

it Consult uses josh to engineer business process compliance with the Sarbanes-Oxley regulation in RAS

it Consult has created a management and control system for RAS for the operative processes that work together in the formation of budget data compliant with the strict United States federal regulation known as SOX (Sarbanes/Oxley Act). Thanks to the integration, scalability and security of the Microsoft technological platform, josh confirms itself as a solution suited to the needs of organizations regardless of size and market sector.

The scenario

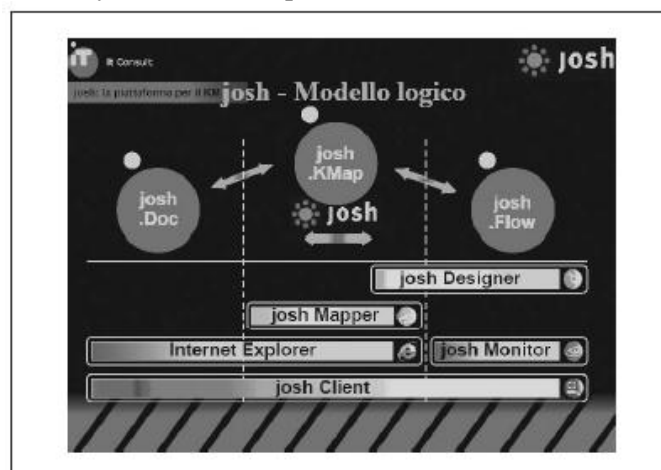
The challenge of an extremely rigorous financial regulation

The subject of corporate governance, understood as a system of rules for "good governing" by which a company is managed and controlled, touches all of the large organizations. In fact, it is a scenario to be dealt with by those companies which, either because of structure or type of clientele, must meet the requirements of the Sarbanes-Oxley regulation or which are and are will be involved, in similar terms, following the coming into force of the Basel 2 and solvency II agreements.

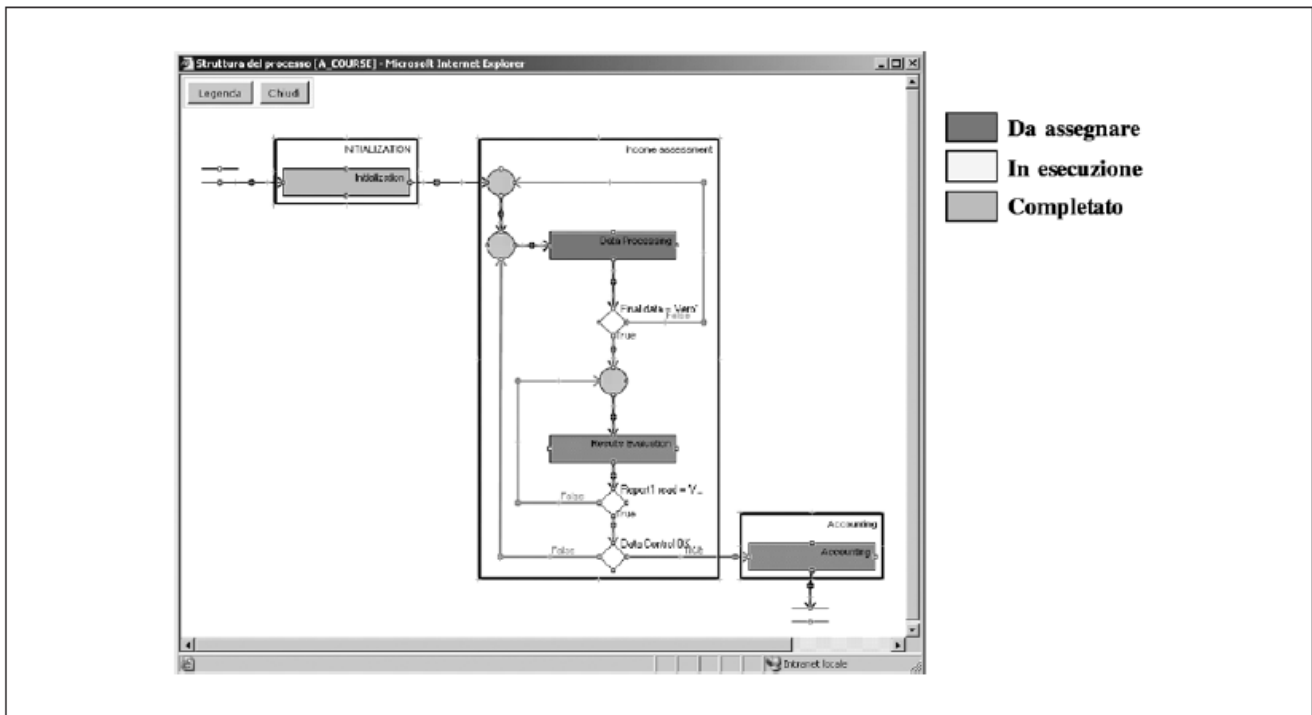
The so-called SOX (Sarbanes-Oxley Act) is a United States federal law, also known as the Public Company Accounting Reform and Investor Protection act of 2002, which takes its names from its promoters: Sen. Paul Sarbanes - D and Congressman Michael G. Oxley - R. It is a regulation (with both civil and penal aspects) that came into effect following the well-known series of financial scandals - Enron, Tyco International, WorldCom (now MCI) - and it deals with the guarantees and rules that companies must observe to ensure transparency, correctness and completeness of their budget data. The regulation prescribes that all processes that lead to the production of the budget be described and documented and for the guarantee that the rules and controls for maintaining the correctness of the processes be operative and documented. Section 404 of the regulation (SOX 404 Compliance) has, in particular, a significant impact on the documentation and on the control procedures present in the context of the electronic solutions used.

