

QPR Risk Management & Compliance Solution Overview

Choosing the right software to support your Risk Management and Regulatory Compliance initiative can be difficult. Spreadsheet software may work well for small-scale implementations. However, once more business units, functions and teams get involved and the number of risks that need to be addressed keeps growing, collecting, reformatting and maintaining all the information become an obstacle to effectively managing risk.

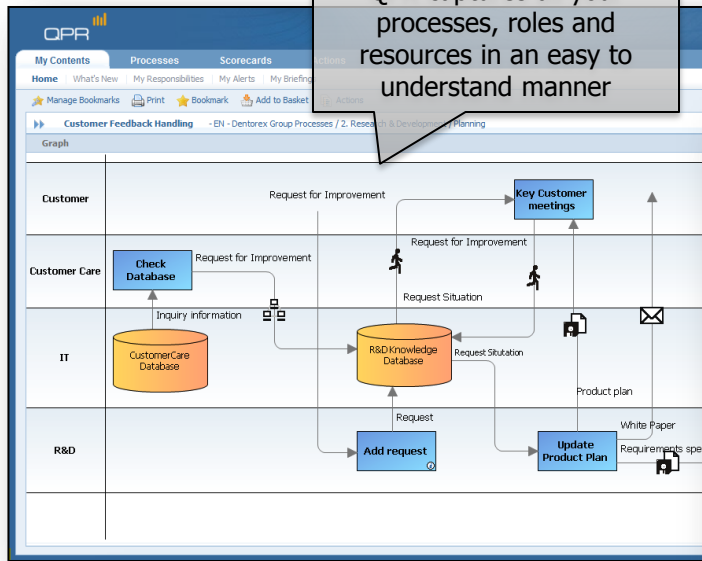
Success of course depends on more than just software. Expertise in standards and practices like COSO ERM, AS/NZS 4360, risk identification, assessment, and establishing a risk-aware culture do not come with a software package. Software however *does* play an important role in facilitating change, acceptance, participation, productivity, transparency, insight and decision making. This solution overview shortly explains how QPR addresses this for risk management and regulatory compliance purposes.

With QPR you choose a software that focuses on the people whose actions and decisions highly influence your exposure to risk: your business people. Our partners in over 50 countries across the globe help turn our offering into a complete solution by complementing it with implementation, consulting, training and support services.

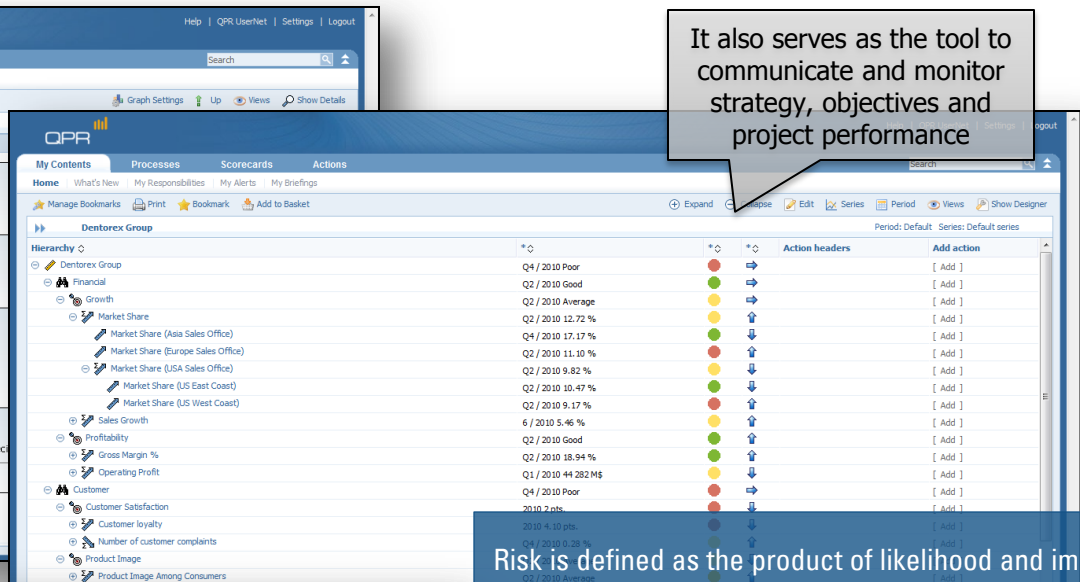
More than 1,500 organizations worldwide depend on QPR to support their effort to continually improve their operations and achieve their goals. All of them benefit from the ability to implement and role out fast...and many of them are awarded as the best among their peers.

QPR will help you make risk & compliance management an integrated part of managing your organization

