

SAP® BusinessObjects™ Business Intelligence Solutions Provide Makosi Consultants With Insight to Improve Efficiency and Client Service

International Project Management Firm Uses Xcelsius® Software to Reduce Broker-Dealers' Exposure to Billions of Dollars in Credit Default Swap Obligations

NEW YORK - August 19, 2009 - [SAP AG](#) (NYSE: SAP) today announced that Makosi, an international project management firm, is using [SAP® BusinessObjects™ business intelligence \(BI\) solutions](#) to provide better visibility into its work with global financial institutions. Makosi uses [Xcelsius®](#) software, the SAP dashboarding and data visualization solution, to help its clients identify trading compliance risks and flag those that are most immediate and severe. In doing so, it has helped large broker-dealers reduce their exposure to billions of dollars of liabilities and comply with federal electronic-filing regulations. Xcelsius helped enable Makosi to better manage its own teams of consultants, prioritize tasks, cut back on manual processes and increase productivity.

The collapse of the credit market has created new problems and risks for broker-dealers, companies that trade securities for their own accounts or on the behalf of their customers. Today, broker-dealers are turning to project-management specialists like Makosi to help them identify their biggest credit risks, comply with current government mandates and avoid reputation and financial losses. After years of using manual, spreadsheet-based processes to monitor the progress of its consultant teams, Makosi worked with SAP partner [Everything Xcelsius](#) to select and implement the Xcelsius data visualization tool. Makosi selected Xcelsius for its interactive analytics and dashboards and to gain a real-time view of key metrics that impact its broker-dealer clients. It also knew it could benefit from the software's ability to scale and handle high volumes of data in different formats from different sources.

"Before using Xcelsius, we knew we offered our clients the best consulting experts in the financial, accounting and operational consulting markets," said Darren Isaacs, chief executive officer, Makosi. "But what we didn't have was a way to track individual and overall progress, increase efficiency, and - most importantly - prioritize tasks by identifying trades that posed the highest risk to our broker-dealer clients."

Makosi Uses BI to Clear Thousands of Trades for a Large Broker-Dealer

A large broker-dealer recently worked with Makosi to manage risks associated with its thousands of credit default swap (CDS) contracts - contracts that existed only as unconfirmed, paper-based

transactions as opposed to electronically filed ones. To tackle each contract, Makosi consultants had to confirm economic details, resolve discrepancies and ultimately solidify the contracts through upload onto the industry-wide electronic platforms. Xcelsius was the tool of choice for managing workload, helping to mitigate potential risk and monitoring performance over the life of the engagement.

Unconfirmed trades posed a serious risk to the broker-dealer for several reasons: without capacity to address the obligations, it faced billions of dollars in potential liability from "allegements" - CDS contracts filed against the broker-dealer without confirmation that sit and present an unconfirmed insurance contract. Also, the lack of visibility into its trades hindered compliance with federal regulations that require CDS contracts be confirmed within a strict timeline after the inception of the trade. Finally, failure to follow new federal electronic-filing guidelines could result in significant reputational damage and client losses.

"We chose Xcelsius," Isaacs continued, "because its combination of functionality, performance and scalability were far superior to other solutions we reviewed. We were also impressed by how cost-effective Xcelsius was to implement, and how quickly the solution could produce results for us. With Xcelsius we can tier and tackle trade backlogs systematically, measure performance targets, track consultant workloads and ramp up our efficiency on the ground. We are a smaller player often entering and operating in larger financial institutions, and Xcelsius has been a big competitive differentiator for us. Xcelsius has helped us become more effective as a team and has enhanced our performance. We now have the visibility to identify bottlenecks and resolve issues to keep us on track with our deliverables."

Makosi configured its Xcelsius dashboards to visualize key metrics like high-risk trades, trade days outstanding, electronic versus paper trades, trade status through the lifecycle, untouched trades and percentage completed. It also used Xcelsius to set thresholds and notifications for these metrics, and to signal when immediate action was needed. Makosi's first dashboard was up and running in less than one hour, and after a few hours it had a full proof-of-concept dashboard with all key metrics displayed. Teams of business users, regardless of technical skill level, could update dashboard data simply by uploading their spreadsheets via a Microsoft SharePoint Web portal. XML file feeds from a Microsoft SQL Server database also populated dashboard data.

Xcelsius enabled Makosi to dramatically reduce the broker-dealer's backlog of trades that were unconfirmed and not submitted to the Depository Trust & Clearing Corporation (DTCC). The client's electronic-submission numbers drastically improved and the confirmation timeliness was brought to within industry standards and beyond. As a result, the broker-dealer moved from not meeting federal guidelines to exceeding them. Not only did the broker-dealer avoid compliance violations and loss of its reputation, it gained greater visibility into billions of dollars worth of exposure and reduced write-off amounts. In total, Makosi teams have cleared thousands of trades for the broker-dealer.

"Makosi's use of BI technology to help banks manage the current credit crisis is a perfect example of how our solutions give customers the visibility they need to help get their business on track and positioned for growth" said Jonathan D. Becher, senior vice president, Marketing, SAP AG. "This is a powerful reminder of how visualizing business information can bring clarity to complex situations, and how that insight can transform the way work is being done."

About SAP

SAP is the world's leading provider of business software(*), offering applications and services that enable companies of all sizes and in more than 25 industries to become best-run businesses. With more than 89,000 customers in over 120 countries, the company is listed on several exchanges, including the Frankfurt stock exchange and NYSE, under the symbol "SAP."

For more information, visit <http://www.sap.com/>.

(*) SAP defines business software as comprising enterprise resource planning and related applications.

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