

Feature at a Glance Engagement Scores in Risk Exposure (ARI-16372)

Target GA: November 2022



Engagement scores in risk exposure

Description

 The inherent risk and residual risk in control-based engagement risk assessment projects are now contributing factors to the risk exposure.

Customer benefit

- Provides a better view of the total risk associated with doing business with a supplier.
- An enhanced exposure score enables buyers to make better decisions in risk aware procurement processes (SAP Ariba guided buying capability, etc.)

User

Buyer

Enablement model

Automatically On

Applicable solutions:

SAP Ariba Supplier Risk

Prerequisites, restrictions, cautions

Prerequisites

- Your site must be configured for use of control-based engagement risk assessment projects.
- Your site must be configured for calculating supplier-level inherent and residual risk from risk domain values.
- You must be a member of the **Supplier Risk Manager** group to customize the risk exposure configuration.
- You need to create a new draft version in the configuration editor to display the new standard inherent risk and residual risk fields.

Restrictions

- You set up your inherent risk screening questionnaire to use either point-based or percentage-based scoring. This determines which parameter defines the inherent risk ratings you're using.
- See documentation for more information.

	< Back		Name:	Name: Default Scoring Configuration 🖉						
	Data sources Standard field		Field c	Field configurations Incident types Audit						
Data	a sources Catego	ry weights Field config	urations Mappings	Incident types	Audt					
	ndard fields	Field	Risk category	Field type	Field value	Weight	Threshold order	Less than	Greater than	Exposure overrid
	ndard	Country risk score	Environmental & sc 🗸	Numeric	v <u>3</u>	Low	Riskier to safer	V 30		None
Sta		Country fisk score Sanction	Environmental & sc. 🗸	Numeric Text	V 3	Low Medum	Riskier to safer	V 30		8 None None
Sta Sut	ndard									
Sta Suj Suj	ndard oplier risk exposure API	Sanction	Regulatory & legal 🗸 🗸	Text	Violation found	Medun	v	v		d None

- 1. This feature introduces engagement risk scores as contributing factors to the risk exposure. The engagement scores in risk exposure use the supplier model for risk exposure calculation. For more information, see <u>Understanding how risk exposure is calculated</u>.
- 2. New standard engagement risk rating fields for each risk category have been introduced on the field settings tab of the risk configurator:
 - Environmental and social
 - inherent risk score
 - residual risk score
 - Financial
 - inherent risk score
 - residual risk score
 - Operational
 - inherent risk score
 - residual risk score
 - Regulatory and legal
 - inherent risk score
 - residual risk score

3. The **Field value** has the following standard allowed values for the new fields and have a **weight** set as:

Field value	Weight
Low	Low
Medium	Medium
High	High
Critical	High
Showstopper	High

ministration												
ire	< Back Name: Default Scoring Configuration 2								Save Cance			
lerts	Data sources	Category weights	Field configurations	Incident types	Audit							
providers	Standard fields											
ack center	Field source	Field Risk	category Field type	Field value Weig	ght	Threshold order	Less than	Gr	eater than	E) OV		
options	Standard	Country risk En	viri 🗸 Numi 🗸		ow 🗸	Riskie 🗸						
	Supplier risk exposure API	si Field : Fina	ncial inherent risk	score		×) (
	Supplier risk exposure API	w	0		6	D) (
	Engagement risk	Fi Field value		Risk (L-low, M-medium,	H-high)] [
	rating	sc Low		Low		~						
	Engagement risk rating	Fi Medium		Medium								
		High		High		~						
		abc		High		~		First	< > L	ast		
	Licensed fields	xyz		High		~						
	Field source	FI		First < >	Last V	fiewing: 1/1	Less than	Gr	eater than	E) 01		
				Joine								

- . For this feature, all ratings named in the point-based or percentage-based scoring parameter are displayed in the field value fields.
- Field values are automatically updated based on the data that was created from master data as part of your engagement workflow. For example, you may have standard risk ratings such as: Low, Medium, High, Critical, or Showstopper or you may have custom field

values like **abc** or **xyz**. The risk manager must assign the Risk (Low, Medium, High) for each field value.

You can use the default mapping or change the mapping for each of these five possible field values to a risk exposure weight of **Low**, **Medium**, or **High**, so that engagement-related inherent and residual risk ratings can contribute to the overall risk exposure.

< Back	Name:			1	Sa	ave	Cance	Activat	e	
Data sources	Category weights	Field configurations		Mappings	Inc	Incident types		Audit	Audit	
2 Engagement risk	domain (7)		Risk ca	tegory 3					1	
Enriched corporat		Operational								
Regulatory & legal			Regulatory & legal							
Watchlists	Watchlists			Regulatory & legal						
Operational			Operational					~		
Financial	Financial			Financial					Ī	
Environmental &	Environmental & social			Environmental & social					Ī	
Sanctions			Regulatory & legal					~	-	
					First <	>	Last	Viewing: 1/1		

- 1. This feature introduces a new **Mappings** tab in the risk configuration.
- 2. The Mappings tab has columns for Engagement risk domain and Risk category.
- 3. Engagement risk domain can only be mapped to one risk category.



This feature adds the following information to the **Risk exposure tab**:

- The inherent risk score and the residual risk score for the supplier are listed in the Engagement risk scores dropdown for the risk categories on the Risk exposure tab of the Risk page in the supplier's 360° profile.
- 2. The inherent and residual risk scores in the **Engagement risk scores** dropdown are links that take you to the engagement project for that score.



www.sap.com/contactsap

© 2022 SAP SE or an SAP affiliate company. All rights reserved.

No part of this publication may be reproduced or transmitted in any form or for any purpose without the express permission of SAP SE or an SAP affiliate company. The information contained herein may be changed without prior notice. Some software products marketed by SAP SE and its distributors contain proprietary software components of other software vendors. National product specifications may vary. These materials are provided by SAP SE or an SAP affiliate company for informational purposes only, without representation or warranty of any kind, and SAP or its affiliated companies shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP or SAP affiliate company products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty. In particular, SAP SE or its affiliated companies have no obligation to pursue any course of business outlined in this document or any related presentation, or to develop or release any functionality mentioned therein. This document, or any related presentation, and SAP SE's or its affiliated companies' strategy and possible future developments, products, and/or platforms, directions, and functionality are all subject to change and may be changed by SAP SE or its affiliated companies at any time for any reason without notice. The information in this document is not a commitment, promise, or legal obligation to deliver any material, code, or functionality. All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Readers are cautioned not to place undue reliance on these forward-looking statements, and they should not be relied upon in making purchasing decisions. SAP and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP SE (or an SAP affiliate company) in Germany and other countries. All other product and service names mentioned are the trademarks of their respective companies. See www.sap.com/trademark for additional trademark information and notices.



