



UNITASK WHITE PAPER

THE CURE FOR COMPLIANCE:

SOLUTIONS FOR THE ORACLE E-BUSINESS SUITE

EXECUTIVE SUMMARY

COMPLIANCE HAS HAD A PROFOUND AND EXPENSIVE IMPACT ON THE ENTERPRISE. EVEN AS COMPLIANCE STRATEGIES HAVE EVOLVED, COMPANIES CAN DO MORE TO DECREASE THEIR COSTS WHILE INCREASING PRODUCTIVITY AND BUSINESS VALUE.

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IMPACT OF COMPLIANCE

Compliance has had a profound and expensive impact on the enterprise. In this paper, we will explore the three C's of compliance:

- Costs – How much has been spent on compliance, and how much more will be spent?
- Concepts – As your organization's compliance strategy matures, what should you look for?
- Cure – What solutions on the market today will prove the most beneficial?

THE COST OF COMPLIANCE

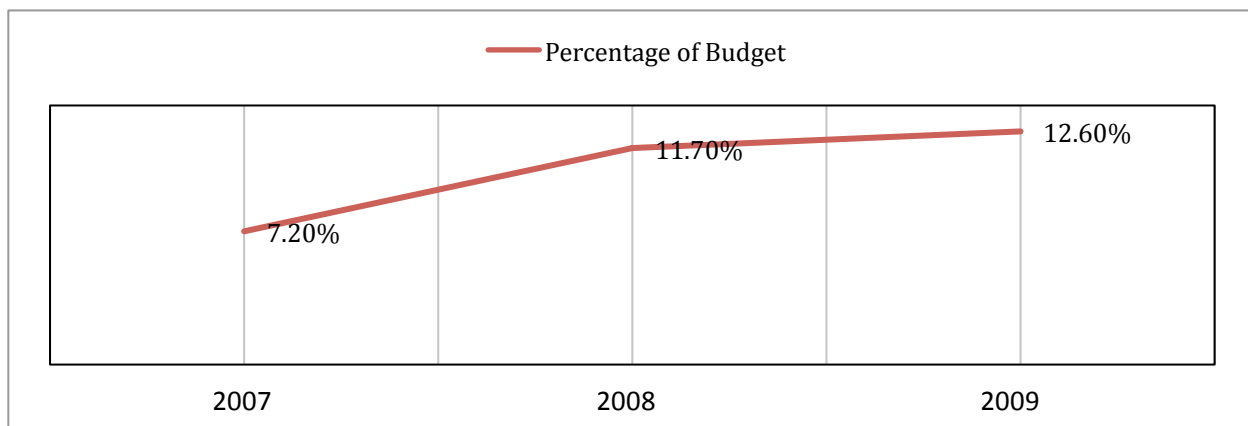
According to AMR, which has been tracking Sarbanes-Oxley spending since 2003, SOX spending alone will likely account for about 20 percent of overall compliance, governance, and risk management spending. Between 2006 and 2007, the project rise was 8.5%, totaling \$29.9 billion.¹

In addition, fees paid to outside auditors have increased by 74% since SOX was introduced in 2002.²

An annual survey by Finance Executives International found that companies who had average revenues of 4.7 billion were spending up to 11,000 internal man-hours to comply with Section 404 of the SOX mandate alone.³

Forrester, in their *State of the Enterprise, IT Security 2008 – 2009 Report* estimates that despite shrinking IT budgets, the spend on security and compliance initiatives continues to increase.⁴

REPORTED SPENDING INCREASES:



The fact of the matter is that compliance, regardless how it is measured, is costly. However, there are ways to mitigate both the current and future costs of compliance – for both SOX and other regulations.

¹ Goldstein, Matthew. *Sarbanes-Oxley spending seen at \$6 billion in 2007*. Reuters, 22 February 2007.

² Ghosh, Alok and Pawlewicz, Robert J., *The Impact of Regulation on Auditor Fees: Evidence from the Sarbanes-Oxley Act* February 2008.

³ FEI Survey: Average 2007 SOX Compliance Cost \$1.7 Million

⁴ Forrester Research: *State of the Enterprise, IT Security 2008 – 2009 Report*

THE CONCEPT OF COMPLIANCE

From the beginning, organizations wrestled with the SOX mandate. Deadlines loomed. Control was lacking. Chaos was the order of the day. To make matters worse, organizations were facing similar issues and deadlines for many other regulations.

In order to cross the compliance finish line on time, organizations focused on the path of least resistance – that is, rather than trying to automate the process, they created a myriad of spreadsheets for each specific regulation – which were intended to perform two key compliance objectives:

- 1) Provide a means to define each risk and control required to prove compliance
- 2) Track, on a regular basis, the organization's effectiveness against each of these risks

While the actual number of controls that an organization must track against varies, the number is indisputably large. When multiplied by the number of times per year that a control must be verified, the individual verification processes can number in the thousands. Moreover, this effort is oftentimes duplicated because other regulations may require similar process tracking.

It's this verification work (and duplicated verification work) that contributes dramatically to the overall complexity and cost of compliance. At the end of the process, an organization may have successfully complied with SOX, but it is left with a staggering number of spreadsheets and an equal amount of costly, manual process that must be repeated on a regular basis.

THE ROLE OF ERP

The availability of an ERP system can eliminate some of the manual processes. ERP systems such as the Oracle E-Business Suite can create reports to run on a regular basis to pull much of the needed information. For example, the Oracle E-Business Suite might produce a report detailing a subset of order information, including the person placing the order, the approver and the payment approver. While this may save some time, a resource must still, on a regularly scheduled basis, manually reconcile this information against the controls for each regulation to ensure there are no violations.