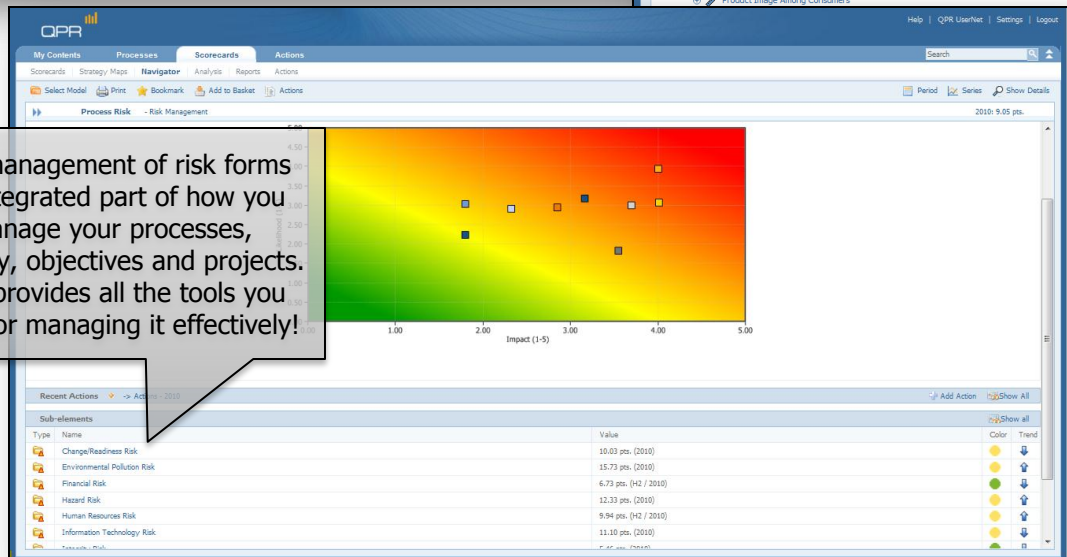
QPR captures all your processes, roles and resources in an easy to understand manner



It also serves as the tool to communicate and monitor strategy, objectives and project performance



The management of risk forms an integrated part of how you manage your processes, strategy, objectives and projects. QPR provides all the tools you need for managing it effectively!



Risk is defined as the product of likelihood and impact of an event that affects your organization. This includes your plans and objectives as well as your operations. Compliance focuses on how things are done in your organization, where non-compliance is often synonymous with risk, as in today's world non-compliance quickly results in an event that affects your organization, such as fines or restrictions.

Managing Risk and Compliance is therefore closely related with managing of your strategy, performance, projects and processes. With QPR you can integrate and support all these initiatives in a consistent, uniform manner, allowing you to make the management of risk and compliance truly an integrated part of managing your organization.

You will be more efficient and accurate in identifying risk by sharing the responsibility

Different roles will have different viewpoints on what constitutes as a risk. An IT manager for example will suggest different risks about your warehousing operations than a warehouse manager will. QPR allows you to engage and involve all your employees in the identification of risks. Users can suggest risks conveniently, by using online forms. This way, risk suggestions are attached to the performance objectives, projects and process maps they relate to, while the responsible managers are notified. From these suggestions your teams and risk management staff can create risk libraries, categorize them and assign responsibility for their assessment and monitoring.

The figure consists of two screenshots of a CRM system interface. The left screenshot displays a 'Request for Improvement' process flow diagram. It shows a sequence of steps: 'Check Customer' (blue box), 'Request for Improvement' (blue box), 'Request Situation' (blue box), 'Request for Improvement' (blue box), 'Request' (blue box), and 'Add Request' (blue box). There are also orange boxes for 'Customer Satisfaction' and 'Customer Satisfaction'. The right screenshot shows a 'New Order Delivery' dashboard. It features a gauge chart on the left, a bar chart on the right, and a table at the bottom. The bar chart shows data for 'New Order Delivery' across different categories. The table at the bottom lists various metrics and their values.

QPR Portal - Windows Internet Explorer

http://84.234.71.110/QPR81/Portal/qpr.dll?QPRPORTAL&*puasev&SES=t.9n7085pg3jLz&FMT=p&AT=1&PB=1&ST=1

Create Risk

Description

Header: Risk Suggestion: Customer churn due to delivery problems

Description: For the last months we have experienced problems with delivery. Deliveries are often late, damaged or even lost. This is affecting customer satisfaction with customers informing they will no longer purchase from us.

Impact: 2000000 €

Probability: %

Rating:

Impact: ... use at logistics partner, this is where the source of the

Categorization

Category: Internal process

Status: Proposed

Severity: Major

Publish To

☐ Users of linked elements

☐ Me only

☒ Everyone

☐ Selected users

☒ Notify via e-mail

Attachments

Linked to

On-time Delivery <Element>

Internet | Protected Mode: On

90%

QPR

Help | QPR UserNet | Settings | Logout

My Contents Processes Scorecards Actions Search

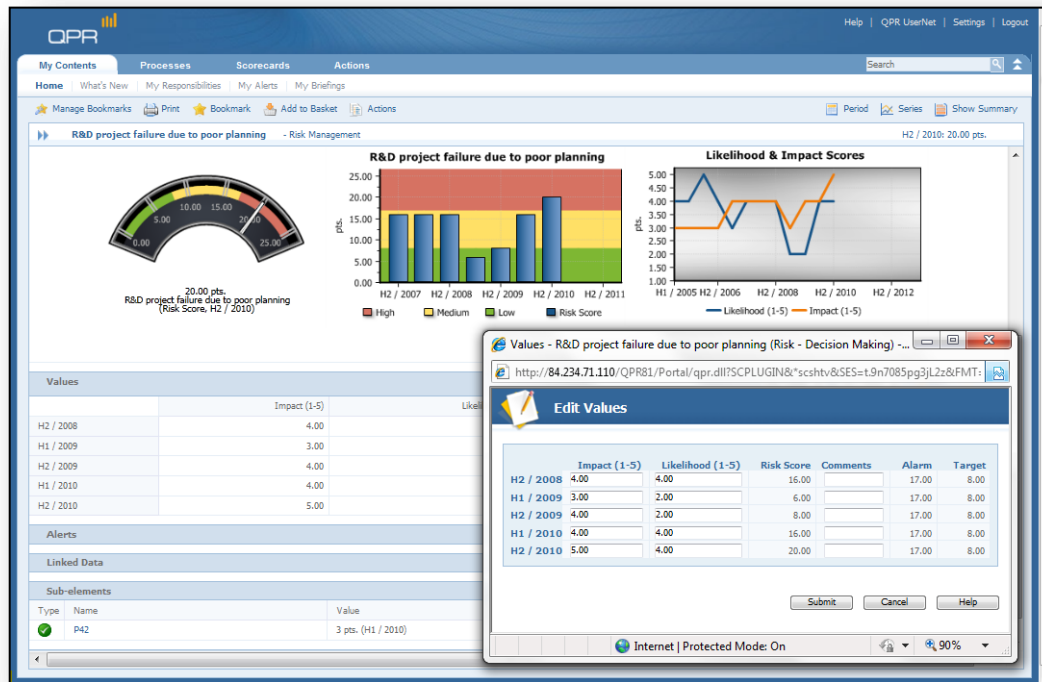
Home What's New My Responsibilities My Alerts My Briefings

