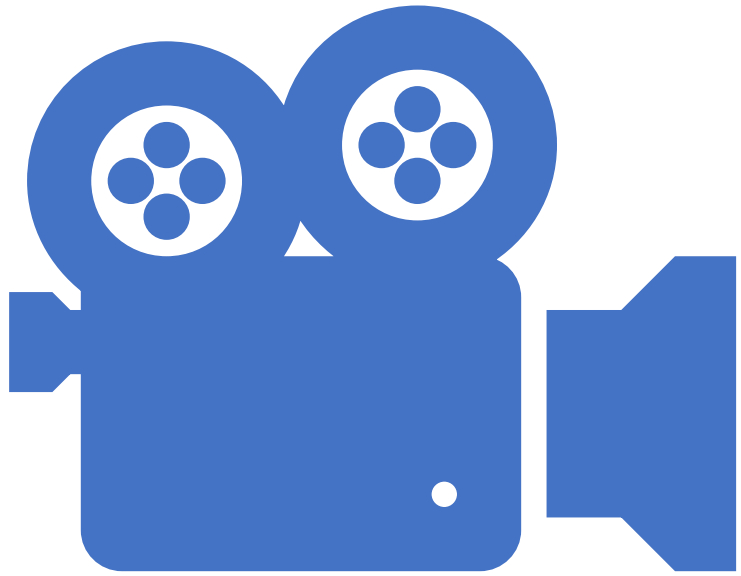


Vendor Risk Management (VRM) Module in SAP Ariba

Presented by : **Navneet Kaur**

Company : **E&J Gallo Winery**



Introduction : Short Video

Link to Video

- <https://vimeo.com/792055401>

SOSHIN

- Approach every task as a beginner with same curiosity as if you are doing it for the first time

Agenda



What is VRM module in SAP Ariba?



Brief story on previous state of Vendor risk outside of Ariba



Current state and some important facts (Risk Pillars)



Customer success stories and live examples from Production



Future enhancements

What is Vendor Risk Management tool ?

- Vendor risk management tool helps business stakeholders (Sourcing Category Managers) to evaluate risks/benefits associated with suppliers in a timely manner
- This is achieved via personalized dashboards
- It also increases adaptability to maintain a reliable supplier list by Category managers

Brief story on
previous state
of Vendor risk
tool (Not
Ariba)

CORPORATE

Examples of Survey Questions

- Are any facilities in high hazard earthquake, flood, hurricane, tornado, wildfire zones?
- In general, are there any exceptional risks that would prevent delivery to Gallo (e.g. port strikes, shipping lanes, etc.) between Supplier and Gallo facilities?
- Is Supplier Union or Non-Union or Mixed (Union & Non-Union)
- Does Supplier have periodic facility loss control inspections completed by their property insurance company?
- Does Supplier have a formal Business Continuity Plan.
- Does Supplier have the ability to replace/increase at least 50% of your current production capacity in 6 weeks?

VRM Risk Pillars



Regulatory and legal compliance

- Corruption and bribery
- Cyber threats
- Illegal Trade
- Intellectual property infringement
- Legal issue
- Regulatory compliance issue
- Workplace discrimination
- Sanctions and watchlists



Environmental and social

- Child labor violations
- Corporate waste management
- Emissions standards breach
- Employer health safety violation
- Human rights concerns
- Negative agricultural practices
- Poor water management practices
- Unsustainable energy use



