



SAP Ariba 

Feature at a Glance

Risk exposure override

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Feature at a Glance

Introducing: Risk exposure override

Ease of implementation  High Touch
Geographic relevance  Global

Customer challenge

Customers require a capability to use key contributing factors to override a Supplier's risk exposure when specific type of risk indicators are found.

For example, when a supplier is screened and has a watchlist violation, the risk exposure should be automatically set to high.

Solution area

SAP Ariba Supplier Risk

Meet that challenge with SAP Ariba

A new Risk exposure override field has been introduced, allowing customers to select one or more contributing factors to override the existing risk exposure calculation.

The exposure override field is set by default to overall exposure for sanction and watchlist violations.

For all other contributing factors, standard fields, licensed fields and custom fields, the field weight needs to be set to high and the customer can determine if they would like the override to impact both the Overall Supplier risk exposure OR just the risk category exposure.

Implementation information

This feature is ready for immediate use for all customers with the applicable solutions and is **Automatically on**.

Experience key benefits

The exposure override field will influence the risk exposure to High Risk (100) when setting either the Overall Supplier risk exposure OR the risk category exposure.

By default the Risk exposure override field will be set for sanctions and watchlist standard field and will set the weight to High for both overall and category risk exposure. (ARI-12012).

Contributing factors will be displayed on the Risk Exposure tab of the supplier profile.

Customers now have more control over the data that is important to their risk management program and how they want it to influence their risk exposure.

Prerequisites and Restrictions

The customer must have an entitlement to SAP Ariba Supplier Risk.

Supplier Risk users with Risk Managers permissions can customize the risk configuration settings.

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Introducing: Risk exposure override

Supplier risk administration

Reports

Configure risk exposure < Back Name: DS_TEST_1 Save Cancel Activate

Import data

Configure alerts

Customize supplier alerts

Content and service providers

Adverse media feedback center

Data sources Category weights **Field configurations** Incident types Audit ?

Standard fields

Field source	Field	Risk category	Field type	Field value	Weight	Threshold order	Less than	Greater than	Exposure override
Standard	Judgement count	Regulatory	Numeric		High	Safer to ris	1	4	None Risk category exposure ✓ Overall risk exposure
Risk category information API	Sanction Indicator	Regulatory	Text		High				
Risk category information API	Watchlist Indicator	Regulatory	Text		High				Overall risk

Licensed fields

Field source	Field	Risk category	Field type	Field value	Weight	Threshold order	Less than	Greater than	Exposure override
Financial	MORE score - current	Financial	Text	D,C,CC,CCC,B,BF	High				Risk categor
Financial	MORE credit limit - current	Financial	Numeric		None	Riskier to s	500000	1000000	None
Financial	MORE probability of default	Financial	Numeric		None	Safer to ris	10	50	None
Financial	Status	Financial	Text	Unknown situation	None				None
Financial	Qualitative score - Current	Financial	Text	E,D,C,B,A	None				None

First < > Last Viewing: 2/2

- A new Exposure feature is introduced and available for all contributing factors to the risk exposure (standard fields, licensed fields, custom fields). When enabled, it overrides the standard exposure calculation.
- A risk manager must create a new draft of the risk configurator; this will present the Exposure override field for configuration.
- A risk manager may select one or many fields when utilizing the exposure override.
- Weight of the selected field must be set to HIGH.
- Select from Overall risk exposure or Risk category exposure options.
 - Overall risk exposure will set the Overall and Category exposure to HIGH when the supplier has a contributing factor.
 - Risk Category exposure will set the category exposure to HIGH.
- By default, Sanction and Watchlist field exposure override is set to Overall exposure.
 - Overall risk exposure will set the Overall and Category exposure to HIGH when the supplier has a contributing factor.
 - Risk Category exposure will set the category exposure to HIGH.

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Introducing: Risk exposure override

The screenshot displays the 'Supplier risk administration' interface. The left sidebar contains navigation options: Reports, Configure risk exposure (selected), Import data, Configure alerts, Customize supplier alerts, Content and service providers, and Adverse media feedback center. The main area shows configuration tabs: Data sources, Category weights, Field configurations (highlighted in red), Incident types, and Audit. The 'Field configurations' tab is active, showing a table of 'Standard fields'.

Field source	Field	Risk category	Field type	Field value	Weight	Threshold order	Less than	Greater than	Exposure override
Standard	Judgement count	Rc	Nl		Lo	Sa	1	4	Nc
Standard	Sanctions Indicator	Rc	Te		Hi				On
Risk category information API	Watchlist Indicator	Rc	Te		Hi				

A red tooltip points to the 'On' dropdown in the 'Sanctions Indicator' row, containing the text: "Category field value should be more than zero to have business rule." The 'Field configurations' tab is highlighted in red, and a question mark icon is visible in the top right corner of the configuration area.

