Epicor

Governance, Risk, and Compliance

Inspiring business pathways to a secure, compliant, and sustainable enterprise.

Governance, Risk, and Compliance

Achieving visibility and effective controls within the enterprise can be a formidable challenge when many of the processes and procedures in place remain manual and fragmented. Effective Governance, Risk and Compliance (GRC) initiatives help companies, and their employees stay compliant, and ensure that employees and partners at all levels of the organization are aware of the associated risks of non-compliance.

GRC touches every person and every function in an organization in some way. Whether GRC becomes an intolerable burden that increases company overhead or an enabler of efficiency and success depends upon its actual, day-to-day impact on the employees' work and whether that impact is enabling or debilitating.


- ▶ Risk Management
- ▶ Security Management
- ▶ Corporate Governance

- ▶ Global Trade Compliance
- ▶ Environmental and Energy Management

Risk Management

Improved Data Governance and Protection with an Integrated Enterprise Solution

Expectations are rising among auditors, regulatory bodies, customers, and other stakeholders regarding the protection of corporate information against piracy, fraud, and sabotage concerns. Enterprise Resource Planning (ERP) systems control the majority of the information that could potentially be at risk.

It is not uncommon for companies to use multiple enterprise software solutions in different divisions or business entities. Additionally, they may be running multiple instances or copies of the same software, and have a variety of stand-alone or point solution applications—such as order entry or general ledger—that are not integrated, or at best minimally integrated. There may also be a variety of separate databases, tools, and spreadsheets used for reporting, all which may be generating different versions of the truth.
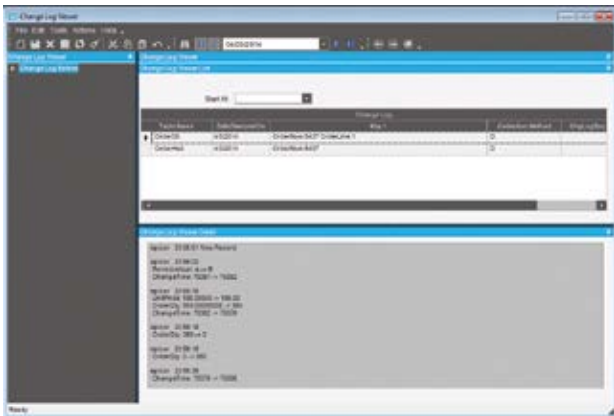
Automatically track changes with risk mitigation tools such as table and field level audit capabilities.

The only way to truly manage and mitigate risk across the organization is to have a fully integrated end-to-end solution providing your organization with one single, verifiable set of financial and operational metrics. Epicor GRC provides an integrated enterprise solution with built-in application-level risk mitigation tools and Business Process Management—providing audit trails and secure workflow automation, the key elements of data integrity and security. With the ability to generate a

complete audit trail of all changes made to the data, Epicor GRC records the who, what, when, and where of the change regardless of where the change originated. When potential security problems arise, the response must be instantaneous. Epicor provides automated alerting and BPM event capabilities to assist your organization by managing these situations in a timely and effective manner.

## Enterprise Performance Management

Many of the requirements for effective GRC programs involve accelerated disclosure of information to external entities. This requires companies to have better visibility of changes than they had in the past. Epicor GRC incorporates the ability to infuse business insight through Epicor EPM—a solution that supports overall risk management objectives by keeping users abreast of changes in the business. For example, Epicor EPM can be set up to alert management of the large credit exposure of one of their largest customers or can continuously monitor suppliers for adherence to contractual obligations and cost overruns on projects.

Cross-Organization Benefits of Integrated GRC Solution

The business environment today requires corporations to maintain very high standards of corporate governance and data protection. Most organizations realize that compliance with regulations that enforce these values actually makes good business sense, allowing them to reap the benefits of higher profitability, faster and more accurate reporting and increased levels of customer satisfaction. Epicor GRC allows organizations to embrace data governance and data protection strategies, help control risk, effectively handle regulatory compliance and ultimately drive business performance.