Financial

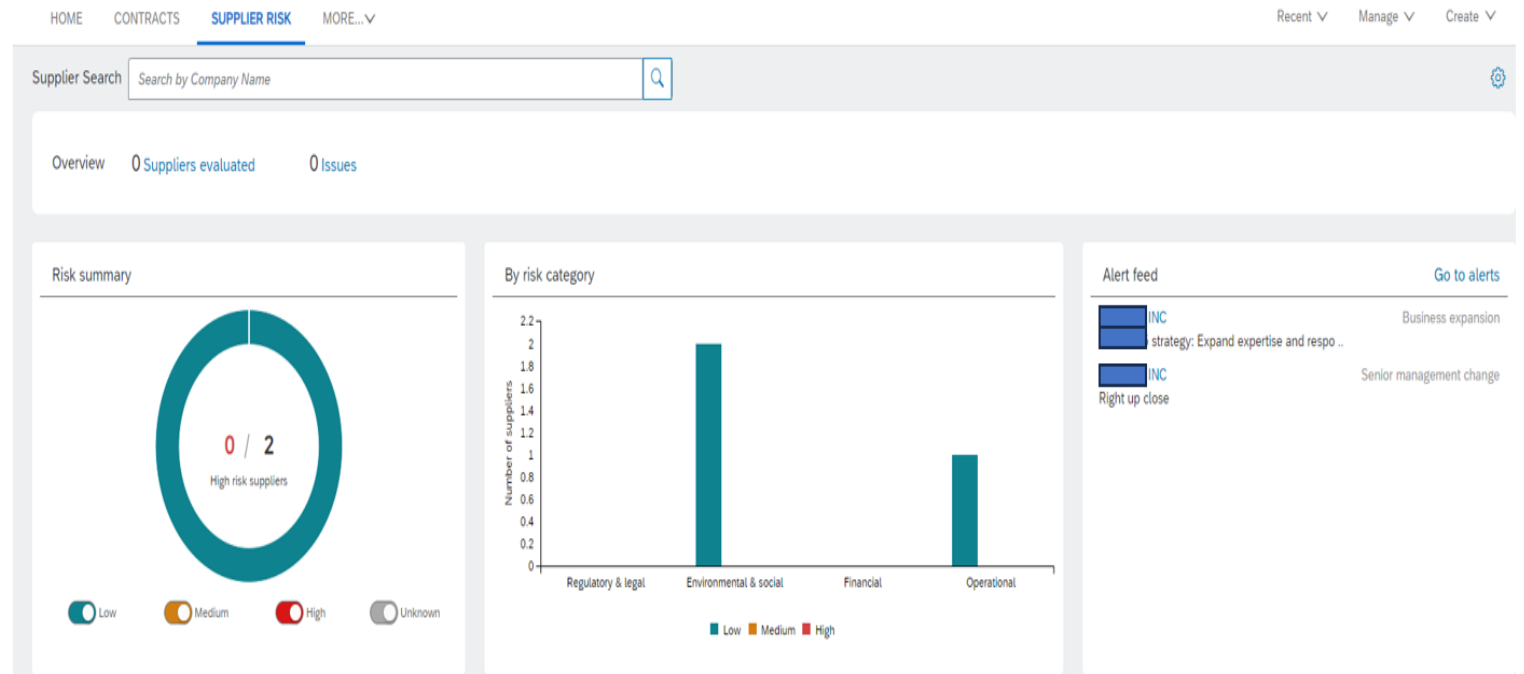
- Corporate bankruptcy
- Deteriorating financial situation
- Divestment
- Downsizing
- Ownership change



Operational

- Corporate restructuring
- Natural disaster
- Labor Issues
- Accidents
- Geopolitical issue
- Disruption
- Pandemic
- Production Issues
- Project Issues
- Senior Management Change
- Transportation

Business user production dashboard



Example continued

 no-reply@ansmtp.ariba.com
To 

 Reply  Reply All

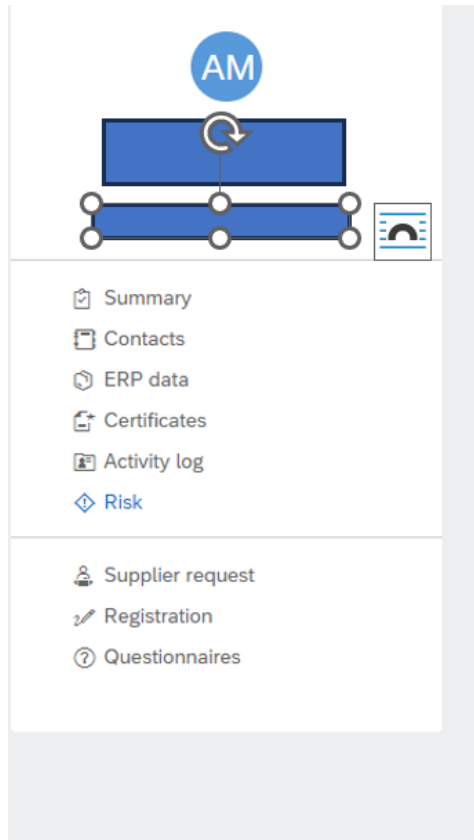
 If there are problems with how this message is displayed, click here to view it in a web browser.

