SSC + local + IM personnel</p>	<p>operational</p>		<p>40</p>	<p>50</p>	<p>Yellow</p>	<p>Worktime is lost, because of misunderstandings and correction of errors take lot of time Error risk increase, if the necessary checks or controls are not done by the local company Also possible double work - same things checked both by the case SSC and local company</p>	<p>Several years if no "audit" or no control or check is done</p>	<p>Migration steco?</p>	<p>See plans, followup of issues in excel?</p>	<p>Define process / inform on how to escalate or report that local companies might have not received enough training or using the wrong processes --> More training or visits can perhaps be arranged, to avoid that case SSC personnel has to "train" and "correct" in e-mail case by case Alternative new communication ways with local companies?</p>
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23 Lack of training concept in the case organisation	Training is concentrating on the system, not on the process	operational		40	56	Yellow	As above + Work cannot be done efficiently and correctly Risk for errors and quality suffers Customer satisfaction and trust low	Several years if no "audit" or no control or check is done	Competence assessment, development discussion Newcomer training plan	Survey?	Motivate people to share knowledge Plans for how to train and inform about new things - things that should be done differently than before or new features in system How to share tips and tricks Plans for training for new skills needed
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24 Health	<ul style="list-style-type: none"> * Burnout * Sick leaves * Accidents * Epidemics * Drug abuse 	financial/operationa	<ul style="list-style-type: none"> * Personal * Work load * Epidemics 	54	44	Yellow	Financial losses due to absences. Long absences may cause snowball effect i.e. workload gets too heavy.	Depending on the case.	<p>Health checks, health care related projects , company supports different kind of clubs and sport activities.</p> <p>Support for alcohol/drug abuse.</p> <p>Vaccinations.</p> <p>Preventive actions for accidents.</p> <p>TYKY.</p>	How to handle alcohol/drug abuse and other sensitive matters.	
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25	Back up	<ul style="list-style-type: none"> * The back up person's knowledge of back up tasks * Authorization to back up person's tasks. It is not automatic, it needs to be set manually. * Work load of back up person * Availability of back up person/s * Willingness * Task (e.g. Company specific) specific documentation * Being back up for many companies/ persons 	operational	Responsibility attitude and continuous changes	50	48	Yellow	<ul style="list-style-type: none"> * capital * credibility * knowledge * quality * efficiency 	* short duration but frequently	<ul style="list-style-type: none"> * back-up plan * company specific instructions 	* better back-up system
26	Document security	Documents can be stolen	operational	Industry spy, competitor, other visitor	44	30	Green				
27	Strike /other case organisation		operational	Unions	36	30	Green				
28	Strike / External	Logistics services, vendors	operational	Unions	32	36	Green				

29 False postings	Wrong amounts / currencies => wrong Period end result	financial/operationa l	Human mistakes	46	42	Green					
30 Office security	<ul style="list-style-type: none"> * Loss of office supplies * Lack of proper and enough office supplies (e.g. copy paper, copy machine ink) * Locks and security alarms * Computers * Documents * External persons in the Office * Doors left open * Kitchen hardware 	financial/operationa	<ul style="list-style-type: none"> * Human nature * Lack of planning and coordination 	36	40	Green					

31	Working environment	<ul style="list-style-type: none"> * Open office (e.g. noise) * Allergies e.g. dust * Air conditioning * Lights * Ergonomics * Meeting rooms * Equipments * Comfortableness * Spices * Handicap friendly 	operational	Lack of planning	32	40	Green				
32	Too high / low employee turnover	Disturbance if new persons need to be trained	operational	New SSCs in same location / Finland	38	42	Green				
33	Language skills missing	Some special skills needed e.g. Japanese	operational	New SSCs in same location / Finland	28	30	Green				
34	Lack of resources with special skills	Other companies can offer better benefits	strategic/operational	No salary increases in the case organisation	34	36	Green				

35 Management issues	<ul style="list-style-type: none"> * Sick leaves * Management/ Manager changes * Wrong person in wrong place/ position * Management skills and know-how * Cooperation and communication 	financial/operationa	<ul style="list-style-type: none"> * Personal * Work load * Epidemics 	38	32	Green					
36 SAP Releases	New releases may cause system failures or down times	operational	Lack in testing before making the release	42	38	Green					

37	Communication	<ul style="list-style-type: none"> * Mails * Correct receiver * Correct content * Incorrect language * Content interpretation * Communication overload (e-mail, communicator, etc) * Filtering information * Communication know-how * In time and fair communication * Terms and terminology * One face towards suppliers and customers 	strategic/operationa	<ul style="list-style-type: none"> * Unclear rules, policies and guidelines * Human competence 	30	44	Green				
38	Can we manage the new processes /steps	Top management can give the case SSC "mission impossibles"	strategic		44	28	Green				
39	Several case SSC key persons are leaving at the same time	Case SSC knowledge is missing	strategic		48	30	Green				

40	Unclear FI/CO responsibilities	Co-operation cross divisions/companies/group accounting/treasury	strategic		38	48	Green					
41	New legal requirements	New laws	strategic		34	42	Green					
42	e-business	New requirements for systems, personnel	operational		22	46	Green					
43	Delays in migrations	Affecting the number of personnel etc.	operational		24	44	Green					
44	Failed development projects	Developments are not implemented, underestimated costs, overestimated benefits	operational		40	30	Green					
45	Funding missing for development projects	Lower development budgets	strategic		34	40	Green					

46	Not optimal size for the office	If no flexibility, costs can be too high or not enough office space. Might cause moving to other facilities.	operational		24	22	Green					
47	Knowledge and know-how	* Change of employees and/or change of tasks * Transferring intangible knowledge and know-how * Balancing the knowledge and know-how transfer * Right timing and training	operational	Knowledge and	40	38	Green					
48	Cultural diversity	* Different cultures, different	operational	Cultural differen	18	30	Green					
49	Salary office	* Salaries	financial/operational	* Manager forgets to approve hours * Problems at Sallary dpt * External resource provider mistakes	30	30	Green					

50	Authorization	* Right time and right authorization * Who has what kind of authorization *	operational	* Unclear rules and guidelines * Too many roles * Lack of planning and coordination	36	36	Green				
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