Manage Bookmarks Print Bookmark Add to Basket Expand Collapse Views Show Designer

Hierarchy	Risk Type	Risk Owner
Accidents in warehouse	Hazard Risk	Warehouse Manager
Accidents on the production floor	Hazard Risk	Production Manager
Budget decisions based on incorrect information	Budgeting and Planning Risk	CFO
Budgets not aligned with strategic decisions	Strategy Alignment Risk	CFO
Competitors gaining market share by pricing tactics	Competitor Risk	VP of Marketing & Sales
Competitors gaining market share by product qualities	Competitor Risk	VP of Research & Development
Contract violations by distributors	Partnering Risk	VP of Marketing & Sales
Contract violations by suppliers	Partnering Risk	Purchasing Director
Customers seeking other forms of dental care	Customer Wants Risk	VP of Marketing & Sales
Customers seeking other forms of purchasing	Customer Wants Risk	VP of Marketing & Sales
Destruction of production infrastructure due to fire	Catastrophic Loss Risk	Production Manager
Employee unavailability due to wrong use of office equipment	Occupational Health Risk	Human Resources Manager
Environmental pollution due to fire	Environmental Pollution Risk	Production Manager
Environmental pollution due to improper storage	Environmental Pollution Risk	Warehouse Manager
Environmental pollution due to incorrect machine operation	Environmental Pollution Risk	Production Manager
Excess waste due to production errors	Environmental Pollution Risk	Production Manager
Financing decision based on incorrect information	Budgeting and Planning Risk	CFO
Financing decisions based on lacking information	Investment Evaluation Risk	CFO
Fire in office facilities	Hazard Risk	Production Manager
Fire in production facilities	Hazard Risk	Production Manager
High performing employees leaving the organization	Human Resources Risk	Human Resources Manager

Gather identified risks in risk libraries where you can categorize them and assign responsibility

You will achieve significant savings in time and effort related to processing and reporting risk assessments



The risk Detail View allows each risk owner to perform risk assessments conveniently online

Get insight in what risks require your immediate attention with automatic ranking and organizing of assessed risks

The screenshot displays the QPR Risk Management interface showing a detailed list of risks. The table includes columns for Risk, Period, Risk Score, and Add action. The risks are ranked by Risk Score, with the highest scores at the top.

Risk	Period	Risk Score	Add action
Lack of insight in current processes	2010	23.52 pts.	[Add]
Machine operation hazard	H2 / 2010	23.52 pts.	[Add]
Accidents on the production floor	H2 / 2010	22.56 pts.	[Add]
IT system penetration risk	2010	22.05 pts.	[Add]
Loss of operational capabilities due to epidemics	H2 / 2010	21.60 pts.	[Add]
Excess waste due to production errors	2010	21.56 €	[Add]
Budgets not aligned with strategic decisions	2010	21.00 pts.	[Add]
R&D project failure due to poor planning	H2 / 2010	20.00 pts.	[Add]
Production delays due to late deliveries	H2 / 2010	18.90 pts.	[Add]
Contract violations by distributors	H2 / 2010	18.24 pts.	[Add]
Environmental pollution due to incorrect machine operation	H1 / 2010	17.48 pts.	[Add]
Destruction of production infrastructure due to fire	H2 / 2010	17.28 pts.	[Add]
Late reporting of financial information	H2 / 2010	17.10 pts.	[Add]
Competitors gaining market share by product qualities	2010	16.80 pts.	[Add]
High performing employees leaving the organization	2010	16.38 pts.	[Add]
Fire in production facilities	2010	15.84 pts.	[Add]
Ineffective marketing investments due to misalignment with strategy	2010	15.54 pts.	[Add]
Poor marketing decisions due to lacking market information	H2 / 2010	15.36 pts.	[Add]
Financing decisions based on lacking information	H2 / 2010	14.96 pts.	[Add]
Pricing decisions without consulting customers	2010	14.40 pts.	[Add]
Competitors gaining market share by pricing tactics	H2 / 2010	14.00 pts.	[Add]
Reputation loss due to improper marketing	2010	13.80 pts.	[Add]
Environmental pollution due to improper storage	2010	13.65 pts.	[Add]
Employee unavailability due to wrong use of office equipment	H2 / 2010	13.23 pts.	[Add]
Environmental pollution due to fire	2010	12.30 pts.	[Add]
Inappropriate employee skill levels	H2 / 2010	12.24 pts.	[Add]
Regulatory reporting containing missing information	2010	12.00 pts.	[Add]
Unauthorized offers by sales personnel	2010	10.80 pts.	[Add]
Reporting of incorrect financials	H2 / 2010	9.90 pts.	[Add]
Mismatch between financing need and request	2010	9.90 pts.	[Add]
Financing decision based on incorrect information	H2 / 2010	9.80 pts.	[Add]
Regulatory reporting fraud	2010	9.66 pts.	[Add]

QPR allows you to schedule risk assessments periodically by the risk owners. Each responsible person or team can perform their risk assessment online, after which the QPR environment automatically takes care of the consolidations from team-level to corporate level and ranks the risks automatically from most critical to least.