Adverse media alerts

Based on your supplier subscriptions, the below alerts are available for suppliers you are following.

Supplier name	Incident type	Severity	Received
 kaging Systems, LLC	Ownership Change	Medium	September 20, 2023
 kaging Systems, LLC	Ownership Change	Medium	September 20, 2023
 LLC	Ownership Change	Medium	September 20, 2023

Dashboard examples from our business users



AM

Summary

Contacts

ERP data

Certificates

Activity log

Risk

Supplier request

Registration

Questionnaires

Risk

Risk exposure [Risk incidents](#) Enriched corporate info Custom data

Trade style



Incidents (109 incidents)

Incident type

All incident types

Time period

All available

Date	Incident type	Type	Risk category	Risk summary
Oct 12, 2023	Legal issue (1)	Negative	Regulatory & legal	Legal issue event has been indicated for this supplier in the following number of articles: 1
Oct 12, 2023	Regulatory compliance issue (1)	Negative	Regulatory & legal	Regulatory compliance issue event has been indicated for this supplier in the following number of articles: 1
Oct 12, 2023	Environmental and social issue (1)	Negative	Environmental & social	Environmental and social issue event has been indicated for this supplier in the following number of articles: 1
Sep 29, 2023	Legal issue (11)	Negative	Regulatory & legal	Legal issue event has been indicated for this supplier in the following number of articles: 11
Sep 28, 2023	Environmental and social issue (6)	Negative	Environmental & social	Environmental and social issue event has been indicated for this supplier in the following number of articles: 6

▼ Incidents (109 incidents)

Incident type

All incident types



Time period

All available

Date ↕	Incident type	Type	Risk category	Risk summary
Jan 4, 2023	Legal issue (1)	Negative	Regulatory & legal	Legal issue event has been indicated for this supplier in the following number of articles: 1
Nov 29, 2022	Ethical Practice (2) →	Positive	Environmental & social	Ethical Practice event has been indicated for this supplier in the following number of articles: 2
Nov 25, 2022	Regulatory compliance issue (1)	Negative	Regulatory & legal	Regulatory compliance issue event has been indicated for this supplier in the following number of articles: 1
Nov 24, 2022	Geopolitical issue (1)	Negative	Operational	Geopolitical issue event has been indicated for this supplier in the following number of articles: 1
Nov 16, 2022	Ethical Practice (3) →	Positive	Environmental & social	Ethical Practice event has been indicated for this supplier in the following number of articles: 3
Nov 15, 2022	Downsizing (1)	Negative	Financial	Downsizing event has been indicated for this supplier in the following number of articles: 1
Nov 10, 2022	Environmental and social issue (1)	Negative	Environmental & social	Environmental and social issue event has been indicated for this supplier in the following number of articles: 1
Nov 10, 2022	Price increase (1)	Negative	Financial	Price increase event has been indicated for this supplier in the following number of articles: 1
Nov 9, 2022	Regulatory compliance issue (1)	Negative	Regulatory & legal	Regulatory compliance issue event has been indicated for this supplier in the following number of articles: 1
Nov 9, 2022	Legal issue (1)	Negative	Regulatory & legal	Legal issue event has been indicated for this supplier in the following number of articles: 1






Customer Feedback

Notifications bring awareness and contribute to conversations with our suppliers, based on positive and negative results it provides.

Yes, I use that every day. I like the daily alerts. Very proactive way to get information on your suppliers. I look at the notices and determine if there is a possible that my materials could be affected.