Security Management

Epicor GRC provides comprehensive user and group security to restrict data and application accessibility as needed. Security can be granted at user and group levels for all security objects including forms, fields, reports, menus, and method calls. Data tier security is also available for both tables and columns. There is also an option to use Microsoft Windows® Authentication to support a Windows single sign-on and password policy.
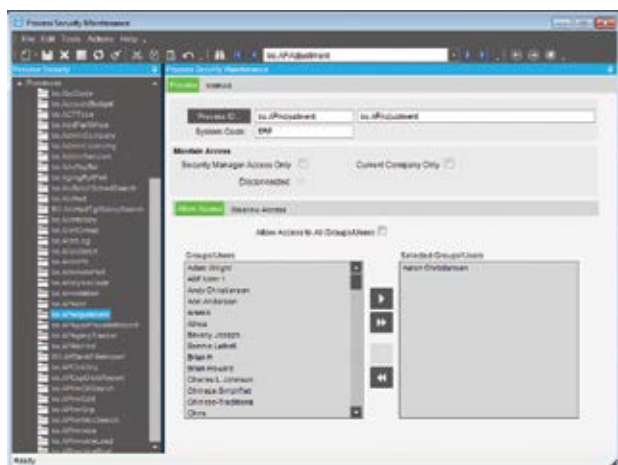
Epicor supports comprehensive management of user, process and data security settings.

Product Security

Product security includes protection to ensure that the application only allows use of modules and product variations that have been purchased and licensed.

Application Security

Application security ensures that the business logic protects the database from corruption by always ensuring that an update is valid, regardless of the source of the transaction. This is necessary in a service-based architecture since the business logic can be called from many environments including a desktop application, external web services, browser-based clients, and other smart devices.

Access Security

Access security verifies that whomever (or whatever) is attempting to access the application server is permitted to do so. This includes login security to the menu system either by entry of user ID and password, or via Windows Authentication, session security (same as login security) for application components that are run directly from the desktop or other non-menu areas, and services security through Epicor to ensure that an external system may access the business logic when allowed.

Business Security

Business security includes ensuring that individual users and groups of users have access to the business functions and data that they attempt to view or update.

Change Logs

Automated change logs capture changes as they happen, helping companies better manage the accuracy of data. This includes monitoring all changes to records (before and after values), who made those changes, and when those changes were made. Users are also prompted for audit notes of why changes have been made. You are also able to create notifications from change log events using Epicor Business Activity Management (BAM).

Audit Logs

A permanent audit trail of access and changes is the only way to validate what is actually happening and to monitor the preventive controls and processes intended to ensure transactional validity. The combination of preventive controls with continuous monitoring gives executives and auditors the confidence to attest to financial results and associated IT controls. Data audit logs support compliance with other regulations such as FDA Title 21 CFR Part 11, HIPAA, and Basel II to name a few of the more common regulatory requirements that companies face.

Automation Tool for Epicor

The Automation Tool for Epicor (ATE) can do everything your users can do in Epicor ERP and is a very efficient way to either run repetitive tasks that may differ only in the selection criteria or run tasks that need to be launched unattended. ATE can also be used to as part of your change management process to test the latest Epicor hotfixes using automated test scripts matched to your business activities and data. Industries that require software validation matched to intended results will benefit from this tool.

Credit Card Authorization and Encryption

Epicor credit card authorization used in conjunction with Epicor's network of global payment providers meet Payment Card Industry standards for data encryption and secure transmission and storage of sensitive financial credit card information.

Business Process Management

As the global regulatory environment grows ever more challenging for companies, it is becoming increasingly important to have embedded controls in your enterprise application so that your users can be more productive. Epicor GRC helps you move away from the management of day-to-day compliance by leveraging technology and optimizing operational efficiency. Epicor BPM in combination with Epicor Service Connect, allows you to identify risky processes to your organization and to effectively mitigate risk through business-defined workflows.

BPM and Service Connect essentially identify and improve processes to make your business more efficient, more disciplined, and better able to adapt to change. BPM is particularly important when it comes to the management of GRC internal controls, processes, and procedures. Many of today's businesses have already spent the time and effort to document and outline their business processes, some to meet strict regulatory and quality standards for their industry and others for improved business efficiency. Epicor incorporates BPM technology to enable organizations to automate, align and streamline business processes for continuous improvement and compliance with GRC guidelines.