- When settings are not correct Risk managers will see the respective tab turn Red.
- The error must be corrected before the version of the risk configuration can be saved and activated.
- When utilizing the exposure override the corresponding risk category MUST be contributing to the risk exposure – the category weight must be set to 1% or higher.

- When setting the exposure override field, the corresponding risk category MUST be contributing to the risk exposure on the Category Weight tab.
- The error may appear on the second page of the standard fields; user may need to view page 2/2 to view error.

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Licensed fields

Field source	Field	Risk category	Field type	Field value	Weight	Threshold order	Less than	Greater than	Exposure override
Financial	MORE score - current	Finã	Tex	D,C,CC,Cç	Higl				Risl
Financial	MORE credit limit - current	Finã	Nur		Nor	Risl	500000	100000	Nor
Financial	MORE probability of default	Finã	Nur		Nor	Saf	10	50	Nor
Financial	Status	Finã	Tex	Unknown :	Nor				Nor
Financial	Qualitative score - Current	Finã	Tex	E,D,C,B,A	Nor				Nor

First < > Last Viewing: 1/1

Custom fields

Select	Field source	Field	Name(maximum of 25 characters)	Risk category	Field type	Field value	Weight	Threshold order	Less than	Greater than	Exposure override
<input checked="" type="checkbox"/>	Custom	01	qwe			asd					
<input type="checkbox"/>	Custom	02									
<input type="checkbox"/>	Custom	03									
<input type="checkbox"/>	Custom	04									
<input type="checkbox"/>	Custom	05									

First < > Last Viewing: 1/3

To override risk exposure calculations, high risk level should be set

- When setting the risk exposure the weight of the selected field must be set to HIGH to override the standard exposure calculation
- This rule is mandatory on every field that is selected for the exposure override. An error message will be displayed if the weight is not set to High.

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The screenshot displays the 'Supplier risk administration' interface. The left sidebar contains navigation options: Reports, Configure risk exposure (selected), Import data, Configure alerts, Customize supplier alerts, Content and service providers, Adverse media feedback center, Preparation for template upgrade, Manage upgrades, Configure periodic reviews, and Configure control effectiveness. The main area shows the 'Field configurations' tab for a configuration named 'ComplianceAPITest13'. It features a table of 'Standard fields' and 'Licensed fields'. A confirmation dialog box is open, asking 'Are you sure, you want to change weight to Medium?' with a note: 'Note: By default weight should be High as Exposure override is set to Risk category exposure'. The dialog has 'Yes' and 'Cancel' buttons. The table below shows various fields with their respective risk categories, types, values, weights, and exposure override settings.

Field source	Field	Risk category	Field type	Field value	Weight	Threshold order	Less than	Greater than	Exposure override
Standard	Number of lawsuits	Financ	Numer		Medium	Safer t	5	10	Risk c
Standard	Coun						30		
Standard	Numt								None
Standard	Years bank						1	7	None
Standard	UCC						5	20	None
Financial	MORE score - current	Financ	Text	D,C,CC,CCC,	None				None
Financial	MORE credit limit - current	Financ	Numer		None	Riskier	500000	1000000	None
Financial	MORE probability of default	Financ	Numer		None	Safer t	0.1	0.4	None

- When setting the risk exposure the weight of the selected field must be set to HIGH to override the exposure calculation.
- If the user changes the weight to Medium or Low, they will receive a confirmation update.
- This confirmation update is reminder that setting the weight to a setting other than HIGH the exposure will not override the calculation.

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The screenshot displays the SAP Risk Configuration interface. A help dialog box is open, titled "Name: DS_TEST_1". The dialog contains the following text:

and above which a supplier should be considered risky for the field for risk exposure calculations.

(a) Safer to riskier – indicates value below 'less than' has LOW impact and above 'greater than' has HIGH impact and in-between value has medium impact.

(b) Riskier to safer – indicates values below 'less than' has HIGH impact and above 'greater than' has LOW impact and in-between value has medium impact.

It is defaulted to option (a)

- Less than value
- Greater than value
- Exposure override field - When enabled, it overrides the risk exposure calculation and changes the weight of the selected field to High. When a supplier has a contributing factor of High risk for one of these fields, the score will automatically be set to 100.

(a) Overall risk exposure – Set High risk exposure for the supplier overall risk exposure and risk category exposure

(b) Risk category exposure – Set the risk exposure to High for the risk category.