Your top-level management team, function heads, project managers and process owners as well as risk management staff obtain clear insight as to which risks require immediate attention as risk rankings can be reported on corporate level, per business unit, function or team, by business process, by project etc.

You will be able to address risk in a transparent manner with all information logged for auditing purposes

QPR

Help | QPR UserNet | Settings | Logout

My Contents

Processes

Scorecards

Actions

Home

What's New

My Responsibilities

My Alerts

My Briefings

Manage Bookmarks

Print

Bookmark

Add to Basket

Edit

Series

Period

Export to Excel

Views

Show Designer

Risk Management

Period: Default Series: Default series

Risk		Add action	Action headers
Environmental pollution due to fire		[Add]	
Accidents on the production floor	22.56 pts.	[Add]	Control Activity - Accidents on the production floor
Improper invoicing by suppliers	4.76 pts.	[Add]	
Improper sales invoicing	9.02 pts.	[Add]	
Late or incorrect payments by customers	2.64 pts.	[Add]	

QPR Portal - riskmanagement - Windows Internet Explorer

http://84.234.71.110/QPR81/Portal/qpr.dll?QPRPORTAL&*prsid&SES=t.9n7085pg3jL2z&FMT=p&AID=1983543274&LAN=en%u002c1

Control Activity - Accidents on the p... - riskmanagement - 12/14/2010

Description

Our recommendations for mitigation:
1. Production floor personnel training program that covers machinery, working rules and hygiene
2. More frequent machinery maintenance schedule
3. Protective equipment for production floor personnel
=====

This has been assessed as a risk with high score. To start the mitigation process, please provide 3 recommendations to mitigate this risk

Progress: 50 %

Categorization

Category: Task
Status: In process

Linked to
Accidents on the production floor <Element>

Roles

Owner: Susan Chapman (susanc)
Assigned to: David Kimbell (davidk)
Approved by: Maria Lopez (marial)

Dates

Start date: 11/23/2009
Deadline: 12/29/2009
Date stamp: 11/23/2009

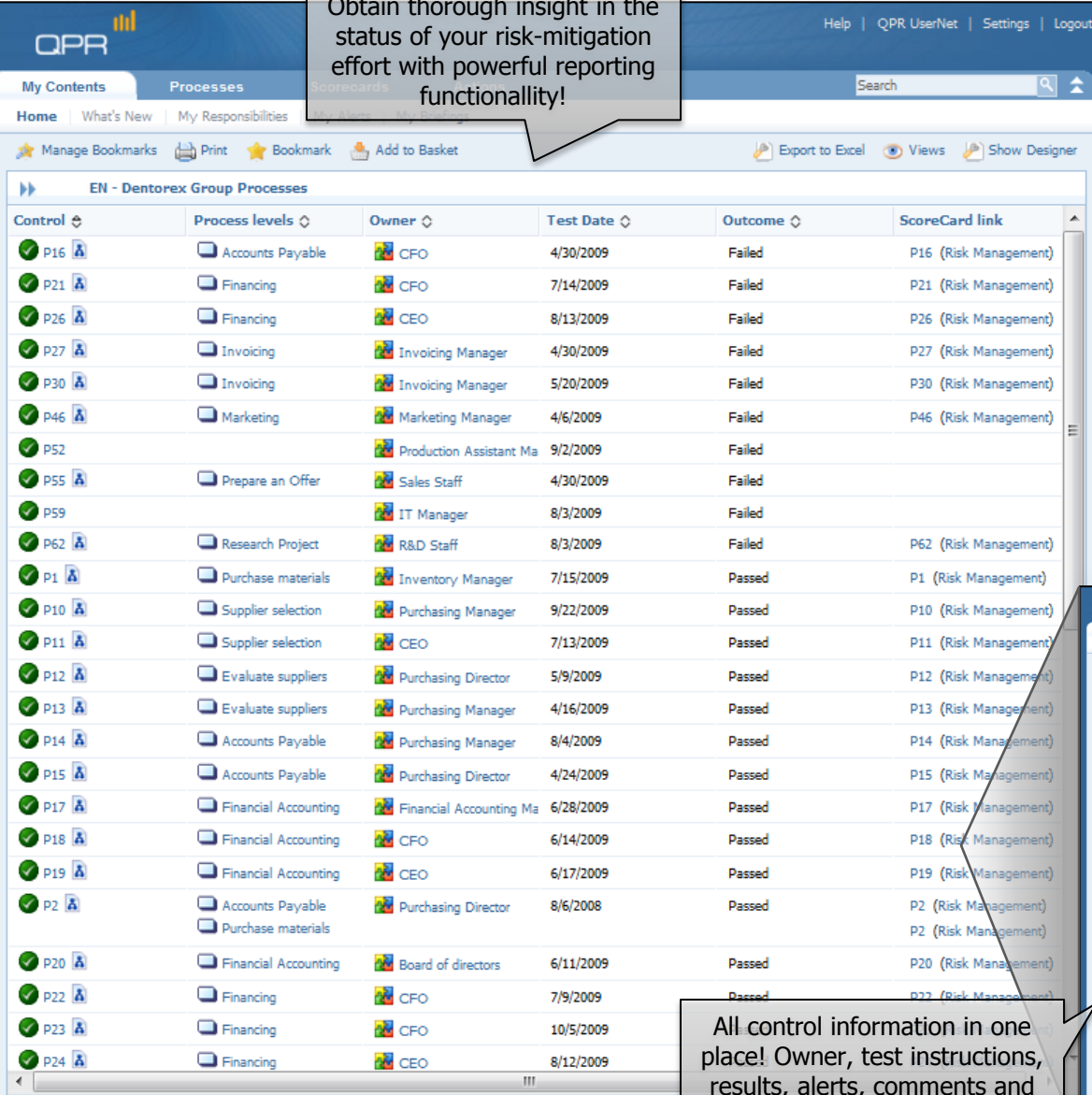
Created by: riskmanagement - 11/23/2009 2:45:56 PM
Last Modified by: riskmanagement - 12/14/2010

