



White Paper

THE VITA™ ADVANTAGE - REGULATORY AND COMPLIANCE CHANGES

**AN AGRESSO WHITE PAPER, OUTLINING THE
BENEFITS OF THE VITA ARCHITECTURE FOR ORGANISATIONS
FACING REGULATORY AND COMPLIANCE CHANGES**

The VITATM Advantage

- Regulatory and Compliance changes

I. VITA – a platform for agility

AGRESSO Business World offers customers unrivalled post-implementation agility – the ability to alter the system to reflect organisational changes and to get new information out as required, without having to call in external help. This is especially relevant to dynamic, mid-market public sector and professional services organisations who operate in fast changing environments but need to keep costs under control. It is AGRESSO's unique VITA architecture that allows it to do this. VITA is a 'reverse-engineered' architecture; unlike other solutions it is designed for ease of getting data out rather than focusing on getting data into the system. VITA offers a critical business support that has been lacking for decades in modern technology solutions. This post-implementation agility allows Businesses Living IN Change (BLINC™) to quickly and cost-effectively handle regulatory changes that come along after the AGRESSO solution is installed.

II. Choosing the right technology

Industries and organisations facing new regulations and compliance mandates like IFRS and Sarbanes-Oxley (SOX) don't have the luxury to evaluate whether the required change is cost-effective and/or necessary. They must either comply, or face legal and financial consequences.

There is understandably confusion about the capabilities and efficiencies of the various technology platforms offered within the enterprise resource planning (ERP) market today. Older, more rigid platforms have been forced to announce efforts to aim for more nimble, less costly solutions that better accommodate regulatory or compliance changes. These new efforts, often centred around Services-Oriented (SOA) technology, are taking years to complete, are costly to purchase and implement, and will once again entrap would-be buyers into having to stick with yet another generation of technology. AGRESSO's VITA architecture sits beneath the Services-Oriented Architecture (SOA) technology layer, so that the power and capabilities of VITA are inherent and not dependent on SOA; AGRESSO is able to make use of SOA easily and in its correct capacity – as a technology enabler, rather than as a replacement for a proper systems architecture.

The implications of the VITA advantage are apparent not only to CIOs, but also CEOs, COOs and CFOs. Finance departments fully understand the massive cost of continually having to hire external consultants to make even simple systems changes, or of having to change technology platforms to get access to new solutions. Choosing AGRESSO protects the buyer organisation from having to continually pay for “the latest” architectural platform.

To highlight the key advantages of VITA, UNIT4 Business Software has had independent analyst firm Technology Evaluation Centers (TEC) carry out a survey on AGRESSO, Oracle and SAP executives, as well as each firm's individually selected customers, to determine how 46 different types of change across five 'change categories', one of which was "Complying to New Regulations, would be made." Out of the 46 types of change:

- SAP customers (validated by SAP executives) claimed they needed to re-code at the application levels in all 46 of the changes;
- Oracle required application re-coding in 42 of them;
- AGRESSO required re-coding in just 2 of the 46 change types.

III. VITA Regulatory advantages

Ultimately, AGRESSO customers gain an eight-fold business advantage, when faced with changes caused by regulatory and compliance requirements:

a) VITA regulatory advantage #1: "Do it yourself" adjustment for new Government rules/regulations

ERP software buyers often find themselves trapped into an ongoing cycle of having to purchase new software modules to meet new government regulations, laws, compliance requirements or "best practices" suggested by local, regional, state, federal or inter-government agencies. Such changes are becoming more frequent, with various different governing bodies taking office and introducing new government practices, and the need to regularly adjust ERP solutions is an unavoidable fact. UNIT4 Business Software recognises that what is avoidable is the constant need to pay external 'systems integration' (SI) professionals each time a regulatory change is made.