BPM and Service Connect provide a framework for building GRC process-driven integration points that give companies seamless integration capabilities with other applications and businesses. BPM automates delivery of information to employees internal to your organization that are responsible for managing and monitoring internal controls. Service Connect logs workflow processing for both transactional integrity and compliancy. Service Connect processes are available for review and tracking while in progress or after the process completes.

Ensure transactional integrity and compliancy of data using Epicor BPM to manage hold and event actions.

Service Connect Workflows

Build and execute workflow throughout the system for your unique business rules.

Electronic Signature

Invoke and require electronic signature for processes with secure authorization and password.

Corporate Governance

The current business environment is simultaneously complex and increasingly regulated, which can challenge even the largest businesses to remain competitive in today's global markets. This fact is perhaps most important when it comes to financial control—which encompasses all aspects of the financial health of the organization. Epicor GRC helps control this risk— effectively enabling users to handle regulatory compliance and ultimately driving business performance by providing cross-organizational financial visibility and control over financial reporting, planning and forecasting processes.

Organizations are under increased pressure to file accurate financial results in a timely manner. While spreadsheets may have provided an adequate solution in the past, as reporting deadlines shrink and controls become more stringent, they will no longer be a viable option. Epicor GRC can help organizations meet these shortened deadlines in a variety of ways—from

consolidating financial information to providing drill-down and drill-across access from financial reports to transactional detail.

Bottom line, when companies adequately report, plan, budget, forecast, and periodically review and update budgets and forecasts, they exhibit a more mature level of internal control. A company that is unable to perform these functions well can play a major part in motivating financial fraud and not living up to the tenets of financial laws and legislation. Integrated enterprise software applications go a long way in helping organizations document their internal controls, remove manual processes, and achieve greater visibility to their financial data.

Epicor Financial Report Writer

A standard part of Epicor General Ledger, Epicor Financial Report Writer provides the ability to meet GRC reporting needs through comprehensive financial statement development, reporting and distribution, including publication out to a spreadsheet.

Financial Planner

Epicor Financial Planner is a comprehensive budgeting, forecasting, and planning tool that empowers and simplifies the entire ongoing process for organizations. Comprising a full Microsoft Excel front end it takes the parts of the budgeting process that people are used to without having to learn a new toolset and extending on this with functions such as spreading and pulling in actual ERP data. This intuitive interface sits on top of a secure SQL database that holds all of the budgeting information as well as controlling the defined workflow process for the business and security levels allocated to the budget users.

Advanced Financial Reporting

Epicor Advanced Financial Reporting (AFR) allows creation, management and viewing of financial data in a user friendly and easy to manage environment. Financial reports are different from other reports because each line has to be defined in terms of account ranges or sets for which a certain total needs to be calculated, versus other types of reports which do not require definitions of such complex groups. AFR simplifies report creation by exposing a user friendly interface which speaks with the user in financial terms without requiring familiarity with SQL query syntax or the database structure.

AFR creates reports using the elements familiar to an accountant or financial professional. These include spreadsheet terms such as Rows and Columns. It also provides an additional element of reporting hierarchy or trees allowing the viewer to generate the report for the area of the business which is their responsibility. Because the reports are parameter driven, the viewer can generate the report at any time by selecting the parameters of time, company, Book or organizational element as required without the need for intervention by the financial team. AFR helps organizations support GAAP, IFRS and Sarbanes-Oxley regulations.

Manage, report, and distribute financial information securely.

Global Trade Compliance

In order to conduct business globally, you need enterprise business software that enables compliance with local laws, satisfies international security measures and meets the myriad of local and regional documentation requirements. Epicor applications provide a comprehensive platform for managing these trade compliance necessities.

Global Trade Standards—Items

Epicor GRC allows for the definition of the global trade standards for items, such as UPC UCC-12, EAN UCC-13, EAN UCC-8, and GTIN-14. Application functionality allows for a global trade standard to apply to an item and in the process creates a global trade standard bar code which is able to be scanned on any part number field.