A risk on "red" is critical. Just by clicking the "Add action" link allows you to take action immediately!

In order to address risks, QPR allows users such as for example risk management staff or risk owners to launch control activities by assigning tasks to other users, simply by filling an online web form. In this form they can provide descriptions, set milestones and deadlines and attach additional information. These control activities automatically notify the people responsible for them. They are also logged in the system for auditing purposes and allow you to monitor your teams' progress in completing the activity.

You will gain insight in all implemented risk-mitigating controls and their status...

Obtain thorough insight in the status of your risk-mitigation effort with powerful reporting functionality!

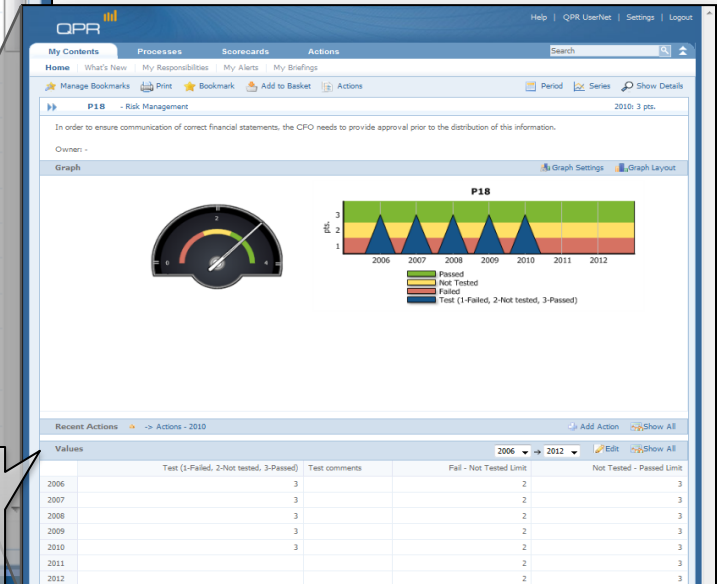


Control	Process levels	Owner	Test Date	Outcome	ScoreCard link
P16	Accounts Payable	CFO	4/30/2009	Failed	P16 (Risk Management)
P21	Financing	CFO	7/14/2009	Failed	P21 (Risk Management)
P26	Financing	CEO	8/13/2009	Failed	P26 (Risk Management)
P27	Invoicing	Invoicing Manager	4/30/2009	Failed	P27 (Risk Management)
P30	Invoicing	Invoicing Manager	5/20/2009	Failed	P30 (Risk Management)
P46	Marketing	Marketing Manager	4/6/2009	Failed	P46 (Risk Management)
P52		Production Assistant Ma	9/2/2009	Failed	
P55	Prepare an Offer	Sales Staff	4/30/2009	Failed	
P59		IT Manager	8/3/2009	Failed	
P62	Research Project	R&D Staff	8/3/2009	Failed	P62 (Risk Management)
P1	Purchase materials	Inventory Manager	7/15/2009	Passed	P1 (Risk Management)
P10	Supplier selection	Purchasing Manager	9/22/2009	Passed	P10 (Risk Management)
P11	Supplier selection	CEO	7/13/2009	Passed	P11 (Risk Management)
P12	Evaluate suppliers	Purchasing Director	5/9/2009	Passed	P12 (Risk Management)
P13	Evaluate suppliers	Purchasing Manager	4/16/2009	Passed	P13 (Risk Management)
P14	Accounts Payable	Purchasing Manager	8/4/2009	Passed	P14 (Risk Management)
P15	Accounts Payable	Purchasing Director	4/24/2009	Passed	P15 (Risk Management)
P17	Financial Accounting	Financial Accounting Ma	6/28/2009	Passed	P17 (Risk Management)
P18	Financial Accounting	CFO	6/14/2009	Passed	P18 (Risk Management)
P19	Financial Accounting	CEO	6/17/2009	Passed	P19 (Risk Management)
P2	Accounts Payable Purchase materials	Purchasing Director	8/6/2008	Passed	P2 (Risk Management) P2 (Risk Management)
P20	Financial Accounting	Board of directors	6/11/2009	Passed	P20 (Risk Management)
P22	Financing	CFO	7/9/2009	Passed	P22 (Risk Management)
P23	Financing	CFO	10/5/2009		
P24	Financing	CEO	8/12/2009		

Perhaps more important than the assessment scores of identified risks is insight in the status of risk-mitigating controls you have implemented. With QPR you get complete insight as you can report on controls easily and from different perspectives, such as for example controls by status, by process, by owner, by project, by initiative (e.g. Sarbanes Oxley, OHSAS, ISO9000) etc.

Control Detail Views allow you to capture test results, describe test procedures, log past activities, schedule tests and configure alerts that notify the responsible people when its time to perform a test, when a test is overdue or when the test fails.