Once the reconciliation is complete, this resource must generate the reports required to prove compliance. At this point, a technically savvy business person might suggest that the Oracle E-Business Suite would be the ideal location to build the logic required to perform the comparison and generate the final audit reports. Because of the repetitive nature of this comparison activity, it does make a great deal of sense to invest in a technology to automate this task.

However, despite the ERP system's undisputable role, it cannot provide a complete solution. Even as enterprise compliance strategies mature, regulations may change. The strong correlation between the maturity of a company's internal controls and the effective use of enabling technology indicates that scalable, flexible solutions are more important than ever.

Transformation of control environment to focus less on manual controls and integration of SOX into a broader, more holistic view of business risk will be key for companies seeking to lower costs.⁵ Organizations using Oracle E-Business Suite should seek to enhance functionality without sacrificing the vanilla nature of the Oracle Applications environment.

⁵ FEI: *New Report Highlights Opportunities for SOX Optimization*. November 2008.

THE CURE FOR COMPLIANCE

The cure for any compliance strategy is to go beyond simple, dedicated compliance solutions. Just as hiring managers look for workers whose skills translate across departments, IT organizations should seek solutions that perform in both the compliance realm and across the enterprise.

SOLUTIONS FOR COMPLIANCE AND BEYOND

A true solution provides real cost reductions, while eliminating risks and accelerating time to value. Unitask Software provides such a solution thus facilitating organizations so that they may speed deployment and eliminate custom programming by relying on proven systematic products and solutions for extending, enhancing, interfacing and migrating change within the Oracle E-Business Suite

Best practice implementations for corporate compliance dictate that systems be implemented that constantly monitor activity data for analysis and reporting. Unitask facilitates the ability to maintain positive compliance by reducing the “time to information” and its dissemination from a raw data stage. Time to information is critical – time to data is not.

Unitask products ensure 100% compatible enhancements to forms and data models and do not require deep technical knowledge.

MIGRATION DIRECTOR

Unitask’s Migration Director for Oracle E-Business delivers a scalable, high performance migration solution across the Enterprise. With immediate support for Oracle EBS version 11i and R12, Migration Director delivers the ability to quickly and efficiently promote required object changes between Oracle instances and does so with simplicity and intelligence.

From a compliance perspective, Migration Director migrates AOL and setup objects from a source instance to a target instance, and it logs who moved which items to production for auditing purposes. Organizations can reduce the time to compliance and the associated effort. Unitask can even import existing compliance spreadsheets.

FEATURES

- Migrate objects quickly and accurately
- Tracking and control
- Integrate with version control systems

BENEFITS

- Higher application uptime and availability
- Reduce operational burden and expenses
- Increased compliance to meet industry requirements
- Extendibility into existing ALM Infrastructures



OUTPUT DIRECTOR

Despite the persistence of the idea of a paperless office, the realities of audits will continue to require a paper trail.

Unitask's Output Director allows users to print to any printer accessible by their computer, including non-desktop printers, thus increasing user productivity and data security. Installed centrally by the Oracle E-Business Suite administrator, Output Director requires no end-user intervention or administration, providing simplicity, efficiency and productivity.

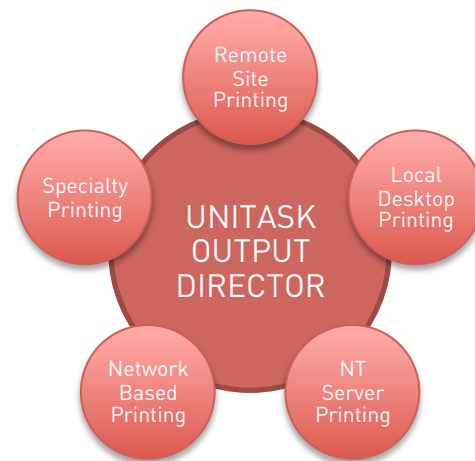
Output Director ensures confidential information can be printed locally as opposed to a central print location where access to information can be compromised.

FEATURES

- Securely print Oracle E-Business Suite reports
- Print to specialty printers
- Preview, click and print simplicity
- Transparent to the user

BENEFITS

- Increase end-user satisfaction
- Meet project deadlines
- Supports telecommuting
- Maximize investments



THE COMPLIANCE CONCLUSION

Compliance, not just SOX compliance, is here to stay. Smart organizations are moving from phase one of compliance, characterized by manual effort, mountains of spreadsheets and repetitive consulting support, to phase two, the selection and implementation solutions to simplify and automate the effort, reduce the cost and achieve compliance for all regulations from a single platform and bring additional business value.

In looking for any compliance solution, be sure you consider:

- Operating in your environment, particularly within the ERP system
- Supporting all the regulations that apply to the organization now or regulations that will apply to the organization in the future
- Offering the enterprise strength the organization needs in terms of worldwide locations, security, ease of use, reporting and dashboards

ABOUT UNITASK

Unitask is committed to helping organizations implement, manage and run their Oracle E-Business Suite. Unitask creates, sells and supports software products based on experience gained from over a decade of Oracle E-Business Suite implementation projects. Customers of the Oracle E-Business Suite around the world rely on Unitask products to eliminate implementation and operational risk, improve the quality of the application and accelerate time-to-value. For more information, please visit www.unitask.com.