Landed Cost

Landed cost functionality offers significant benefits for customers who import or ship in materials either for resale or for use in manufacturing. The cost of freight, insurance and import duties can have a big impact on margins. This functionality allows businesses to track costs accurately against the parts to which they apply, ensuring that the selling or assembly price then reflects the true cost of the materials, parts or finished goods.

Country of Origin

Epicor GRC supports the needs of manufacturers and distributors by tracking Country of Origin, which supports the percent of Content by Country requirements that are needed for ISO extension in Europe.

RoHS/WEEE Compliance

The Restrictions of Hazardous Substances (RoHS) directive and Waste Electrical and Electronic Equipment directive (WEEE Directive) set collection, recycling and recovery targets for electrical goods and are primarily directives that affected all companies selling electronic equipment into the European Union (EU). Epicor GRC supports tracking the compliance status of parts in accordance with various legislative requirements while also tracking the ultimate consumption and disposal of those targeted parts to ensure the proper compliance with RoHS and WEEE directives.

Product Lifecycle Management

Epicor PLM serves as a central knowledge repository for process and product history, and promotes integration and data exchange among all enterprise users who interact with products. Epicor PLM offers integration with more than twelve CAD systems while managing all documentation associated with a product throughout its entire lifecycle. Additionally, Epicor PLM supports GRC initiatives through sophisticated document management, critical for those organizations that need excellent audit tracking and control of documentation across the enterprise, including support for RoHS.

International Shipping and Documentation

Epicor GRC supports integration with manifesting and international export shipment processing solutions, which provides for functionality to track hazardous material shipping for both domestic and international shipments. There is also support for international trade agreements such as NAFTA. Epicor GRC can also provide the harmonized tariff schedule (HTS) codes, which determine eligibility for preferential status under international trade agreements such as NAFTA, and print the necessary export documents as part of the international shipping process.
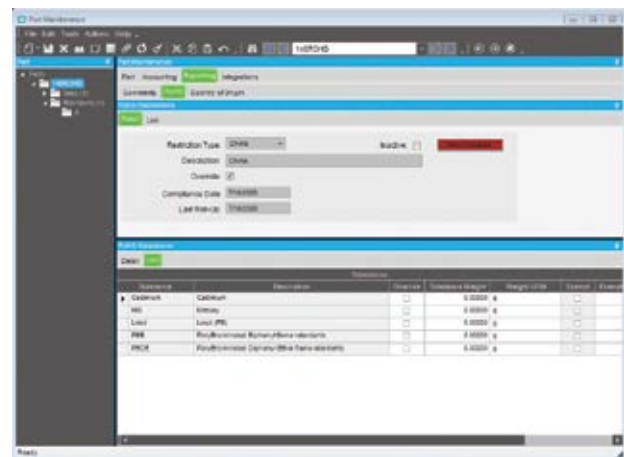
Track and manage compliance status of parts subject to international directives.

Quality Management

Industry and regulatory compliance requires three basic capabilities: process control, documentation and visibility. The Compliance & Audit solution, implemented in concert with Epicor Advanced Quality Management core capabilities, enables you to automate your business processes, share key information, provide process documentation, traceability, and track existing and potential issues through effective resolution. Epicor Advanced Quality Management provides audit trail visibility of inventory transactions occurring in inspection and

during discrepant material report (DMR) processing. Additionally, to help businesses manage compliance documentation such as Certificates of Analysis (COA), Certificates of Quality (COQ), or Certificates of Compliance, Epicor includes the ability to check for Certificates of Compliance at receiving of materials from suppliers, receiving of in-process parts from outside operation suppliers, and before shipping products to customers.

With planning to production coverage for quality, Epicor Advanced Quality Management puts companies in a constant state of compliance. Quality Performance Management provides turnkey support for ISO, automotive (TS), aerospace (AS), and FDA (cGMP, FDA 21 CFR Part 11).