All control information in one place! Owner, test instructions, results, alerts, comments and ongoing activities



And you can take action swiftly and effectively when the situation calls for it

Get immediate insight as to what controls fail to work satisfactory and what is being done to fix them!

Initiate corrective and preventive action for controls that failed their test and log all information for auditing purposes!

Controls that fail need your attention, with some regulations requiring you to deliver proof of your prudence in addressing the issues. QPR enables you to take action conveniently and transparently, by adding a portal action to the failed control in the form of a corrective action. The web form will allow you to specify the task, assign an owner, set a deadline, inform all concerned colleagues, and attach any additional content you feel is necessary. What's more, QPR allows you to report on and monitor progress of performing the activities. All collaborative content is furthermore logged for auditing purposes.

Control	Related Risk	Period	Previous Period	Add action
✓ P11	Reputation loss due to supplier misconduct	H2 / 2010	● H1 / 2010	[Add]
✓ P16	Improper invoicing by suppliers	H2 / 2010	● H1 / 2010	[Add]
✓ P4	Production delays due to late deliveries	H2 / 2010	● H1 / 2010	[Add]
✓ P59	Litigation due to misuse of software licenses	H2 / 2010	● H1 / 2010	
✓ P40	Litigation due to misuse of trademarks	2010	● 2009	
✓ P49	Pricing decisions based on unavailable competitor pricing information	H1 / 2010	● H2 / 2009	
✓ P47	Late reporting of financial information	2010	● 2009	
✓ P24	Mismatch between financing need and request	2010	● 2009	
✓ P29	Late or incorrect payments by customers	2010	● 2009	
✓ P35	Reporting of incorrect financials	2010	● 2009	
✓ P48	Financing decisions based on lacking information	2010	● 2009	
✓ P5	Production delays due to late deliveries	2010	● 2009	
✓ P7	Production delays due to poor quality materials	2010	● 2009	
✓ P46	Poor marketing decisions due to lacking market information	2010	● 2009	
✓ P21	Financing decision based on incorrect information	2010	● 2009	

Modify Action Plan

Description

Header: CAPA - Improper payments to suppliers

Description: During the latest control test, several payments to suppliers were found that had not been approved by the CEO. In order to prevent this from happening, a new field will be added prominently to the payment request form that needs to be added to each Purchase Order. The field needs to contain the signature of the CEO - without it the payment is not allowed to be processed.

Please make sure this new procedure, including updating of the process documentation is in place latest December 20, 2010.

Progress: 0 %

Roles

Owner: Tim Gennaro (timg) [Select]

Assigned to: Andrew Norton (andrewn) [Select]

Approved by: Sharon Buttenworth (sharonb) [Select]

Dates

Start date: Year: 2010 Month: December Day: 14 [Calendar]

Deadline: Year: 2010 Month: December Day: 20 [Calendar]

Date stamp/year: 2010 Month: December Day: 14 [Calendar] [Select Period...]

Categorization

Category: Action

Status: Approved

Publish To

☐ Users of linked elements

☐ Me only

☒ Everyone

☐ Selected users [Users]

☐ Notify via e-mail

Attachments

[Add] [Delete]

Linked to

P16 <Element>

[Add] [Remove]

Created by: riskmanagement - 12/14/2010 4:07:35 PM

Last Modified by: riskmanagement - 12/14/2010

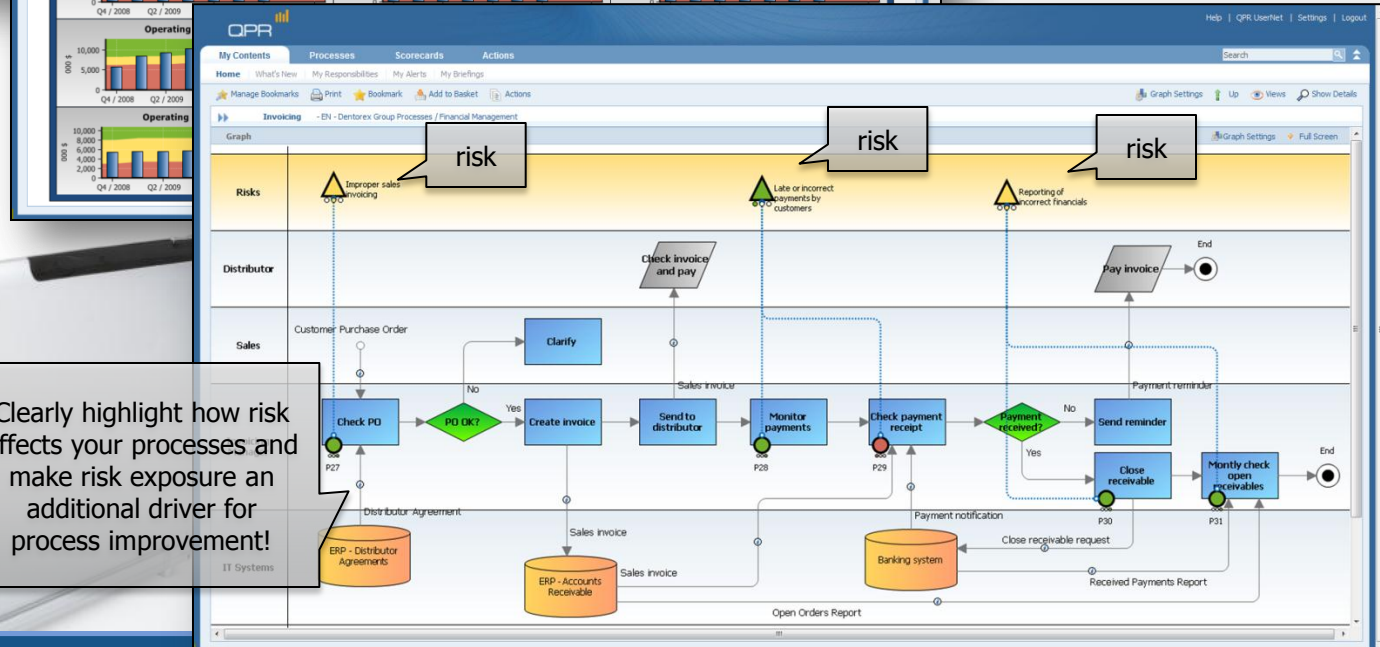
OK Cancel Help

You will gain insight in the relationships between objectives, operations and identified risk