(c) None – Standard risk exposure calculation applies

Please refer to the examples below for the 'less than value and greater than value' fields:

- If the threshold type is saferToRiskier then anything less than 2 is low, between 2 and 4 is medium and above 4 is high.
- If the threshold type is riskierToSafer then anything less than 2 is high, between 2 and 4 is medium and above 4 is low.

Licensed fields are defined as those fields that are contributing factors from a licensed 3rd party provider. This information will be available for Compliance and Financial data and only

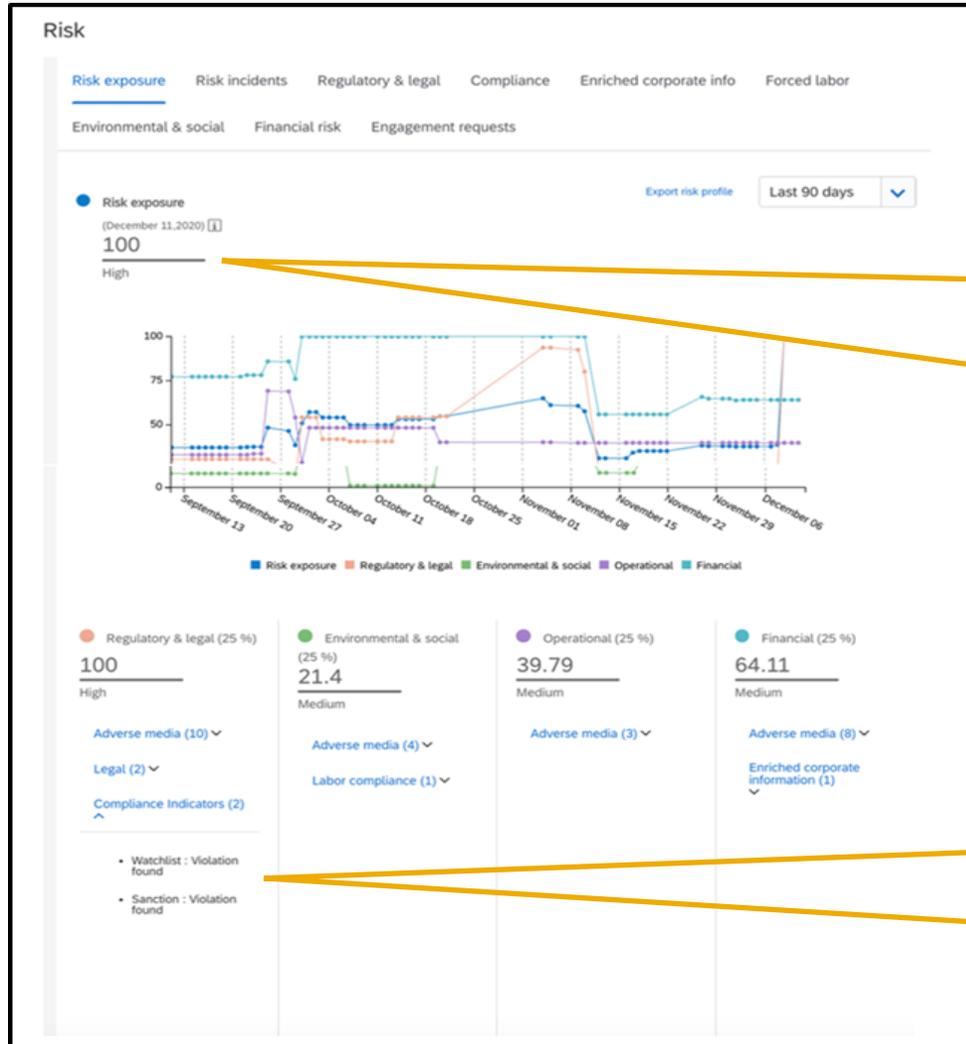
Cancel

The background interface shows a table of fields with columns for "Field source", "Field", "Threshold order", "Less than", and "Greater than". A yellow dashed box with a question mark is overlaid on the "Safer to riskier" dropdown menu in the table.

- When a user clicking the ? The help information screen opens where a user can access information about any tab of the risk configuration.
- The exposure override information has been added to the standard fields, licensed fields and custom field section of the help section.

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- In this example, the overall Risk exposure and Regulatory and legal risk category exposure is High (100).
- The override exposure is set to Overall in the risk configuration with the weight set to high.
- The High risk exposure is generated as a result of the risk configuration default settings set to:
 - Sanction = High weight
 - Watchlist = High weight
 - Exposure override is defaulted to Overall

- The supplier has contributing factors in the Regulatory and legal Risk category.
- A Sanction or Watchlist violation is a contributing factor since they are now a standard field in the risk configuration.
- In this example, when a supplier is screened with violation found, the Sanction or watchlist violation will be listed as a contributing factor to the Legal & regulatory risk category.