Case Study -
Change Management, SOX & Audit Readiness

Boston Properties

Boston Properties (NYSE:BXP)

Boston MA

SOLUTIONS USED: **APOS INSIGHT**
                             APOS ADMINISTRATOR

BACKGROUND:

Boston Properties is a self-administered and self-managed real estate investment trust (REIT), and one of the largest owners, managers, and developers of first-class office properties in the United States, with significant presence in four markets: Boston, New York, San Francisco and Washington, DC.

Founded in 1970, the company was listed on the New York Stock Exchange (NYSE) in 1997. The Company acquires, develops and manages its properties through full-service regional offices. Its property portfolio is comprised primarily of Class A office properties and also includes one hotel, two residential properties and four retail properties. Effective financial reporting is a component and discipline critical to their success, and as their platform of choice, SAP Business Objects drives out reports to management, shareholders and auditors.

CHALLENGE:

As a public company, Boston Properties has a legal responsibility to provide financial reporting with the utmost transparency, accuracy and integrity. In fulfillment of that responsibility, Boston Properties faced three major challenges with regard to:

- Audit requirements
- Report proliferation
- Upgrade facilitation

Management at public companies have a responsibility under Sarbanes-Oxley (SOX) to establish and maintain adequate internal control over financial reporting (ICOFR), and to provide an assessment of the

effectiveness of this internal control structure and the company's procedures for issuing financial reporting. It is the responsibility of the independent auditor to attest to the effectiveness of these controls and reporting.

One of Boston Properties' central internal controls it is a requirement to show evidence of all changes to an inventory of key reports. Addressed manually, this control would require a labor-intensive audit and re-baselining of every report on an annual if not quarterly basis. Boston Properties has a medium-sized IT team, and the challenge of establishing and maintaining this control as a manual process threatened to stretch their limited resources, and triggered a search for a more efficient solution.

Complicating this need was the continued proliferation of reports over time. With more than 1,500 reports, IT wanted to re-baseline all reports that were still being actively used and decommission those that were no longer required.

Another challenge for change management was the need to maintain interoperability with other enterprise systems, particularly their ERP system. Upgrades to the ERP system frequently require changes to report parameters. Such changes meant that all affected reports would need to be baselined in order to be acceptable to the independent auditors, creating a huge burden for the IT team.

SOLUTION:

David Pigott is the V.P., Application Development, at Boston Properties, responsible for research and due diligence on IT solutions. David had been aware of APOS solutions for SAP BusinessObjects for several years and recognized that there was potential for APOS to assist with the audit and control requirements. After appropriate due diligence, these solutions were implemented in early 2014.

The **APOS Insight** solution's audit and monitoring capabilities provided Boston Properties with the ability to match the history of report changes against change management requests. Prior to the implementation of APOS Insight, they would have to assign resources periodically to baseline reports, compare them against the ERP system, and sign off on their validity. However, this process only guarantees the provenance of the report at a point in time. Insight gives them a running history of changes, ensuring change history is up to date. They are now able to issue a weekly change report without placing a major burden on IT resources. This report plays a significant role in their quarterly controls meetings.

APOS Insight thus helps them to fulfill a new requirement in 2015 from their independent auditor that has them baselining all control reports each quarter before signing off on financials. This process would have

introduced a huge burden to IT. After performing their own tests, the independent audit firm was completely satisfied with the use of APOS Insight to track all changes to control reports.

They also used APOS Insight in conjunction with the **Object Manager** module of the **APOS Administrator** solution to decommission approximately 500 of 1,500 report objects almost immediately, and another 400 shortly thereafter, bringing the total number of reports that they had to manage to about 600.

These APOS solutions also facilitated their recent ERP upgrade. Using APOS Insight to perform impact analysis and APOS Administrator to perform bulk updates to reports, they were able to bring Crystal Reports in line quickly with the ERP system, while maintaining a clear change management record for their control reports.

WHY APOS?

Regarding report change management, David said "I can't imagine a public company that doesn't have this issue. Many organizations can only maintain such control by not allowing users to generate reports at all, but we have a tech-savvy user base, able to work with the enterprise systems, and we don't want to stand in the way of them doing their jobs. IT and SAP BusinessObjects platform management are there to facilitate and put controls around their workflows. Any company with SOX requirements or a need to track report change history should consider leveraging a tool such as APOS Insight for this purpose."

Formed in 1992, APOS Systems is a global provider of solutions which enable well managed business intelligence. APOS solutions improve the return on your BI investment through enhanced BI platform management, providing automated and simplified administration, detailed platform auditing and monitoring, robust archive, backup and restore capabilities, enhanced content publishing and distribution, detailed BI query awareness and controls; and targeted solutions to speed and streamline your platform migrations.

APOS solutions simplify, automate, complement and extend your BI platform management practices.

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