Risk, compliance, strategy and operations all mutually influence each other. To improve your efficiency and effectiveness in business It is important to highlight and understand the relationships between them as it is this insight that will improve decision making in your organization.

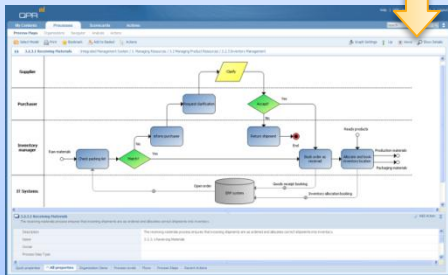
Take for example the management of your strategy. With QPR it becomes just that easier to manage, as it shows you what risk influences your objectives and how well you are prepared for it. Where it comes to your operations, QPR will show you the risks related to a process, where if many are on red it provides a clear indicator that a process change should be something worth considering. QPR communicates this information to your managers in easy to understand, highly visual dashboards, strategy and process maps that allow your managers to get the message instantly.



Clearly highlight how risk affects your processes and make risk exposure an additional driver for process improvement!

A typical QPR system implementation will look like this...

Operational use : Process participants – collaboration, initiative management and reporting



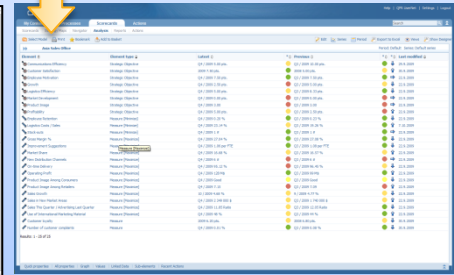
process map hierarchies with risk indicators and external content



risk dashboards



risk detail



Risk and control analysis



Risk, process and performance design : Business analysts, quality & risk professionals, process owners etc.

Create one point of access for all process information



process-related content



Link risk & control metrics with process model objects

Automate performance data collection



business systems and files

It introduces several user types...

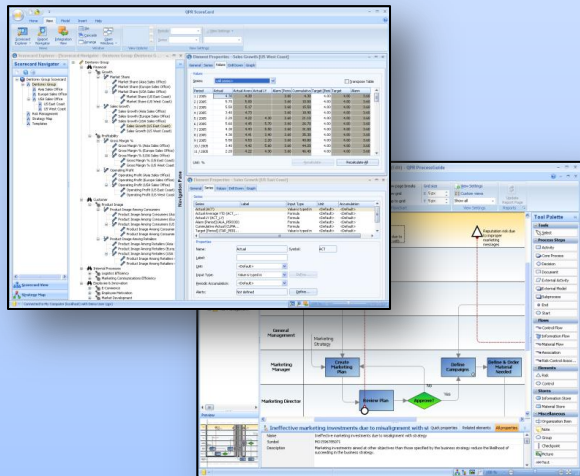
Designers



QPR Windows Clients

They can:

- Model and edit processes
- Analyze and simulate processes
- Create dashboards and scorecards
- Define risk and control measures
- Manage users rights



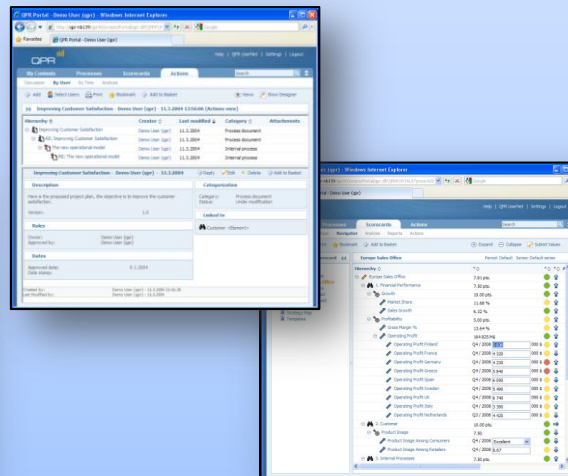
Communicators



QPR Web Portal

They can:

- Update assessments and test results
- Create comments
- Create action plans, corrective actions
- Upload documents
- Create Best Practices



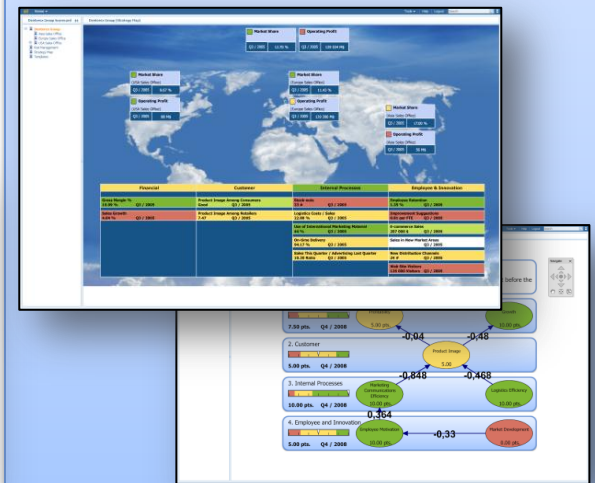
Viewers



QPR Web Portal

They can:

- Review processes & risk status
- Analyze processes, risks and controls



And has a technical architecture like this...