The solution: josh

josh is an integrated, modular Knowledge Management software platform developed and sold by it Consult. While maintaining a cultural and organizational approach, it Consult has created a qualifying technology for fully developed methodologies: process formalization; taxonomy of competences; document management. In this sense josh is, in fact, a solution essentially composed of three integrated modules that deal with the synergetic management of these three fundamental aspects of the representation of knowledge: josh.Flow, josh.KMap and josh.Doc for the functions of research, versioning, categorization, use of metadata. The level of integration of the modules is such that during the description of the business processes, which takes place by designing the work flow and establishing the requirements necessary for the various roles corresponding to the activities envisioned by the process, it is possible to automatically assign the tasks to the various corporate functions, also indicating which documents to use and the way in which the operations must be carried out.



The design phase of a new process envisions the availability of a map of the corporate knowledge which is obtained through the creation of a 'tree of competences' which contains a detailed description of all of the competences of the individuals that make up the organization. This structure, placed in parallel to a similarly detailed description of the corporate functions, makes it possible to simultaneously compare the abilities of the individuals with those required by the organization in order to optimize the use of the human resources and plan the development. The automatic or assisted link between the roles, the people, the corporate processes and a dynamic management of the updating of the competences through a series of rules (like the frequency with which specific tasks have been carried out or the participation in training initiatives) are some of the aspects of synergy and integration that characterize josh. In general, all of this makes it possible to optimally establish the correspondence between actors (people) and corporate roles.



The taxonomy of the competences, together with the explicit knowledge base made up of the document management system, constitutes the set of fundamental information for defining the flow of the processes and with which the activities are assigned to the potential executors. Given a process to be described, a diagram is constructed which represents the activities that accompany it and the relations between them (process model); the information that can be used, modified and produced in the various activities, during the execution of the process, (information model) are described separately. Although the information is formally described independently, without them a process obviously would have no meaning or any use< therefore the activities must be linked to the information necessary for their completion. The attribution of the single activities to the potential executors, managed by the system using various levels of automation, completes the process design phase.

One of the most greatly appreciated functions is definitely process monitoring which is used to check the state of the instances which have already been executed as well as those currently in execution. In fact, it is possible to identify any delays in the execution of certain tasks and trace back, instant by instant, to 'who did what' in every single part of the file and of the process.

Integration with roles and people

When an instance of the process is started, the system proceeds according to the set path, automatically notifying, for each activity, the people chosen for the tasks to be carried out. This means that each of them will receive an e-mail containing the notification of the new task and they simultaneously receive the instructions regarding the activity to be carried out through the personal interface contained in the company portal (the Client tool which constitutes the work environment). The user will not the completion of the activity by clicking on a special button and the system will autonomously attribute the next activity, again with a notification by e-mail, and so to the completion of the current instance of the process. A Monitor makes it possible to control the processes and interact with them; it has an interface for displaying in detail all of the business processes, both those currently in execution and those which are not. This way it is possible to check their progress, interact with the executors, change the task assignments; find and process data, rapidly providing statistics, efficiency calculations or objective data useful for the purposes of ABC analysis.