The AGRESSO method of dealing with such requirements bypasses the ERP industry's typical approach of requiring a new module for virtually every new regulatory change. AGRESSO customers can typically make changes themselves – easily and painlessly – without the need to purchase or implement "add on" software modules. The AGRESSO VITA architecture and "drag and drop" graphical approach organises key business information and related processes using clear and concise tree structures familiar to users of Microsoft office solutions. Making changes is simple as the tree structures are embedded with additional "relations" intelligence. Users can simply create a new regulation folder, add in the "rules," and instantly modify the data, processes and delivery methodology (analytics or reports) to adjust or comply with new government regulations or legal compliances, quickly and easily.

b) VITA regulatory advantage #2: Easily compare new and old reporting standards

C-level executives often want to compare new and old reporting standards to:

- examine differences;
- ensure they are compliant;
- determine any operational changes required.

With AGRESSO, reporting standards can easily be created side by side within one report – to show the differences. Users can view the differences graphically to understand the developments over time – all in a single comparative view.

This capability is delivered by VITA, which is intelligent and sophisticated enough to capture data relationships, analyse all relevant account rules and modify them as required against different transaction types.

c) VITA regulatory advantage #3: Flexible chart of accounts for future reporting requirements

Adopting IFRS and SOX regulations or changes to such rules are no problem for AGRESSO customers. Users can view and create tree and relationship structures to maintain and analyse parallel charts of accounts so that they can quickly highlight the effect of any regulation changes, eliminating the need to keep multiple separate sets of accounting books.

Organisations can also accommodate upcoming rule changes by placing period limits on accounts to follow one set of accounting values, then simply re-name them, and change their attributes to reflect new values. A prime example of this concept can be seen in AGRESSO Canadian customers. By the end of 2009 they had to conform to Canada's Public Sector Accounting (PSA) Board Requirements, as part of IFRS rules to determine the "true" cost of an asset. Previous legislation only derived this cost from the year an asset was acquired, rather than depreciating the asset's cost over its useful life. To accommodate this change, some ERP users needed two sets of accounting books/reports, had to re-code at software application level, or even had to purchase new "updated" modules; AGRESSO customers simply needed to make the relevant changes to the existing period limit, once again conforming with minimal effort thanks to VITA.

d) VITA regulatory advantage #4: Making changes to report financial data with non-financial data

AGRESSO balance tables allow organisations simply to incorporate columns of both financial and non-financial data. There are numerous that financial data can be tied to other relevant types of data; for example, the tying of payroll to organisational pay grades and specific geographic cost of living segmentation, multiple currency exchange rates, etc.

AGRESSO allows the user to analyse, compare, contrast and reformat such different types of data, using either standard key performance indicators or with customised KPIs, from the user interface without the need to re-code the application. Business users can simply take the balance table columns of different data and assigned values, and reformat them for reporting and decision making. A great example of this is with utility costs, which can change frequently and are subject to regulatory controls. The impact of various energy cost scenarios, for example could be analysed by kilowatt hours, group or individual employee usage, role-based differences, geographic differences and currency differences – and all tied to budget forecasts and actuals.

were only taxed based on commercial value in relation to private use, but the new pollution tax introduced a dependence upon the level of carbon dioxide (CO₂) emissions.

Clearly Cegeka had to make considerable changes to meet this new legislation and to prove compliance. They needed to analyse fuel consumption for every driver, which was dependent on size, weight, annual distance driven, and so on. To do this, Cegeka needed to change the type of data captured (the information model), when and how the data was captured (business processes) and how it needed to be analysed and reported (delivery model).

Despite the potentially wide impact of these changes, VITA's capabilities allowed Cegeka's finance department to make the changes in less than 10 minutes with no cost or IT intervention.

h) VITA regulatory advantage #8: Changing financial consolidation data

Unlike some competitive systems, AGRESSO provides financial consolidation seamlessly within its solution set. In addition changes made to add or subtract data can be performed simply at the GUI level by adjusting existing consolidation trees to add or subtract new clients, product lines, change associate company status, etc. Business and financial users can establish and perform intercompany transactions, eliminations, etc, using simple "trigger" rules. For AGRESSO's competitors, changes in this area must be done at the applications programming level, which takes time and often significant external cost.