QPR Clients



QPR Viewer /
QPR Communicator




QPR Designer



QPR Web Service
Consumer



QPR Add-In for
Microsoft Office



QPR Solution
Package for MOSS

TCP / IP

QPR Server System



QPR
Application
Server

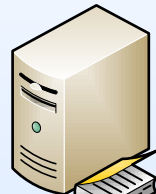


Web
Server



Database
Management
System

Integration



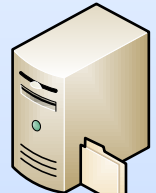
User Directory
Server



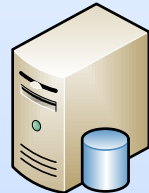
Database
Server



MS Office
SharePoint Server



File Server



MS Analysis
Services



Legacy Systems
(ERP, CRM, ...)

TCP / IP

Delivery



Windows Terminal
Services



Citrix Delivery
Center



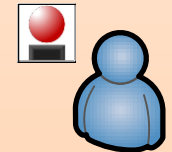
VPN Gateway

TCP / IP - Firewall

Remote Access



Web Browser



Citrix XenApp



Mobile VPN



MS Remote
Desktop



Additional technical product info

Covering all product information in an overview is not possible. This is why we divided the information in this business user overview and more technical product overviews. You can obtain more technical information from the resources listed below.

Our following products are part of the complete QPR Risk Management and Compliance Solution:

Process Management Software QPR ProcessGuide

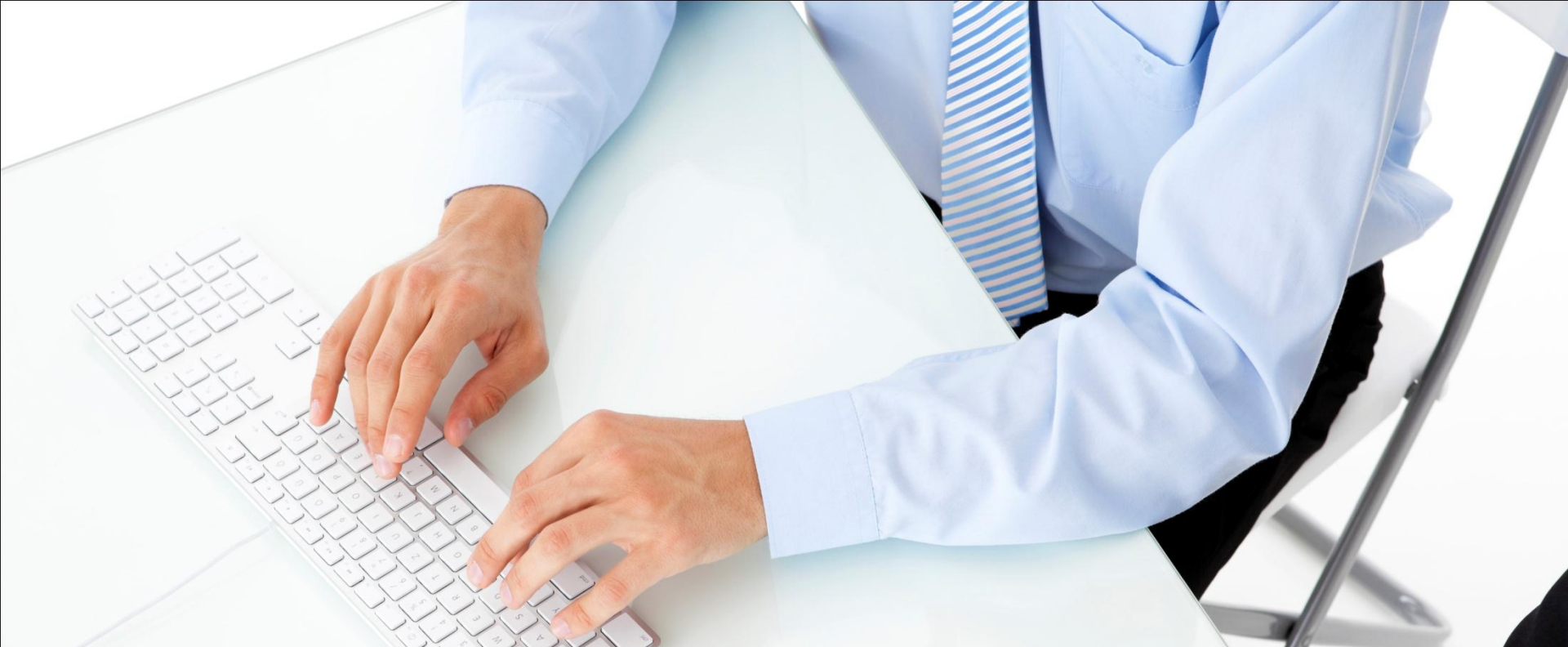
QPR ProcessGuide provides an organization-wide environment for modeling, analyzing, publishing and improving business processes.

<http://www.qpr.com/Products/process-management.html>

Performance Management Software QPR ScoreCard

Performance Management Software QPR ScoreCard provides organizations with a fast upgrade path from manually maintained and in-house built performance reporting solutions.

<http://www.qpr.com/Products/performance-management.html>



Your Next Step

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