Integration with Microsoft technology

Although it is in a state of constant evolution, josh has been developed over about two years of work. The technological platform used is entirely Microsoft: it was developed in Microsoft .NET environment; it uses Windows Server 2003 and Active Directory for the system infrastructure, SQL Server for database management, Exchange Server and Office Live Communications Server for messaging and real time communication, SharePoint Portal Server for the portal and document management and Microsoft Office as work environment.

josh is deeply integrated with the Microsoft technological platform both in terms of architecture - base infrastructure, document management, communications - and in terms of the interaction with the user, which uses the portal as interface - therefore Internet Explorer which accesses SharePoint Portal Server - and the various tools of Office System. The interaction between the user and josh, in fact, also takes place through an extension of the Client which is integrated into the Microsoft Office activities box and makes available simple but powerful functions for the activity that is being executed during the production of the document.

The RAS case

A historic company on the national insurance scene

Among the recent planning challenges which have confirmed the success of josh, the RAS SOX-Compliance project is of particular importance. As you know, RAS is a historic company on the national insurance scene: founded in Trieste on May 9, 1938, it has become a leader in the insurance and financial sector and offers a complete and integrated gamma of services which range from risk prevention to supplementary benefits, from managed and administrated savings to products which are typically bank related. The company is quoted on the Milan Stock Exchange and, since the 1980s, has been controlled by the Germany based Allianz, one of the largest insurance and financial operators in the world today. Due to the international position of Allianz, which is quoted on the New York SE, in order for the company, and its subsidiaries, to operate on the US market, the need arises for compliance with the United States federal regulations.

The needs

Introducing the SOX regulation in business processes

RAS's particular sensitivity to the subject of corporate governance, as a system of rules for "good governing" by which a company is managed and controlled — which, in particular, translates into the adoption of internal regulations which are frequently stricter than those followed by the market and coherent with the structure, size and organization of the Group has led to a careful analysis of the electronic solutions present on the market and to the consequent meeting with It Consult. In the course of a series of presentations of the It Consult proposal, the needs of the client and the specific features of josh as a solution capable of representing and managing destructured information were discussed in depth. The latter was of particular interest and immediately demonstrated the suitability of the solution, specifically because the particular need was that of complying with the SOX regulation not only in the treatment of data deriving from the corporate ERP, but also data produced through end-user type processing, mainly constituted of Microsoft Excel spreadsheets and Microsoft Access databases.

The project

A rigorous process and the flexibility of the most familiar of the front-ends

Given the generality of the josh approach and its effectiveness in describing and guiding the execution of the processes, its application to the RAS SOX-Compliance project was fairly simple. As regards the end-user type documents important in the formation of the budget, it was particularly important to ensure: back-ups, restricted access, approval of modifications, verification of data input. For the more complex spreadsheets, containing functions, macros and

links, it was necessary to guarantee that the final version of the document would conform to the document model set by the process manager. This problem was solved with versioning: the analysis of the versions is carried out by a specific report generation tool.

More in particular, it defines the information model by describing the document models that are 'frozen' and classified as original versions. In these spreadsheets, the specific cells that must be kept under control because they contain formulas, links, macros or specific values important for the purposes of the process are highlighted; highlighting is achieved exactly as for normal labeling of the Excel functions. Only these contents will be controlled and compared with the final version of the document. This information model is placed in relation to the activities flow and the entire process can be constantly kept under control with the monitoring tool. The analysis of the versions and the generation of the corresponding reports constituted the most characteristic part of josh customization for this project: a tool was created (called josh ToExcel) which, if enabled by the process manager, generates a report showing every change that has occurred in the cells labeled as important present in the files subject to analysis. This tool, deeply integrated with Office System (the report is automatically added as a new sheet to the Excel file subject to control), offers important information which is synthetic and easy to read: and, since the owner cannot go ahead in the process without specific approval of the file integrated by the report, it highlights the completed review activity and therefore the act of assuming responsibility, a requirement which is one of the cornerstones of the SOX regulation.