IV. Conclusion

In summary, AGRESSO's VITA architecture delivers ongoing post-implementation agility – the ability for business users to quickly and cost-effectively make unlimited but controlled changes to their business operations after the AGRESSO solution is installed and in use. This is because the data, business process and delivery methodology (reporting and analysis) are intelligently tied together and synchronised, making the process simple, quick and efficient. More importantly, thanks to VITA changes to support regulatory requirements are typically made at the graphical user interface (GUI) level, by business users with little or no IT intervention. With AGRESSO's VITA architecture, dynamic organisations can now cut or re-allocate the often enormous IT budgets put aside each year to pay for modifications to their software infrastructure to accommodate changes in regulations and compliance requirements.

These balance tables are easy to change with AGRESSO, and allow for an ever-changing array of calculations and adjustments to be made – either due to regulatory (e.g. employment or environmental rules) or internal budgetary requirements. For companies facing economic or industry uncertainty, combined with a changing regulatory environment, this powerful capability for authorised users to introduce reporting changes with no external cost can mean the difference between profitability and loss.

e) VITA regulatory advantage #5: Updating reports that are tied to new account structures

AGRESSO's tree structure is 'intelligent'; business users can easily create a new account structure, and depending on whether they are assigned to specific budgets/set-ups or not, VITA will re-direct them appropriately. This ensures that unassigned data is appropriately directed and coded to the correct business processes and reporting methodology. VITA can also provide financial "range" values to reflect relationships within budgets; for example, all items over an amount "x" must follow one business process for approval, while all items over "y" take another process route. All unassigned items might take a third process route.

Again, VITA allows such changes to be made easily by authorised business users without technical or external input and can be changed as often as desired.

f) VITA regulatory advantage #6: Changing document and content management platforms

AGRESSO VITA provides an important extra layer of data security for document archiving. New word documents can be merged with archived records to create "alternative libraries" of data. The AGRESSO solution is agnostic as to which tools are used to collect, compare and manage data – the GUI tree structure is easily modified.

This capability is particularly useful in regulatory situations where the rules can change for areas such as recognising receivables, accounting for travel expenses, and managing résumés/CVs. Appropriate items can be "locked in" for security purposes and/or adjusted easily for items that should be updated, all by users.

g) VITA regulatory advantage #7: Changing business rules tied to compliance monitoring

Nowhere are there more challenges on the auditing side than those connected to compliance monitoring. The VITA architecture enables compliance conformity changes to be carried out by business users at the GUI level. Authorised users can adjust workflow models easily with the VITA graphical process model, to set up new steps and to add or adjust rules. The change could be tied to financial "values" or "process steps" and is easily performed by AGRESSO users without IT intervention.

AGRESSO customer Cegeka, a mid-sized IT Services firm based in Belgium, provides a great example of this. Cegeka needed to respond to a new compliance requirement involving a pollution tax on cars, since 90 percent of Cegeka's 700 full-time employees have company cars. Prior to the change, company cars



VITA - give all your applications the best platform for agility.

If your organisation is affected by regulatory or compliance changes, you need the VITA advantage.

Discover how organisations like yours are already benefiting from AGRESSO's unrivalled post-implementation agility at: www.agresso.com.au

Or contact us to discuss your specific requirements.

About Agresso Pty Limited

Agresso Pty Limited (Agresso) is a dynamic organisation providing innovative business information management solutions to leading organisations across Australia and New Zealand. Agresso provides, AGRESSO Business World (AGRESSO) for organisations that are people, project and service oriented. Over 2,900 private and public organisations, in over 100 countries, have deployed AGRESSO. AGRESSO's unique ability to change as new requirements appear, without incurring expensive programming costs, is its main competitive differentiator.

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