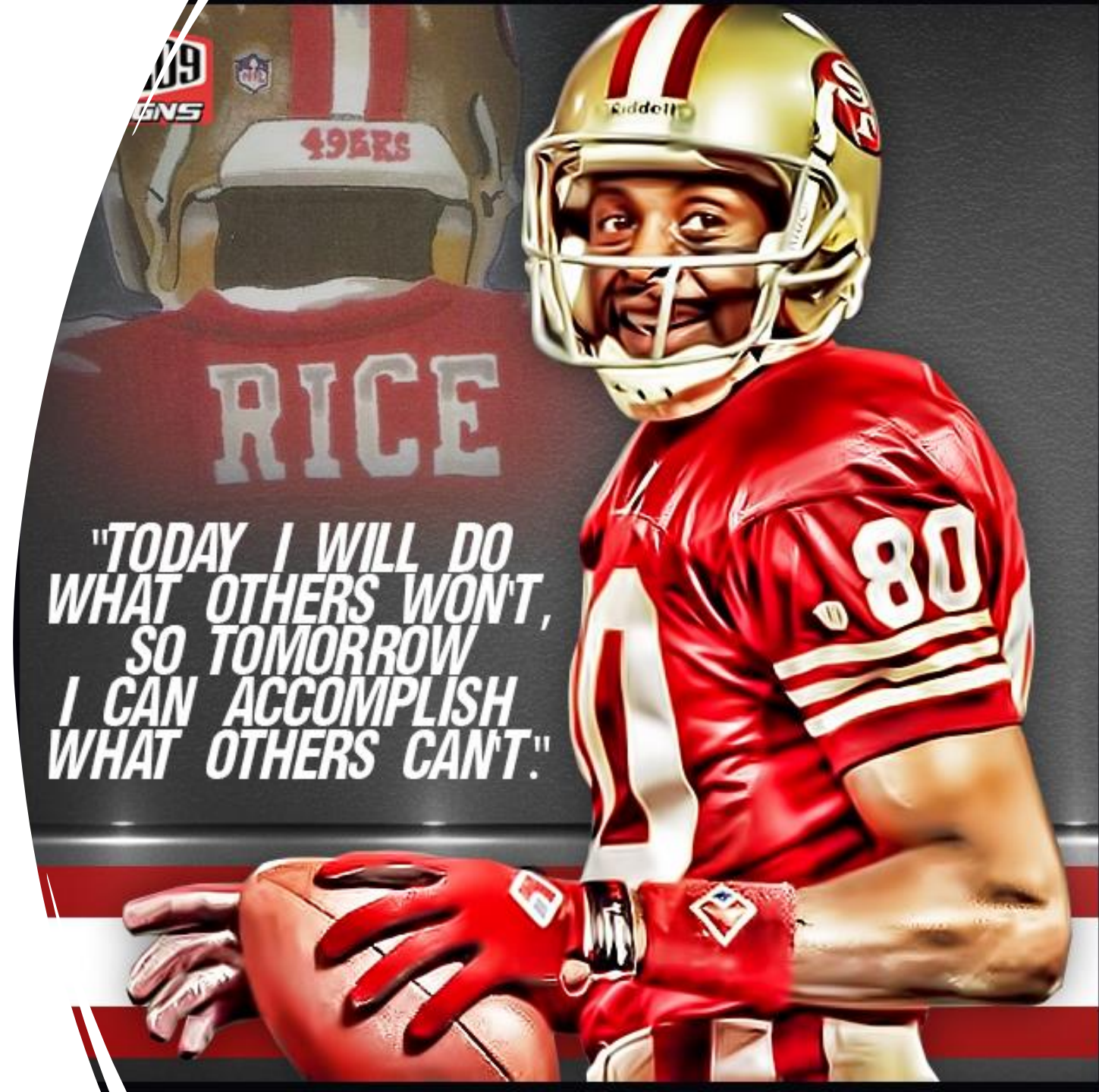
Future Enhancements

Risk content domain	Default providers
Adverse media	No providers are available for the selected Domain.
Corporate data enrichment	
Country/Region risk	
Environmental & social	
Financial	Active 3rd party providers
Operational	No active 3rd party providers.
Regulatory & legal	Available providers
	 Bureau van Dijk Bureau van Dijk delivers the world's financial information, risk scores, and Domain: Financial
	 Dun & Bradstreet Dun & Bradstreet, the global leader insights that empower customers to Domain: Financial
	 RapidRatings RapidRatings transforms the way to Domain: Financial



*Third Party providers at additional cost

Last but not
the least



Thank you

Navneet Kaur

Information Technology

Source To Pay

E & J Gallo Winery

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