The benefits

A recognized success for RAS at every level

The success of the solution came to light in every phase of the project, the first element was surely full compliance with the requirements for obtaining conformity with the SOX regulation for the RAS processes. But beyond this element, the solution's simplicity of use was particularly recognized: without special training, other than a week of on-the-job training held by following the development of several processes together with the consultants, the 'designer' users became independent in the development of new processes. This a particularly important factor because it makes it possible to modify and perfect the processes to adapt them to corporate organizational changes without having to necessarily turn to an external consultant. As regards the 'executor' users of the processes (several hundred people), a fundamental point was the proposed work environment: Office, a familiar work tool, and a portal, thus an extremely intuitive environment which also creates a single 'place' of production, communication, collaboration and discussion which is complete and easily accessible. The rapidity of realization is another characteristic of the projects developed with josh; in this case, the preliminary activities began in the second half of October 2005, on December 22nd the system was in the operative test phase, and it entered into production at the beginning of January 2006. The RAS corporate philosophy, the careful analysis made internally and the determination of management in pursuing the project also prevented the typical difficulty generally encountered when dealing with knowledge management projects, that is the difficulty in describing with analytical precision the activities carried out.

"RAS' adoption of josh was greatly appreciated at every level because, while ensuring *compliance* with the SOX regulation, it does not hamper the efficiency of the individual user. Our solution, at the level of the German group leader, is considered a best practice in this context. Therefore, our collaboration with It consult has provided us with great satisfaction' states Roberto Fedeli, SOX manager for RAS.

Basically, the success of this platform derives from: the generality of the approach which grasps the great need of the market for tools useful for processing destructured data in the context of complex processes; the strategic

choice of full integration with the Microsoft technological platform (especially Office System and SharePoint Portal Server) allowing the user to take full advantage of the more advanced functions; the familiarity of the interface; and, the constant technological development of the product.

For it Consult the advantage of constructing an application on an evolving platform

In developing josh and in the integration process for RAS, the object was managing together, in a coherent and synergetic computer platform, the three large areas of representing knowledge: document management, which explicitly expresses the accumulated knowledge; the taxonomy of the competences which - through the creation of maps which, within the corporate organizational chart represent "who does what" and "who knows what" - describes the entire set of the available competences, expressing also that knowledge which frequently remains tacit; the description of the processes which, through the formalization in an activity flow of the corporate procedures, regulations and practices represents that type of fundamental 'structural' knowledge, which is not traceable to single individuals, known as incorporated knowledge, which perhaps constitutes the most precious component of the corporate know-how.

"We could have presented ourselves as a traditional software house, offering from time to time specific vertical solutions; or grasp the essence of the problems at stake and create a horizontal solution, easily adaptable to the various business contexts", states Pierpaolo Manzini, Sales Manager of it Consult. "Not only have we undertaken the second road, but instead of developing a completely autonomous solution, s we have decided to adopt those which, in line with the concept of managing the knowledge developed by the company, we retained to be the best tools available on the market for the areas of individual production, document management and collaboration, i.e. the Microsoft platform made up of Office system 2003 and, in particular, by SharePoint Portal Server 2003.

In order to be able to also include the more destructured corporate knowledge, from time to time, in a coherent network we built a solution that uses the integration of a platform which is already very powerful. The winning idea was not that of 'taking away' the Office applications from users to insert them into the rigid paths of a vertical solution, but to coordinate the activities and the document production in the context of workflows which correspond to the business processes; and to do this we used the functions of Office System and SharePoint to their best advantage. In this sense we succeeded in combining the flexibility typical of individual productivity environments with the efficiency of a specific solution.

it Consult: the value of knowledge

it Consult is a company whose mission is the study and realization of technological tools and environments in support of the companies' migration processes towards organizational models suited to increasingly competitive scenarios. Founded in Urbino in 2001, our company operates in the sector of knowledge management systems with the goal of developing a system that integrates aspects traditionally treated separately from this problem.

Recognition from the market was not late in arriving: although a relatively young and small company, with a staff of twenty, it Consult has reached positions of leadership in Italy in the field of Knowledge engineering technologies and is reaching important goals in the same sector on a European level, as well. The success of its josh software platform in medium large and enterprise level corporate environments, in all market sectors (from Public Administration to manufacturing, to the fields of insurance and banking) demonstrates the flexibility of this solution and solidity of the underlying Microsoft technological platform.