



GENERATING AVIATION IMPACT

Distributed model helps global aviation major lower controllership time and costs across over 100 entities



Client

Leading producer of jet engines

Business need

Conduct a control review of 100 entities within a 24-month timeframe and build a framework for assessing and improving the client's control environment and levels of compliance at a lower cost

Genpact solution

- Used an offshore review model to plan and execute the controllership process and account reconciliation reviews at more than 100 entities in 17 countries within 24 months
- Leveraged the findings of the reviews to create a more effective, lower-cost controllership framework

Business impact

- Improved risk identification and compliance
- Increased standardization and simplification
- Reduced controllership cost

A leading producer of jet engines for commercial and military aircraft struggled to manage process risks across multiple geographies. The company wanted to build a framework to review its existing control environment and compliance levels in order to identify areas for remediation and improvement. Genpact performed limited and full-scope reviews of business, finance, and accounting processes at all locations in 17 countries over a period of 24 months, identified root causes for non-compliance, and designed a controllership framework that lowered costs by 30%-40%.

Business challenge

The client had diverse controllership needs, ranging from Sarbanes-Oxley compliance to account reconciliation, Foreign Corrupt Practices Act (FCPA) compliance, and high-risk transaction and operations risk review. With businesses spread across 17 countries, several of which fell into the “high risk” category, the company faced a strong possibility of non-compliance. Efforts to attain a clear picture of current controllership framework and compliance became more challenging by the need to assess more than 100 entities predominantly in remote locations within 24 months and overcome language barriers in non-English-speaking locations.

Genpact solution

Genpact created a distributed controllership model with offshore internal audits, in order to conduct control reviews for more than 100 entities, achieving tighter governance at a lower cost. It conducted a risk assessment exercise for more than 100 entities and over 9,000 general ledger (GL) accounts, based on predefined parameters.

To do so, Genpact used:

Offshore review model

- Provided offsite support to the controllership team in planning distributed controllership activities across diverse geographies and business lines

- Performed reviews via data-sharing technologies such as WebEx, video conferences, and conference calls

Process reviews

- Used a questionnaire to perform a risk assessment of entities in order to prioritize reviews of high- and medium-risk territories
- Conducted conference calls for scope discussions and business process overviews
- Created information requests and data receipts
- Conducted conference calls to facilitate process understanding
- Selected and reviewed samples on a real-time basis with the audit team, in accordance with client time zones
- Prepared and discussed audit issues with site leaders and controllers, and agreed on recommendations

Account reconciliation reviews

- Performed a risk rating exercise on approximately 9,000 GL accounts, taking into consideration the nature of each account (high, medium, or low risk), ending balances, site risks, and past results
- Sampled and tested more than 650 accounts, based on the adequacy of independent support, accessibility of backups, timeliness, and approval

Business impact

- Enhanced coverage for more than 100 entities
- Reduced controller review time from approximately four weeks to one week per site
- Realized 30-40% cost savings over existing cost base, by performing a majority of the pre-work for reviews offsite and only engaging in discussion and report closure onsite (with assistance of in-house auditors)
- Facilitated best practices sharing and enhanced overall process controls by sharing inter-unit best practices and conducting workshops with process owners

About Genpact

Genpact (NYSE: G) is a global professional services firm focused on delivering digital transformation for our clients, putting digital and data to work to create competitive advantage. We do this by integrating lean principles, design thinking, analytics, and digital technologies with domain and industry expertise to deliver disruptive business outcomes - an approach called Lean DigitalSM. We deliver value to our clients through digital-led, domain-enabled solutions that drive innovation, and digital-enabled intelligent operations that design, transform, and run clients' operations. For two decades we have been generating impact for clients including the Fortune Global 500, employing 77,000+ people in 20+ countries, with key offices in New York City, Palo Alto, London, and Delhi.

For additional information, contact cfo.services@genpact.com and visit www.genpact.com/what-we-do/business-services/enterprise-risk-compliance

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