Environmental and Energy Management

As the world continues to analyze energy availability and the long-term effects of climate change, businesses too are turning their attention to areas of opportunity—reduction of carbon emissions, energy conservation and supply chain sustainability. Despite the fact that government incentives in this area are still in their infancy, many businesses are finding that these initiatives go beyond simple good-citizenship to real business opportunities and bottom line savings that can contribute financial value to the organization while meeting demanding customer requirements.

In the near future, having the ability to maintain and track carbon emissions will become a much more strategic initiative within most organizations. While an emerging area of business, Epicor has many solutions that are targeted at environmental and energy management.

Companies will look to IT and software solutions to help them find opportunities to be better stewards of the environment and extend the tangible benefits of corporate social responsibility (CSR) through the extended supply chain. Some of the more notable areas that corporations are placing emphasis on when deciding on a path to good environmental and energy management surround strategic sourcing and procurement, logistics, application of lean principles, and virtualization.

Energy Monitoring

With Energy Monitoring from Epicor Mattec MES, you can solve even the most complicated energy use and planning problems. We help businesses reduce energy consumption and pinpoint energy savings opportunities right at the source–by monitoring energy use on equipment. It doesn't matter what your energy agenda or focus is, we can give you the power to achieve your goals; ISO 50001, ISO 14001, SEP, energy savings, environmental policies, sustainable practices, corporate citizenship, and social responsibility.
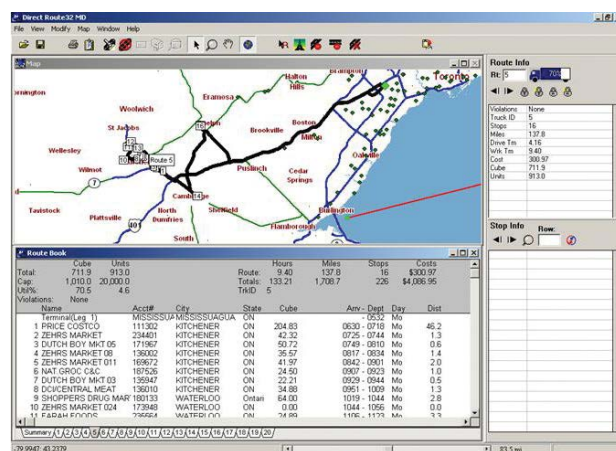
Ensure optimized delivery routes and lower miles traveled by your fleet, ultimately reducing costs and carbon emissions.

Logistics

Logistics software can manage the fastest distance from point to point; reduce fuel used and carbon emissions created during transport. Truck route optimization is at the heart of logistics benefit to CSR. The value of logistic applications is as simple as getting from point A to point B: optimized trucking and shipping routes mean less miles traveled, less miles traveled means less gas used by trucks, less gas used by trucks means less CO2 emissions. Epicor has strategic relationships with industry leading logistics providers such as Appian Logistics Software to support your needs for strong logistics management.

Lean Principles

One way for manufacturing and distribution based companies to enable supply chain sustainability across their extended organization is to implement and follow lean principles within their respective organizations. Epicor supports the underlying principles of lean manufacturing and distribution by enabling process improvement initiatives meant to build effectiveness and efficiency across the entire supply chain.

Virtualization

The introduction of virtualization technology into enterprise applications can lead to a significant reduction in energy consumption, as there are fewer physical servers to power, and less cooling is required to dissipate the heat these servers generate. Energy consumption is rapidly becoming a far from trivial issue for organizations. Epicor supports efforts to conserve energy by providing the delivery of enterprise applications through the use of virtualization technology.

About Epicor

Epicor Software Corporation drives business growth. We provide flexible, industry-specific software that is designed around the needs of our manufacturing, distribution, retail, and service industry customers. More than 40 years of experience with our customers' unique business processes and operational requirements is built into every solution—in the cloud, hosted, or on premises. With a deep understanding of your industry, Epicor solutions spur growth while managing complexity. The result is powerful solutions that free your resources so you can grow your business. For more information, connect with Epicor or visit www.epicor.com.

EPICOR.

Contact us for more information on Epicor Products and Services

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